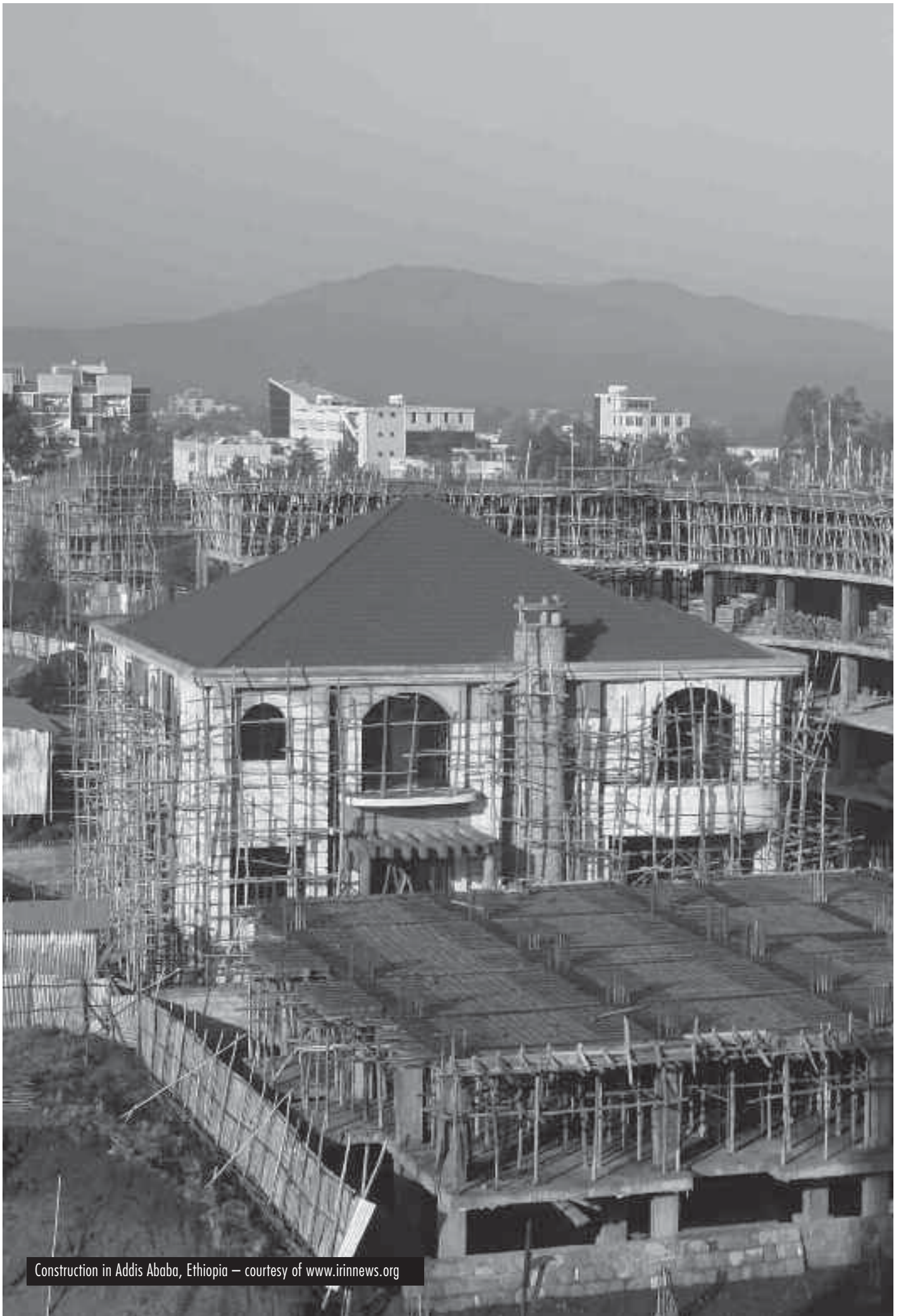


CSAE MEMBERS – RESEARCH INTERESTS AND PUBLICATIONS 2010

**RESEARCH
SEEKING TO
IMPROVE
ECONOMIC
AND SOCIAL
CONDITIONS
FOR THE POOREST**



Construction in Addis Ababa, Ethiopia — courtesy of www.irinnews.org

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**RESEARCH
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RESEARCH STAFF



Christopher Adam

I am a Reader in Development Economics, Department for International Development, University of Oxford, and Research Associate of the Centre for the Study of African Economies (CSAE). On leave in 2009–10. I am currently Lead Academic for Tanzania for the International Growth Centre.

My research is concerned with macroeconomic policy in low-income countries, especially those of sub-Saharan Africa. Most recently, I have concentrated on the analysis of so-called ‘post-stabilisation’ countries – those that have achieved a degree of short-term macroeconomic stability following protracted periods of poor economic management – and in particular on the conduct of monetary and fiscal policy in the face of volatile official and private capital flows. This work, much of it carried out with colleagues Stephen O’Connell (CSAE Research Associate), Ed Buffie and Catherine Pattillo, was supported by an Economic and Social Research Council award under the World Economy and Finance Programme. Two recent papers from this project, focusing on the positive and normative analysis of monetary policy rules in low-income countries, are:

Adam, C.S., E. Buffie, S.A. O’Connell and C. Pattillo, ‘Monetary policy rules for managing aid surges in Africa’, *Review of Development Economics*, 2009; 13 (3): 464–490.

Adam, C.S., E. Buffie and S.A. O’Connell, ‘Fiscal inertia, donor credibility, and the monetary management of aid surges’, *Journal of Development Economics*, forthcoming.

I am currently editing a new book series on the Economics of Africa with Paul Collier under the series title *Policies for Prosperity*. The first two volumes, on Kenya and Zambia, will be published by Oxford University Press in 2010.

As associate editor of *Oxford Review of Economic Policy* I have edited – and written introductory chapters for – two recent issues. The first, co-edited with Stefan Dercon, was on the political economy of growth and development and was published as:

Adam, C.S. and S. Dercon, ‘The assessment: The political economy of development’, *Oxford Review of Economic Policy*, 2009; 29 (2): 173–189.

The second, co-edited with David Vines, is concerned with the global financial crisis and the future of macroeconomic policy-making. It includes an introductory essay by the two of us entitled:

Adam, C.S. and D. Vines, ‘After the financial crisis: Macroeconomic policy in a fragile world’, *Oxford Review of Economic Policy*, forthcoming.

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RESEARCH STAFF

Janine Aron

I am principal researcher on the British Academy Research Development Award project 'The policy challenge of volatile exchange rates under inflation targeting: macro- and micro-measures of exchange rate pass-through in South Africa'. This involves significant collaboration with the South African Reserve Bank and two South African Universities. I also carry out research with John Muellbauer (Nuffield College, Oxford) on monetary policy and inflation modelling and forecasting in South Africa, the USA and the UK, and on UK aggregate and regional consumption, debt and housing issues. I have published mainly in the area of monetary and exchange rate policy and macroeconomics in South Africa. My recent co-edited book *South African Economic Policy Under Democracy* was published by Oxford University Press in March 2009. My bibliography can be found at <http://www.csaе.ox.ac.uk/members/biogs/aron.html>, and downloadable papers are available at the South African Macroeconomic Research Programme (<http://www.csaе.ox.ac.uk>).

I have been a consultant to the World Bank, the International Monetary Fund, World Institute for Development Economics Research, Bank of Chile and the African Development Bank, among others. I lecture in Oxford in the area of international finance, and have held lectureships in economics at Merton and Jesus Colleges in Oxford. I am a Research Associate with the Centre for the Study of Economics and Finance in Southern Africa, London School of Economics.

Aron, J. 'Macroeconomic policy and its governance after apartheid', in Shapiro, I. and K. Tebeau (eds) *After Apartheid: The Second Decade of Democracy*, Virginia: University of Virginia Press, forthcoming.

Aron, J. and J. Muellbauer, 'Addendum on forecasting arrears and repossessions', London: Department for Communities and Local Government, UK Government, 2009.

Aron, J. and J. Muellbauer, 'Mortgage possessions statistics and outlook: an independent review for the UK Minister for Housing/DCLG', London: Department for Communities and Local Government, UK Government, 2009.

Aron, J. and J. Muellbauer, 'Some issues in modelling and forecasting inflation in South Africa', CEPR Discussion Paper 7132, London: Centre for Economic Policy Research, 2009.

Aron, J. and J. Muellbauer, 'Some issues in modelling and forecasting inflation in South Africa', CSAE Working Paper 01, Oxford: Centre for the Study of African Economies, 2009.

Aron, J., B. Kahn and G. Kingdon (eds) *South African Economic Policy Under Democracy*, Oxford: Oxford University Press, 2009.

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Monazza Aslam

My research interests include the economics of education, applied microeconometrics and labour economics, and my work has largely addressed gender and labour market issues in Pakistan. I have extensive experience of collecting primary data for economists. My research has looked at schooling access as well as the quality of schools in Pakistan. In recent work, I have also investigated what teachers can do to improve student achievement in schools in Pakistan. My current research project is titled the Outcomes of Education in Pakistan and is part of the Research Consortium on Educational Outcomes and Poverty (RECOUP) funded by the Department for International Development and based at the Centre for the Study of African Economies (CSAE). As a Research Officer at the CSAE, I have mainly been pursuing

the links between education and economics outcomes (labour force participation, occupation and earnings) and understanding the pathways through which maternal education affects child health in Pakistan. Some future research interests include assessing the relationship between subjective well-being and education, and technical and vocational schooling in Pakistan. I am a Rhodes Scholar from Pakistan (2000), and completed my undergraduate degree at the Lahore University of Management Sciences in Pakistan in 1999 and my doctoral thesis at the University of Oxford in 2006.

Aslam, M., 'Education gender gaps in Pakistan: Is the labour market to blame?', *Economic Development and Cultural Change*, 2009; 57 (4): 747–784.

Aslam, M., 'The relative effectiveness of government and private schools in Pakistan: Are girls worse off?', *Education Economics*, 2009; 17 (3): 329–353.

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Abigail Barr

My research focuses on the role of informal institutions – internalised social preferences, norms, values and social networks – in determining economic decisions and outcomes. I use behavioural experiments, surveys and structured group interview techniques to generate original data relating to individual behaviour within a diverse range of social contexts.

Alvarez, S., A. Barr, B. Douthwaite and K. Tehelen, 'Can we evaluate network brokerage initiatives using data that are byproducts of the network broking process?', CSAE Working Paper 018, Oxford: Centre for the Study of African Economies, 2009.

Attanasio, O., A. Barr, J. Camilo Cardenas, G. Genicot and C. Meghir, 'Risk pooling, risk preferences, and social networks', CSAE Working Paper 020, Oxford: Centre for the Study of African Economies, 2009.

Barr, A. and P. Serneels, 'Reciprocity in the workplace', *Experimental Economics*, 2009; 12: 99–112.

Barr, A. and D. Serra, 'The effects of externalities and framing on bribery in a petty corruption experiment', *Experimental Economics*, 2009; 12 (4): 488–503.

Barr, A., M. Dekker and M. Fafchamps, 'Bridging the gender divide: An experimental analysis of group formation in African villages', CSAE Working Paper 017, Oxford: Centre for the Study of African Economies, 2009.

Barr, A., M. Lindelow and P. Serneels, 'Corruption in public service delivery: An experimental analysis', *Journal of Economic Behavior and Organization*, 2009; 72: 225–239.

Barr, A. *et al.*, 'Homo Æqualis: A cross-society experimental analysis of three bargaining games', CSAE Working Paper 002, Oxford: Centre for the Study of African Economies, 2009.

Barr, A., J. Ensminger and J. Johnson, 'Social networks and trust in cross-cultural economic experiments', in Cook, K., R. Hardin and M. Levi (eds) *Whom Can we Trust?*, New York: Russell Sage Foundation, 2009.

Barr, A. *et al.*, 'Markets, religion, community size and the evolution of fairness and punishment', *Science*, forthcoming.

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RESEARCH STAFF

Alberto Behar

My work is on international trade (including gravity models) and labour demand (including the interactions between skilled and unskilled labour).

Gravity models are used to understand the impact of reductions in trade frictions (such as tariffs or transport costs) on trade between two countries. Empirical studies typically ignore the fact that it is not just changes in bilateral trade frictions that matter, but those changes *relative* to changes in frictions between other countries. Accounting for this (and heterogeneity in firm productivity) reveals that the impact of trade frictions is bigger for countries with a large gross domestic product. An application shows that a one standard deviation improvement in trade logistics quality would raise exports by 46 per cent for a developing country of average size. Because most countries are small, the rise would be only 6 per cent for a country of median size. Related work documents that Africa is becoming more economically distant from world markets, that it actually trades a lot given its small economic size and distance from other markets, and that the share of intra-African trade has grown even after controlling for these factors.

My other research investigates the impact of a rise in the number of skilled workers on unskilled labour demand. One paper examines production complementarities between occupation types. By estimating elasticities of complementarity from a production function using South African data, I find that a rise in the supply of skilled/artisanal workers would raise demand for unskilled workers by increasing their productivity, while a rise in the supply of semi-skilled workers would reduce demand for the unskilled because they are substitutes. Overall, having additional relatively skilled workers raises demand for the relatively unskilled. Another paper models endogenous skill-biased technical change in developing countries. The theoretical model argues that having more skilled workers makes countries import skill-biased technologies, which raises relative demand for skilled workers. Empirical work finds little correlation between relative skill supply and the wage premium. The model explains this in terms of the skill-biased technology import effect cancelling the standard substitution effect.

Behar, A., 'Tax wedges, unemployment benefits and labour market outcomes in the new EU members', *Czech Economic Review*, 2009; 3: 69–92.

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Tessa Bold

My research interests are: applied microeconomics and microeconometrics, microeconomic foundations of macroeconomics, group and network formation, contract theory, public and organisational economics, political economy.

Most of my research focuses on the theory and empirics of both dynamic and static risk-sharing contracts under incomplete enforcement and how issues of group and network formation in insurance groups affect the properties of the equilibrium contract. I am currently also working on models of optimal contract design and incentive provision in public service delivery. Applications include the education and health sector in developing country bureaucracies. Finally, I am interested in game-theoretic models of electoral behaviour and have been involved in a study on ethnic voting and political violence in the 2007 Kenyan elections.

Bold, T., 'Public service delivery: Education', in Adam, C., P. Collier and N. Ndung'u (eds) *Kenya: Policies for Prosperity*, Oxford: Oxford University Press, 2010.

Bold, T., 'Implications of endogenous group formation for efficient risk-sharing', *Economic Journal*, forthcoming.

Bold, T. and S. Dercon, 'Contract design in insurance groups', CSAE Working Paper 004, Oxford: Centre for the Study of African Economies, 2009.

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Paul Collier

I am Professor of Economics and Director of the Centre for the Study of African Economies, Oxford University. I took a five-year Public Service leave, 1998–2003, during which I was Director of the Research Development Department of the World Bank. I am also a Professeur invité at CERDI, Université d'Auvergne, and at Paris 1. In 2008 I was awarded a CBE 'for services to scholarship and development'. I am the author of *The Bottom Billion*, which in 2008 won the Lionel Gelber, Arthur Ross and Corine prizes and in May 2009 I was the joint winner of the Estoril Global Issues Distinguished Book prize. My latest book, *Wars, Guns and Votes: Democracy in Dangerous Places*, was published in March 2009. I am currently Advisor to the Strategy and Policy Department of the International Monetary Fund; advisor to the Africa Region of the World Bank; and I have advised the British Government on its recent White Paper on economic development policy. I have been writing a monthly column for the *Guardian*, and also write for the *New York Times*, the *Financial Times*, the *Wall Street Journal* and the *Washington Post*. My research covers the causes and consequences of civil war; the effects of aid; and the problems of democracy in low-income and natural resource-rich societies.

Chauvet, L. and P. Collier, 'Elections and economic policy in developing countries', *Economic Policy*, 2009; 24 (59): 509–550.

Collier, P., *Wars, Guns and Votes: Democracy in Dangerous Places*, London: The Bodley Head, 2009.

Collier, P. and B. Goderis, 'Structural policies for shock-prone developing countries', *Oxford Economic Papers*, 2009; 61: 703–726.

Collier, P. and A. Hoeffler, 'Testing the Neocon agenda: Democracy in resource-rich societies', *European Economic Review*, 2009; 53 (3): 293–308.

Collier, P., A. Hoeffler and D. Rohner, 'Beyond greed and grievance: Feasibility and civil war', *Oxford Economic Papers*, 2009; 61: 1–27.

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RESEARCH STAFF

Stefan Dercon

I am a development economist applying microeconomics and statistics to problems of development. My interests are diverse, including research on risk and poverty, agriculture and rural institutions, political economy, childhood poverty, social and geographic mobility, microinsurance and measurement issues related to poverty and vulnerability. I teach a number of graduate economics courses at Oxford University. Much of my work involves the collection and analysis of longitudinal datasets, and I am closely involved in seven ongoing longitudinal surveys focusing on rural households in Ethiopia (Ethiopian Rural Household Survey; ERHS), Tanzania (Kangera Health and Development Survey; KHDS) and India (new International Crops Research Institute for the Semi-Arid Tropics Village-Level Studies; ICRISAT VLS), and on children in Ethiopia, India, Peru and Vietnam (Young Lives).

Beegle, K., S. Dercon and J. De Weerd, 'Orphanhood and human capital destruction: Is there persistence into adulthood?', *Demography*, forthcoming.

Dercon, S., 'Rural poverty: Old challenges in new contexts', *World Bank Research Observer*, 2009; 24: 1–28.

Dercon, S., D.O. Gilligan, J. Hoddinott and T. Woldehanna, 'The impact of agricultural extension and roads on poverty and consumption growth in fifteen Ethiopian villages', *American Journal of Agricultural Economics*, 2009; 91 (4): 1007–1021.

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Markus Eberhardt

My research interests centre around the question of how to model economic growth and development empirically. At the macrolevel, I focus on cross-country panel datasets to carry out productivity analysis which allows for differences in the production technology across countries. In this field of research I am particularly keen to further the application of methods from the emerging literature on non-stationary panel econometrics. My contribution here is not just limited to applied empirics, but also includes econometric theory. A related area of research focuses on sector-level productivity and the interplay of the agricultural and manufacturing sectors in the process of economic development. This idea goes back to Arthur Lewis's Dual Economy Model and has recently found renewed attention in the literature. Again, my contribution is focused on an empirical equivalent of these ideas. Third, I have also conducted some research analysing the effects of research and development spending on Organization for Economic Cooperation and Development manufacturing sectors – I plan to extend this further to cover emerging and middle-income economies.

At the microlevel I am interested in detecting productivity spillovers from multinational firm subsidiaries to domestic firms in less developed and emerging economies. Over the past decade the empirical literature on this topic has made significant progress, recognising that vertical (buyer–supplier) relations and horizontal relations between firms (competitors in the same sector) are likely to be affected differently. However, measuring these phenomena with data is subject to a number of potential biases and the econometrician is forced to second-guess the horizontal and vertical relations within and across industrial sectors. A related area of research investigates the impact of firm agglomeration on productivity and export performance. In future work I plan to adopt spatial econometric methods to approach the analysis of agglomeration and/or foreign direct investment spillovers.

As this overview suggests, my work has a strong emphasis on empirical investigation of firm-, sector- or country-level development using new and existing panel datasets. Interested researchers are encouraged to view my website, where I provide links to a large number of data resources.

Eberhardt, M. and F. Teal, 'A common factor approach to spatial heterogeneity in agricultural productivity analysis', CSAE Working Paper 005, Oxford: Centre for the Study of African Economies, 2009.

Eberhardt, M. and F. Teal, 'Econometrics for grumblers: A new look at the literature on cross-country growth empirics', CSAE Working Paper 007, Oxford: Centre for the Study of African Economies, 2009.

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Marcel Fafchamps

I was born in Belgium and studied Law and Economics at the Université Catholique de Louvain before joining the International Labour Organization in Ethiopia. Initially posted to Addis Ababa for two years in a rural development policy advisory role, I stayed on for close to five years, and then went to Berkeley in 1986, where I gained a D.Phil. degree in agricultural and resource economics. I joined the Stanford Food Research Institute in 1989, where I stayed for seven years, teaching development economics and advising students on all aspects of their research. After the closure of the Institute in 1995, I spent three years in the Department of Economics at Stanford, where I taught econometrics and development economics. I spent a sabbatical year in the research department of the World Bank in 1998/99. I joined the Centre for the Study of African Economies in July 1999 as Deputy Director. I am also a Reader in the Department of Economics and a Professorial Fellow at Mansfield College. My recent research focuses on the risk coping strategies of the poor, market institutions, intrahousehold issues and the spatial division of labour.

Benhassine, N., M. Fafchamps, and M. Soderbom, 'Job sorting in African labor markets', *Journal of African Economies*, 2009; 18 (5): 824–868.

Fafchamps, M., 'Human capital, exports and wages', *Economic Development and Cultural Change*, 2009; 58: 111–141.

Fafchamps, M., 'Risk sharing between households', *The Handbook of Social Economics*, forthcoming.

Fafchamps, M. and B. Kebede, 'Subjective well-being, disability and adaptation: A case study from rural Ethiopia', in Clark, D. (ed.) *Adaptation and Well-Being*, Cambridge: Cambridge University Press, 2009.

Fafchamps, M. and B. Minten, 'Insecurity and welfare', *Journal of Development Studies*, 2009; 45 (6): 831–863.

Fafchamps, M. and T. Owens, 'The determinants of funding to Ugandan NGOs', *World Bank Economic Review*, 2009; 23 (2): 295–321.

Fafchamps, M. and F. Shilpi, 'Isolation and subjective welfare', *Economic Development and Cultural Change*, forthcoming.

Fafchamps, M., S. Goyal and M. van der Leij, 'Matching and network effects', *Journal of the European Economic Association*, 2010.

RESEARCH STAFF

Fafchamps, M., B. Kebede and A.S. Quisumbing, 'Intrahousehold welfare in rural Ethiopia', *Oxford Bulletin of Economics and Statistics*, forthcoming.

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Anke Hoeffler

I am a research officer at the Centre for the Study of African Economies and a research fellow at St Antony's College, University of Oxford. My research focuses on the macroeconomics of developing countries, the economics of conflict and political economy. I have published a range of papers on the causes of war, military expenditure, post-conflict economies, the effect of aid and the problems of democracy in low-income and natural resource-rich societies.

Chauvet, L., P. Collier and A. Hoeffler, 'Paradise lost: The cost of state failure in the pacific', *Journal of Development Studies*, forthcoming.

Hoeffler, A., 'Fragile states and conflict recurrence', in Gurr, T.R., J.J. Hewitt and J. Wilkenfield (eds) *Peace and Conflict 2010*, pp. 65–78, Colorado: Paradigm Publishers, 2010.

Hoeffler, A., 'On the causes of civil war', in Garfinkel, M. and S. Skaperdas (eds) *Oxford Handbook of the Economics of Peace and Conflict*, Oxford: Oxford University Press, 2010.

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Christopher Ksoll

My research focuses on the importance of family networks for the care of orphan children in rural areas of sub-Saharan Africa. I analyse the health and education consequences of orphanhood in a context in which the extended family network takes care of most orphans.

My other research interests include the impact of infrastructure on economic growth.

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Kim Lehrer

I am a research officer at the Centre for the Study of African Economies, Department of Economics, University of Oxford, under the research programme on 'Transforming economic policies towards the poor', funded by the Bill and Melinda Gates Foundation. I hold a Ph.D. from the University of British Columbia, Vancouver, BC, Canada. My dissertation investigates men's and women's labour force participation and children's education outcomes using original data collected in Ugandan Internally Displaced People's camps in 2005 and 2007. My research areas are development economics, applied microeconometrics, project evaluation, the economics of education, labour economics and gender issues.

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Justin Sandefur

Since completing my Ph.D. in 2008 I have worked as a research officer at the Centre for the Study of African Economies (CSAE), where I split my time between four field-based projects:

- (i) decentralisation in Kenya's education sector, together with Tessa Bold, Mwangi Kimenyi and Germano Mwabu as well as colleagues from the University of Nairobi and Kenya National Examinations Council;
- (ii) a randomised evaluation of a community justice programme in rural Liberia with Bilal Siddiqi;
- (iii) police and prison monitoring in Sierra Leone also with Bilal Siddiqi; and
- (iv) an urban land-titling initiative in Dar es Salaam, Tanzania, together with Daniel Ayalew and Klaus Deininger of the World Bank and Stefan Dercon and Andrew Zeitlin at Oxford.

I also took six months' leave from the CSAE in 2008–9 to help the Tanzanian government design and launch a new National Panel Survey that will monitor poverty dynamics, agricultural production, etc. for the next six years (and beyond, hopefully).

Bold, T., M. Kimenyi, G. Mwabu and J. Sandefur, 'Determinants of educational achievement in Kenya since the introduction of FPE', in Adam, C., P. Collier and N. Ndung'u (eds) *Kenya: Policies for Prosperity*, Oxford: Oxford University Press, 2010.

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Francis Teal

I have been a Deputy Director of the Centre for the Study of African Economies (CSAE) since 1996. From 2002 to 2006, I was the Oxford Director of the Economic and Social Research Council-funded Global Poverty Research Group (GPRG). I am currently responsible for managing the Gates Foundation-funded programme of work at the CSAE 'Transforming economic policies towards the poor'. Before joining the Centre in 1991 I held positions in Tanzania at the Tanzania Investment Bank, in the UK at the National Institute of Economics and Social Research and the School of Oriental and African Studies at the University of London and in Australia at the Bureau of Agricultural Economics and the Australian National University. I have worked on a wide range of trade and development policy issues. I am currently working on projects studying the evolution of firms in Africa and the links between skills, employment and incomes in African labour markets.

Eberhardt, M. and F. Teal, 'A common factor approach to spatial heterogeneity in agricultural productivity analysis', CSAE Working Paper 005, Oxford: Centre for the Study of African Economies, 2009.

Eberhardt, M. and F. Teal, *Ghana and Côte d'Ivoire: Changing places*, Development Policy Yearbook, Geneva: Institut de hautes études internationales et du développement, forthcoming.

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RESEARCH STAFF

Pedro Vicente

I have been researching the political economy of development, with an emphasis on Africa. I designed and conducted nationwide surveys and experiments in Sao Tome and Principe, Cape Verde, Nigeria and Mozambique.

I have been particularly interested in the curse of natural resources, corruption, vote-buying, electoral violence and ways to improve electoral information and participation.

In the context of my doctoral dissertation, I analysed the mechanisms of the curse of natural resources. I studied the oil discovery in Sao Tome and Principe in the context of a natural experiment. I conducted household surveys on perceived and experienced corruption in both Sao Tome and Principe and Cape Verde, as a control island country. I found that corruption increased particularly in allocations that involved higher proximity to political power; namely, vote-buying increased dramatically in Sao Tome and Principe.

In the next wave of research, I looked at vote-buying in Sao Tome and Principe. Vote transactions before the election are typically non-enforceable when the vote is secret, so my main question was whether vote-buying is effective in driving votes. For that purpose, I designed a field experiment in which an electoral commission-sponsored campaign providing information about the illegality of vote-buying was implemented in randomised locations. The impact was measured through a panel survey and polling station results. Vote-buying was found to increase turnout and the share of vote of the challenger.

Clearly, I am interested in electoral malfeasance, so then I turned my attention to electoral violence and intimidation. Nigeria offered a suitable context during the 2007 elections: 300 people were reported killed during the days of the election. I designed a field experiment looking at the consequences of electoral violence. This research was based on a nationwide campaign by ActionAid International, involving town meetings and popular theatres, as well as distribution of campaigning materials. Electoral violence was found to decrease voter turnout dramatically, and was found to be associated with marginal political groups.

I have recently finalised the fieldwork corresponding to a set of impact measurement activities during the Mozambican election of October 2009. I was interested in various types of formal electoral observation, and in the use of media and cell phones to conduct voter education and spread information during election time.

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Andrew Zeitlin

My research applies microeconomic and econometric theory to the economics of developing countries. In recent work, I have focused in particular on the role of social interactions in shaping individual decisions, including farmers' investments in new agricultural technologies and teachers' absenteeism.

This work brings together three general questions. First, how do social networks form, in light of their potential for conveying information and influence more broadly? Second, how important are peer effects in shaping observed phenomena – from patterns of technology adoption to cultures of absenteeism? And third, do peer effects operate by conveying how-to knowledge, by shaping beliefs about the returns to particular choices, or by other forms of imitation?

In current work, I am investigating these questions through the use of survey data and laboratory and field experiments. In Ghana, I am studying the formation of farmers' groups and their role in agricultural technology adoption, combining survey data, quasi-experimental data on policy interventions and laboratory measures of subjective expectations and attitudes towards risk. In Uganda, I am studying the role of communities and colleagues in shaping teacher absenteeism in the context of a randomised controlled trial, using survey measures and a laboratory experiment in the field.

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DOCTORAL STUDENTS

Meltem Aran

Measuring women's revealed preferences and empowerment using experimental data

I am currently working on a paper that investigates the impact of the current economic crisis on household welfare and adjustment mechanisms in Turkey. Drawing on a special household survey conducted during May–June 2009 in seven provinces of Turkey, the paper looks at (i) the extent to which aggregate shocks at the provincial level have translated into household-level labour income shocks; (ii) the formal and informal safety nets households have utilised in times of need; and (iii) how (particularly in the absence of safety nets) households have responded to income shocks through changes in consumption behaviour.

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Rulof Burger

Estimating the returns to education for South African workers since political transition

This dissertation investigates the effect of education on the productivity of South African workers. A variety of econometric techniques are used in order to address the biases that can plague the Mincerian returns, including the use of panel data, instrumental variable and structural modelling techniques.

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Bet Caeyers

Targeting performance of community-driven development (CDD) projects

The focus of my research is on the targeting performance of community-driven development (CDD) projects in comparison with more centralised forms of development initiatives. More specifically, I am looking at the role of social networks – both horizontal and vertical ones – in CDD targeting.

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Daniel Clarke

Designing insurance for the poor

I am a Fellow of the Institute of Actuaries and am working on how to design private and public insurance for the poor. I have been working on the merits of multilateral group excess of loss insurance contracting between formal insurers and groups of policyholders, and the trade-off between index and indemnity-based insurance contracting.

The majority of my thesis is applied economic/financial theory, and I have recently returned from running a series of laboratory experiments with 350 Ethiopian farmers.

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Matthew Collin

Essays on sibling nutritional inequality and ethnic competition

I am currently researching the interaction between birth order and various child outcomes, such as nutrition and cognitive achievement. I also have strong interests in ethnic competition for public good provision and aid effectiveness.

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Paolo de Renzio

Aid, domestic politics and the quality of institutions: The political economy of budget reforms in aid-dependent countries

My thesis looks at the impact of different kinds of foreign aid on governance reforms in aid-dependent countries, with a particular focus on reforms of government budget institutions. The research aims to test the claim that shifts in donor policies towards programme aid modalities, better coordination and support to institutional development are effective at promoting an improvement in the quality of budget institutions, measured through some available cross-country indicators. The research combines quantitative and qualitative approaches, recognising the relative strengths and weaknesses of both approaches.

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Paolo Falco

Risk aversion and occupational choices: Experimental evidence from urban Ghana

My research investigates the determinants of earnings and occupational choices in African labour markets. In particular, I am interested in the link between workers' attitudes to risk and vulnerability and their preferences for different forms of employment. My empirical work is based on an innovative combination of survey data and field experiments. Most recently, I have concentrated on assessing the impact of microcredit on the profitability of small enterprises in urban Ghana.

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Ghada Fayad

Macroeconomic modelling of migrant workers' remittances

My thesis contributes to the growing literature on the macroeconomic effects of migrant workers' remittances in terms of their Dutch disease effect and growth prospects. My Dutch disease analysis focuses, theoretically and empirically, on the Middle East and North Africa region for its rich (intra-regional and international) migration patterns.

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Christian Helmers

Spillovers, innovation and firm performance

My dissertation analyses the link between innovation, spillovers and firm performance. The focus of my dissertation is to incorporate a firm's intellectual property (IP) and spillovers into the existing structural production function framework in order to analyse the effect of inter-firm spillovers on firm-level productivity.

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In addition, in other chapters of the dissertation I analyse the effect of IP on firm performance measured as survival and growth of startup firms using firm-level data for the UK.

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Fadel Jaoui

Essays in international macroeconomics

The broad theme of my research is financial crisis prevention in emerging economies. I am currently investigating the implications of exchange rate policy–exchange rate regime choice and capital account restrictions on the likelihood and intensity of financial crises, looking at a broad sample of emerging countries over the past two decades. I am also examining the effect of capital controls on the probability of currency crisis occurrence as well as the optimal interest rate defence policy against speculative attacks based on a currency crisis model of a small open economy within a global games framework.

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Naureen Karachiwalla

Essays in education incentives

I am investigating the economics of the education sector, with a particular focus on the incentives faced by teachers. I will look at how the extensive teacher evaluation system in Gansu province in China affects various inputs and outputs of teachers. I will also examine the impact of different contracting arrangements of community interns in Kenya through a randomised controlled trial approach.

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Andrew Kerr

Informality and its implications for poverty in sub-Saharan Africa

The first chapter in my thesis explores the impact of unions and the public sector on wage setting in South Africa using the KIDS panel dataset; the second examines the impact of Tanzanian education reform on the returns to education; and the third will model the distributional effects of asymmetric information between employees and employers in labour markets with high levels of self-employment.

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Martina Kirchberger

Managing health risks caused by changing climatic conditions through index-based health insurance products

My research explores how links between weather patterns and the incidence and intensity of particular diseases can be used to develop better financing models for health facilities in the tropics, in particular in sub-Saharan Africa. Administrative processes, public sector information systems and leakage of public funds present bottlenecks to timely reactions by healthcare providers. Parametric health insurance provided to health facilities would release immediate funding based on easily observable and verifiable triggers, and would cut transaction costs as well as costs induced by adverse selection and moral hazard. It thereby has the potential to offer an efficient and attractive way to ensure the establishment and maintenance of high-quality local healthcare.

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Sofya Krutikova

Essays on causes and consequences of household poverty

I explore a number of important empirical questions in development economics using microeconomic analysis. My thesis will contain three papers utilising two different datasets. In two of the papers I explore issues related to child labour in rural Tanzania and India. In the first of these I examine the long-run consequences of child labour on a selection of outcomes using the Kagera Health and Development Survey (KHDS) data, a thirteen-year panel dataset for the Kagera region in Tanzania. In the second child labour paper, I analyse determinants of selection into child labour using the Young Lives panel dataset from Andhra Pradesh, India. The KHDS dataset is also used in the third paper to examine how and to what extent income shocks affect long-term outcomes. In the first part of this paper I will analyse the effect of agricultural shocks on a range of child outcomes in the long run. In the second half of the paper, I will explore the potential mechanisms through which long-run outcomes can be affected, by looking at the short-run coping strategies adopted by households in the face of shocks.

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Yuya Kudo

Rural to urban migration and labour market outcomes in Africa

Using microlevel data from rural and urban Africa, my thesis investigates (i) how migrants have achieved the higher growth of welfare during 1991–2004 with an emphasis on the attainment of education and the choice of occupations and (ii) how migrants are assimilating into urban labour markets. My study gives great insight into (i) both intertemporal and interregional change in the distribution of welfare and (ii) large heterogeneity in urban populations associated with migrants' arrival years.

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Priscilla Muthoora

Public finance and growth in sub-Saharan Africa

My thesis consists of three stand-alone essays examining the non-neutral role of the government in African growth. Two of the essays are 'backward-looking' empirical studies on a panel of sub-Saharan African countries. In the first, I document the sources of growth in sub-Saharan Africa (SSA) and provide explanations for the recent pick-up in growth. In the second, I examine the deficit bias of governments in SSA in the context of the tax-smoothing hypothesis due to Barro (1979). The third essay is a simulation-based study examining the effects of alternative public spending choices on growth and welfare in a small open African economy.

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Ingo Outes-Leon

Essays on risk, nutrition and poverty dynamics

My research centres on how uninsured risk can affect the welfare of households and individuals both in the short term as well as in the long term. In a set of papers using the Young Lives dataset, I explore the impact of shocks on nutritional status, cognitive development and working patterns of young children in Peru, India and Ethiopia. Using the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) dataset, I explore poverty trap dynamics and multiple equilibria in rural Andhra Pradesh. While

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in Ethiopia, I am currently involved in the evaluation of the Productive and Safety Net Program (PSNP) and a microinsurance randomised intervention.

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Natalie Quinn

Measuring poverty over time

I tackle the problem of aggregating welfare data across individuals and over time, in particular to construct measures of poverty which account for the trajectories of well-being experienced by individuals or households. I take weak and normatively highly desirable properties as axiomatic to construct a broad class of suitable measures. In one chapter (joint work with Catherine Porter), we analyse the properties of the induced trajectory ordering in more detail, arguing on normative grounds that intertemporal compensation of well-being must not increase as the level of well-being decreases. This enables us to suggest a new family of intertemporal poverty measures, which we apply to analyse poverty in rural Ethiopia in the period 1994–2004. We also show that this property precludes pure duration sensitivity, making the intertemporal poverty measures proposed inapplicable to the measurement of chronic poverty. However, it does open up the possibility of decomposition into chronic and transient components, which I explore further in another chapter. The final chapter will take a more positivist revealed preference approach to characterise empirically properties of individuals' intertemporal preferences.

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Simon Quinn

Credit and legal status in Moroccan manufacturing

In this thesis, I study the relationship between Moroccan manufacturing firms' choice of legal status and their access to bank overdraft facilities. I find that Morocco's corporate law reform of 2001 harmed manufacturing firms' access to bank overdraft facilities and I consider possible reasons for this.

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Alan Sanchez

Essays on child development and cognitive skills formation in Peru

The main objective of my thesis is to study the relationship between investment in nutrition (during early childhood) and schooling (during mid-childhood) on later cognitive outcomes. To this end, I use longitudinal data from two cohorts of Peruvian children who (so far) have been followed for five years since they were 1–2 years old and 7–8 years old, respectively (Young Lives Project). Information on adverse climate events at the community level and changes in educational policy are used to instrumentalise early nutrition and schooling, respectively.

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Bilal Siddiqi

Colonised villages: Institutions, path dependence and public good provision

Are feudal village-level institutions, set up during the colonial era, inimical to long-run socioeconomic development? Does this continue to be the case after decolonisation and the introduction of electoral democracy and mass politics? We address these questions by exploiting variation in the type of village-

level local governance institutions set up by the British in Sargodha district in West Punjab (in present-day Pakistan) between the nineteenth and twentieth centuries, and by analysing the difference in public good provision between these distinct types of village institutions over the post-independence period (1951–2003). Using a unique database of village-level provision of twelve public goods, we find that villages endowed with feudal institutions do significantly worse at the provision of essential state services such as electricity, roads, street paving, sanitation and middle and primary schooling for girls after controlling for many obvious variables. Furthermore, we find that effects persist to the current day in spite of the informalisation of these institutions post independence. Our findings suggest that ‘entrenched’ feudal institutions that escape land reforms, as they have in Pakistan, have adverse long-term political economy and developmental effects that are distinct from their effect on agricultural production and productivity.

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Richard Stanley

The political economy of child survival in Sierra Leone

My doctoral research examines how households ‘produce’ child health outcomes in post-conflict contexts. I find that economic recovery and humanitarian services delivery are highly important determinants of child survival. Long-term improvements in child health outcomes are constrained by unsuitable water and sanitation services delivery, a limited public financial infrastructure and grand corruption.

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Nicolas Van de Sijpe

Foreign aid and government behaviour

I study the fungibility of foreign aid with a specific focus on the education and health sectors. I construct a unique dataset of education and health aid disbursements. To some extent the data allow differences to be distinguished between on- and off-budget aid, which I show is crucial to obtain unbiased estimates of the degree of fungibility. Results suggest that aid is much less fungible than commonly thought. I also empirically examine the effect of different aid modalities on measures of a recipient country’s bureaucratic quality.

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Bruno Versailles

Aid and regional integration

My thesis is made up of two major parts. First, there is a theoretical part exploring linkages between aid flows and regional trade integration in a unified macroeconomic framework. A computable general equilibrium model identifies the real-world implications of the model with an application to the East African community (EAC). Second, I look at the integration of goods markets for four countries of the EAC by means of a unique database on consumer prices, linking distance, price movements and exchange rates across the region.

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Jan von der Goltz

Essays in development and environmental economics

My dissertation considers questions of environmental economics in developing countries. In the first two papers, I aim to investigate aspects of the welfare impact of climate change. In one, I consider household adaptation mechanisms to climate change in Africa, and I aspire to narrow the gap between Ricardian and crop yield-based studies by explicitly modelling transition cost. In the second essay, I discuss the impact of inequality on aggregate climate change damage estimates. I consider the implications of choosing certain welfare functions, and illustrate the sensitivity of damage calculations to simplifying assumptions about the initial distribution and changes in inequality over time.

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Simon Baptist

Technology, human capital and efficiency in manufacturing firms

Accounting for output per worker differences across countries has been an ongoing topic of research in economics. In my thesis, I expand upon standard approaches by allowing for technological heterogeneity and exploiting firm- and worker-level data to determine the microeconomic sources of variation in both productivity and earnings.

An intercontinental comparison using production functions for the Ghanaian and South Korean manufacturing sectors in Chapter 2 finds, in contrast to the conclusions of much of the macroeconomic literature, that there is no difference in total factor productivity (TFP). The microeconomic sources of the difference in value added per worker lie within the technology of firms, which is defined as the way in which inputs are used. Two important dimensions of this difference are the larger role of material inputs and the much lower rate of return to schooling in Ghana. In Chapter 3, a more general specification investigates intra-African variation in production, which is much smaller than the intercontinental difference. The pattern of cross-country heterogeneity is that, as gross domestic product per capita rises, the relative input of materials falls, those of capital and labour rise and the returns to education increase. Differences in TFP are limited.

Possible sources of the low returns to schooling in Ghana are investigated in Chapter 4 using earnings and production functions. Conditional upon selection into occupations, the only group of workers for whom education appreciably increases earnings are those employed in skilled jobs with more than ten years of education. The evidence is consistent with a lack of technological sophistication being the source of these low returns. Investment in new production processes by firms will increase the return to education and raise incomes and output. Reducing the share of intermediate inputs in production is key to the transition from low to high productivity activities. Technology is the critical element that can explain the performance of manufacturing firms across countries.

Markus Eberhardt

Modelling technology in agriculture and manufacturing using cross-country panel data

Why do we observe such dramatic differences in labour productivity across countries in the macro-data? In my thesis, I argue that the growth empirics literature oversimplifies the complexity of the production process across countries and neglects data cross-section and time-series properties, leading to bias in the empirical estimates.

In my first chapter, I present two general empirical frameworks for cross-country productivity analysis and demonstrate that they encompass the growth empirics literature of the past decades. I introduce my central argument of cross-country heterogeneity in the impact of observables and unobservables on output and develop this against the background of the pertinent time-series and cross-section properties of macro-panel data.

In Chapter 2 I use data from forty-eight countries to estimate manufacturing production functions. I discuss standard and novel estimators, focusing on their treatment of parameter heterogeneity and data time-series and cross-section properties. I then develop the augmented mean group (AMG) estimator and show its similarity to the Pesaran (2006) common correlated effects (CCE) approach. Empirical results confirm

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parameter heterogeneity across countries in the impact of observable inputs on output. I check the robustness of this finding and highlight its implications for empirical measures of TFP.

In Chapter 3 I investigate the heterogeneity of agricultural production technology using data for 128 countries. I introduce an extension to the CCE estimators which allows me to suggest that TFP is structured such that countries with a similar agroclimatic environment are influenced by the same unobserved factors. This finding offers a possible explanation for the failure of technology transfer from advanced countries of the temperate 'north' to developing countries of the arid/equatorial 'south'.

I use the Monte Carlo simulations in Chapter 4 to investigate the performance of the AMG, CCE and standard (micro-)panel estimators. Failure to account for cross-section dependence is shown to result in serious distortion of the empirical estimates. I highlight scenarios in which the AMG is biased and offer simple remedies.

Recent approaches in development economics (randomised experiments, growth diagnostics) are in agreement that cross-country growth regressions are uninformative as to the causes of growth and this empirical approach is now deeply unfashionable. The fact that we have not learnt the causes of growth from cross-country regressions does not mean that we have learnt nothing and – as I seek to demonstrate in this thesis – it does not mean that we cannot learn more by using appropriate methods.

Nina Fenton

Ethnicity, poverty and education in rural China during the marketisation period

Educational disadvantage of particular ethnic groups relative to the Han Chinese majority is well documented, and is both a cause and effect of their income disadvantage. Although marketisation has brought rapid economic growth and reduced poverty, it has also increased the costs of education and led to highly variable quality. This may have disadvantaged the most vulnerable groups. I examine the determinants of investment in education in order to analyse the reasons for minority disadvantage and its persistence over the marketisation period. The thesis uses rural household data from 1988, 1995 and 2002 and a dataset on academic achievement of children in the final year of compulsory education collected by the author in a remote minority region of China.

Courtney Monk

Health and education in developing countries

My thesis focuses on the evolution of human capital over the life cycle in developing countries. Specifically, I use new micro-datasets to investigate: (i) the impact of malnutrition on academic achievement in rural India; (ii) the returns to apprenticeship training in urban Ghana; and (iii) the effect of health on earnings in Ghana.

Gaurav Nayyar

The role of services in development: The Indian experience

India has become one of the fastest growing economies in the world over the last two decades. Importantly, a striking aspect of the country's recent growth has been the dynamism of its services sector. At present, the services sector in India accounts for around 51 per cent of gross domestic product and, over the last decade, the growth rate of services has been much faster than that of either industry or agriculture. These facts, which suggest that the services sector can dominate economic activity and lead economic growth in an important developing country, are striking, yet they appear to be largely ignored by economists. Hence, the objective of my thesis is to analyse the role of the services sector in economic

development. It is hoped that this would fill an important gap in the literature on the subject. Given the objective, the scope of the thesis is limited to an analysis of the following principal hypotheses.

First, I seek to look inside the black box of the services sector by developing a taxonomy that disaggregates the services sector in India with reference to a set of eleven attributes that are important indicators of development. Second, I seek to analyse movements of labour across sectors and to compare productivity growth between the agricultural sector and informal services sector in order to determine the dominant residual sector of the economy, in terms of labour absorption. Third, I use data from consumer expenditure surveys to estimate Engel curve-type relationships for services in the aggregate and for six categories of services: education, health, entertainment, personal, communication and transport. Fourth, using data from household surveys on employment, I analyse the quality of employment being created in the different subsectors of services by examining four indicators: educational barriers to entry, job contracts, social security benefits and wages.

Patrick Premand

On risk, poverty and economic mobility

In my dissertation I analyse the causal and normative links between risk, poverty and economic mobility. In Chapter 1 I focus on the ex post effects of Hurricane Mitch on consumption growth of Nicaraguan agricultural households. Idiosyncratic and common dimensions of the shock are disentangled, together with its impact after one and three years. Within a sample of households affected by the hurricane, micro-growth model estimates point only to a limited short-term negative impact of idiosyncratic damage. Mitch's medium-term common impact is considered in an experimental set-up: affected households do not suffer from lower growth than control households in the three years after the hurricane. Overall, Mitch's direct consumption impact thus exhibits little persistence. In Chapter 2 I examine the distributional effects of shocks on households' welfare path over time. In a three-round Nicaraguan panel, trajectories are defined as the sequence of households' position along the welfare distribution as time unfolds. I assess the role of shocks in driving two specific mobility patterns: I find novel and robust evidence that shocks trigger poverty persistence, but shocks prove weaker determinants of downward mobility, particularly for households in the top tercile. Evidence is consistent with increasing access to insurance mechanisms along the welfare distribution.

In Chapter 3 I tackle the poverty–risk nexus in a normative perspective. The vulnerability literature considers the effect of downside risk on welfare ex ante, expanding the horizon of poverty measurement. I make two contributions to an approach viewing 'vulnerability as poverty'. First, I develop a conceptual framework in which a partial period-ahead risk premium is aggregated to the traditional poverty line. The methodology is equivalent to identifying households most at risk within a band above the deterministic poverty line. Second, I present an empirical application for drought risk and Nicaraguan data. Risk-extended poverty measures identify a group of traditionally non-poor households that become poor if the ex ante welfare cost of uninsured risk is taken into account.

Ingrid Shaw

Income inequality and the decision to steal: A series of experimental investigations

I use an experimental framework to investigate the causal relationship between income inequality and criminal-like behaviour. I investigate the act of taking at the individual level using a suite of specially designed one-shot multiplayer dictator games. The first experiment, conducted in the United Kingdom, explores an individual's decision to steal subject to detection and punishment. The remaining experiments, conducted in South Africa, remove the element of punishment and focus on the act of taking in conjunction with an individual's distributive preferences. These experiments examine the extent to which an individual's

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aversion to income inequality interacts with an individual's initial income, the degree of initial income inequality, the manner in which initial incomes are assigned, the location of individuals in the income distribution and the constraint, if any, placed on the action space.

I analyse the experiment data using dyadic regression analysis, an original methodology within this area of research. The results provide evidence of a positive causal relationship between income inequality and taking behaviour. I show that individuals are averse to income inequality, electing to take from others and reduce their own incomes when such actions are required to diminish initial inequality. Further, I show that all the factors mentioned above interact with an individual's attitude towards income inequality to influence the final allocation of pay-offs.

The causal relationship between income inequality and taking behaviour indicates that inequality-reduction policies may also act as crime-reduction policies. Furthermore, the findings – particularly that individuals are more likely to accept income inequality if individuals are perceived as deserving their initial incomes and that, while some individuals may believe earned income is deserved, others, especially those who feel excluded from the labour market, may not – suggest that policies should be designed so that individual attitudes towards income inequality can be catered for within society.

Andrew Zeitlin

Institutions, innovation and incentives in rural Ghana

Douglass North, in his Nobel Prize lecture, emphasised the interaction between institutions, the often cited 'rules of the game', and organisations and entrepreneurs, its 'players', in shaping the process of economic development. In this thesis, I use microeconomic data to investigate the relationship between alternative institutional structures and individual choices. In three central chapters, variation in the institutional forms – across time, and across geographic and social space – is exploited to analyse the links between the institutional framework, the incentives that it embodies and the choices made by rural households in Ghana.

In the first chapter I consider the effect of a major institutional reform in the cocoa sector of Ghana: the introduction of a restricted form of competition in domestic purchasing markets into what was previously a pure state monopoly system in 1992. While this reform itself was introduced universally de jure, the extent of effective competition in cocoa-purchasing markets that has been introduced varies markedly across segmented village markets and over time. The chapter exploits exogenous sources of variation in the degree of competition among local purchasing franchises across villages and years to identify the impact of this competitive market structure on producer productivity.

Although, in the first chapter, I make use of the fact that market structure is partially determined by external factors, this resulting institutional structure is mediated by individual choices and social interactions on the ground. In the second chapter I take a bottom-up perspective, focusing on farmers' choices of affiliation with local marketing franchises to assess the role of social influence in technological innovation. A social network approach is used to analyse the process of group affiliation, and a model of social learning in endogenous affiliation networks is developed and estimated. The empirical approach seeks to address Manski's (1993) 'reflection problem', that is, to distinguish true social influence from the effects of unobserved characteristics of groups of assortatively matched individuals. In this chapter, I argue that estimation of the process of endogenous group formation allows identification of social influence in technology adoption.

In the third chapter, I look at the role of property rights in shaping rural–urban interlinkages. In particular, I ask whether the transferability of property promotes outmigration by providing parents with a way to incentivise remittances from their children. Differences in property rights across ethnic groups and in landholdings within groups are exploited to identify the role of the inheritance motives in migration decisions.



Artisanal diamond washing in Sierra Leone — courtesy of www.irinnews.org

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RESEARCH
SEEKING TO
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