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Four
Reproducible
Contributions in
Development
Economics

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Making the Next Billion Demand Access

Grandfather and Grandsons

Global Value Chains in

# Four Reproducible Contributions in Development Economics

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Internal Reader, President
External Reader

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Making the

Next Billion Demand

Access

## Reproducibility Reproducible

- Same data
- Publish procedures, data (source), CodeBook
- Lower standard than replicability Motivation:
- Reinhart Rogoff: Growth in a Time of Debt
- Rauchhaus: Evaluating the Nuclear Peace Hypothesis Tools:
  - R

event \*

setswana

Table: Internet Access and Computer Ownership

publish packages: replicability Git (version control)

Internet (P > |t|)

0.00

0.012

Computer

0.00

0.024



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#### Motivation

- Two-Sided Market / Cross-side network effects
- WWW content is hard
- Social media content is easier: Facebook vendor lock-in

Table: Protocol Stack and Network Effects (NE)

Soc. Media Website (simple NE, propr.)	Spam (negative NE)			
Websites (cross-side NE)	Email (simple NE)			
TCP/IP (simple NE)				

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### Quantifying Content

using visit counts instead of page counts

### Endogeneity

- Maybe Google introduced the interface following increased usage among Setswana speakers?
- Botswana speaks Setswana
- google.co.bw was translated in Setswana
- introduction on google.co.za was a spillover, exogenous (2011)
- google.co.za also introduced Xhosa, but not exogenous

#### Data NIDS

■ 2008 & 2011 (pre), 2013 (post)



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and Grandsons

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#### Table: Internet Access and Computer Ownership

	Internet	(P >  t )	Computer	(P >  t )
event * setswana	0.012	0.00	0.024	0.00
event	-0.012	0.00	-0.054	0.01
setswana	-0.014	0.00	-0.015	0.00
income	0.000	0.00	0.000	0.00
woman	-0.001	0.23	-0.023	0.00
education	0.001	0.00	0.006	0.00
Observation	47665		46464	



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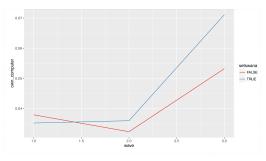
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### Figure: Computer Ownership Setswana





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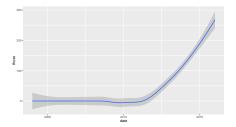
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### Figure: Effect on online usage of Setswana





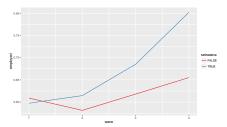
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Global Value Chains in Figure: Employment for Individuals who Own a Computer in Wave 3



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#### Motivation

- Income recipient and growth
- Growth and future income
- Grandmothers and Granddaughters:
  - South African persion, including black population
  - eligibility-age differential: women 65, men 60
  - life expectancy significantly lower: large selection bias

### Identification Strategy

- Pension change (2010): men 65 -> 60, to a par
  - still selection bias based on life expectancy
- NIDS: 2008 (pre) & 2011 (post)



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Table:	Food	and	Non-Food	Expenditure

	Food	(P >  t )	Non-Food	(P >  t )
event * Man 60-65	103.82	(0.03)	-0.05	(0.22)
event * Man 65+	0.09	(1.00)	-0.02	(0.35)
event * Woman 60-65	4.69	(0.90)	0.02	(0.36)
event * Woman 65+	104.24	(0.00)	0.01	(0.51)
Man 60-65	55.61	(0.20)	206.16	(0.57)
Man 65+	112.18	(0.00)	377.43	(0.57)
Woman 60-65	46.88	(0.13)	-356.02	(0.16)
Woman 65+	-0.68	(0.00)	-181.57	(0.38)
event	35.23	(0.00)	131.32	(80.0)
Household Income	0.03	(0.00)	0.09	(0.00)
Girl	-12.49	(0.22)		
Observations	15938		15938	

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Grandfather and Grandsons
Global Valu Chains in LICs

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Four Seproducible Contribu- tions in Sevelopment Economics		Table:	Weigh
B.A. Quast		General	(P >
J.A. Quasi	event * Man 60-65	0.33	(0.02)
laking the ext Billion	event * Man 65+	-0.03	(0.74)
	event * Woman 60-65	0.15	(0.18)
randfathers	event * Woman 65+	0.04	(0.58)
nd randsons	Man 60-65	-0.27	(0.03)
lobal Value	Man 65+	-0.06	(0.47)
hains in ICs	Woman 60-65	-0.17	(0.06)
	Woman 65+	0.03	(0.69)
	event	0.00	(0.00)
	Household Income	0.00	(0.00)
	Girl	0.09	(0.00)
	Observations	11740	

## eight for Age (P > |t|)Boys (0.02)0.44

Girls

0.26

-0.30

0.13

0.03

-0.29

0.26

-0.18

-0.02

0.06

0.00

5862

(P > |t|)

(0.23)

(0.05)

(0.44)

(0.77)

(0.13)

(0.04)

(0.21)

(0.80)

(0.19)

(0.00)

(P > |t|)

(0.03)

(0.31)

(0.23)

(0.79)

(0.06)

(0.01)

(0.27)

(0.32)

(0.85)

(0.00)

0.15

0.18

0.29

-0.35

-0.35

-0.14

0.09

0.01

0.00

5878



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	General	(P >  t )	Boys	(P >  t )	Girls	(P >  t )
event * Man 60-65	-0.52	(0.09)	-0.94	(0.04)	-0.24	(0.57)
event * Man 65+	-0.23	(0.31)	-0.03	(0.92)	-0.36	(0.25)
event * Woman 60-65	0.27	(0.24)	0.55	(80.0)	0.02	(0.95)
event * Woman 65+	-0.00	(0.98)	-0.16	(0.49)	0.14	(0.54)
Man 60-65	0.11	(0.66)	0.35	0.37	-0.06	(0.85)
Man 65+	0.19	(0.29)	-0.07	(0.79)	0.42	(80.0)
Woman 60-65	-0.32	(80.0)	-0.26	(0.32)	-0.40	(0.15)
Woman 65+	0.04	(0.74)	0.12	(0.50)	-0.03	(0.88)
event	-0.01	(0.867)	0.01	(0.92)	-0.03	(0.77)
Household Income	0.00	(0.00)	0.00	(0.00)	0.00	(0.00)
Girl	0.22	(0.00)				
Observations	4809		2301		2377	

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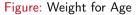
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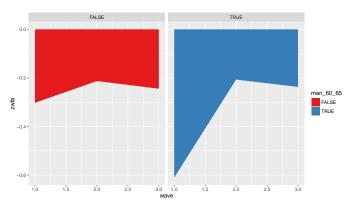
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### WfA households with and without a newly eligible member







# Global Value Chains in Low Income Countries R package: decompr

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Global Value Chains in LICs Implement trade decomposition procedures in R

- Leontief (1936)
- Wang Wei Zhu (2013)

#### Motivation:

- simplify for end users
- consistent and transparent approach

#### Additional work:

- gvc package: implement indicators
- Interactive demo: http://shiny.qua.st/decompr
- RStudio Add-in: Graphical User Interface (soon)

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# Global Value Chains in Low Income Countries TiVa analysis: Confirming Existing Understanding 1995-2011

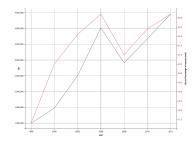
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Grandfather and Grandsons

Global Value Chains in LICs



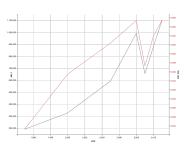


Figure: GVC integration

Figure: double counted trade

- GVC intensity in backward linkage : importing 2 export
  - i2e grew ~350%
  - i2e share of total exports 17% -> 23%
- Wang Wei Zhu (2013)
  - pdc (proxies GVC length) share of total exports rose 73%



# Global Value Chains in Low Income Countries TiVa Analysis: Developing Country trends: New evidence

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Global Value Chains in LICs Figure: Share of value added sourced from (i2e) or sold to (e2r) L(M)IC economies for export production

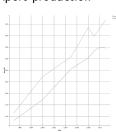


Table: WWZ decomposition results by income

group	fva_ fin	fva_inter	dva_ fin	dva_inter	rdv
L(M)IC	42.07%	57.93%	44.09%	54.73%	1.18%
High	39.38%	60.62%	40.73%	56.85%	2.42%



## Global Value Chains in Low Income Countries TiVa Analysis: Developing Country Trends: New evidence

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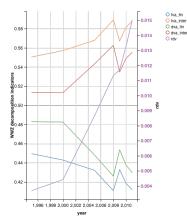
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### Figure: WWZ decomposition indicators



# Global Value Chains in Low Income Countries TiVa Analysis: Regional Specifics

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#### South East Asia:

Primarily backward linkages

#### Latin America

■ Low backward and forward linkages

#### Africa

- Tunisia
  - Mainly backward linkages
  - Moving up in value chain
- South Africa
  - Low levels of integration
  - Benefits from comodities boom

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Appendix: Comments

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Grandfathers and Grandsons Global Value Chains in LICs

### Theoretical Model

■ JC Rochet and J. Tirole.Two-Sided markets: a progress report.

RAND Journal. 37(3):645-667, 2006.

Household vs. individual effect

Angrist (1991)

Usage of wave 4 in regressions

ATM basic info available: employment status

General motivation

- Social media content is easier: Facebook vendor lock-in
- Open web is harder to create then social media
- Vendor lock-in

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Appendix:
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### theoretical model:

D. Thomas.Intra-Household Resource Allocation.
 Journal on Human Resources. XXV(4):635–664, 1990.

Interpretation of the treatment coefficient

- bargaining power
- outliers driving the result
  - "The upper whisker extends from the hinge to the highest value that is within 1.5 \* IQR of the hinge, where IQR is the inter-quartile range, or distance between the first and third quartiles. The lower whisker extends from the hinge to the lowest value within 1.5 \* IQR of the hinge. Data beyond the end of the whiskers are outliers and plotted as points (as specified by Tukey)."



### Global Value Chains in Low Income Countries

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Appendix:

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Grandfathers and Grandsons Global Value Chains in LICs

#### implications:

- good for development: address private sector concerns
  - protection of assets
  - connect factory / processes

### strictly comparable indicators

gvc package

#### notation

Hamamard products