
Literature Report

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Abstract

Does Social Health Insurance Reduce Financial Burden? Panel Data Evidence from India

- World Development---2018---Mehtabul Azam

Indian government launched the Rashtriya Swasthya Bima Yojana (RSBY), a national health insurance scheme, in 2008 that provides cashless health services to poor households in India. We evaluate the impact of RSBY on RSBY beneficiary households' (average treatment impact on treated, ATT) utilization of health services, per capita out-of-pocket (OOP) expenditure, and per patient OOP expenditure on major morbidities. To address the issue of non-randomness in enrollment into the scheme, we exploit the longitudinal aspect of a large nationally representative household survey data to implement difference-in-differences with matching. We find that RSBY beneficiary households are more likely to report and receive treatment for long-term morbidity in rural areas; however, the differences in reporting and treatment of long-term morbidity is not statistically significant in urban areas. We do not find strong evidence that the RSBY reduced per person OOP expenditure for RSBY beneficiary households in both rural and urban areas. Conditional on having received medical treatment, we find that RSBY beneficiary patient spend less on medicine in rural areas

but no statistically significant impact in urban areas. We also conduct a placebo experiment to support the parallel trend assumption of DID.

Balance of Power, Domestic Violence, and Health Injuries: Evidence from Demographic and Health Survey of Nepal

- World Development---2018---Soumi Roy Chowdhury,Alok Bohara,Brady P. Horn

A large literature has documented a complex and interdependent relationship between domestic violence, women empowerment, domestic risk factors, and violence-related health injuries. In this paper, we evaluate this relationship using data drawn from the Nepal Demographic and Health Survey, 2011. We simultaneously estimate the impact of women empowerment and domestic risk factors on domestic violence, and the impact of domestic violence on health consequences. Specifically, an IV ordered probit regression strategy is used, which addresses both the endogenous nature of domestic violence and the ordinal nature of health outcome variables. Our study finds evidence that it is not the autonomous power of women, but a co-operative decision-making environment in a marital relationship that reduces violence. Additionally, education decreases domestic violence and domestic risk factors, including alcohol and multiple unions exacer-

bate domestic violence. Finally, in terms of adverse health outcomes, we find that domestic violence has a non-linear impact on health injuries. At low levels of violence, the likelihood of injuries is low and injuries are generally not threatening, and as the level of violence increases, it considerably increases the probability of multiple and more serious health injuries.

Limitations of Contract Farming as a Pro-poor Strategy: The Case of Maize Outgrower Schemes in Upper West Ghana

- World Development---2018---Catherine Raga, Isabel Lambrecht, Doreen S. Kufoalor

Contract farming (CF) arrangements have the potential to address market failures and improve technology adoption, productivity, and welfare. In Ghana, government and donors use CF as a strategy for increasing adoption of new agricultural technologies and developing value chains. Yet to date, there has not been a rigorous assessment of these CF schemes.

Local Institutional Responses to Global Market Pressures: The Sea Cucumber Trade in Yucatán, Mexico

- World Development---2018---Abigail Bennett, Xavier Basurto

The expansion of global seafood trade creates opportunities as well as risks for small-scale fisheries (SSFs) livelihoods. Markets provide economic opportunity, but without effective governance, high demand can drive resource degradation. In the context of small-scale sea cucumber fisheries in Yucatán, Mexico, this study documents local governance responses to new markets and identifies factors driving those responses. We conducted a comparative case study of two SSF communities, collecting participant observation and interview data during 16 months of fieldwork. Our study found that local rules-in-use did not match government regulations and that the emergence of local rules was shaped by relations of production in each study site. Specifically, patron–client relationships promoted an open access regime that expanded local fishing fleets

while fishing cooperatives attempted to restrict access to local fishing grounds through collective action and multi-level linkages with government. We propose that the different material incentives arising from the way that patron–client relationships and cooperatives organize labor, capital, and profits help explain these divergent governance responses. We hypothesize that this finding is generalizable beyond the study context, especially given that patron–client relationships and cooperatives are common throughout the world's SSFs. This finding builds on previous research that indicates local institutions can mediate the effects of market pressures, showing that the emergence of local rules depends on how resource users are organized not just in relation to resource governance but vis-à-vis the markets themselves. Therefore, effective policies for SSFs facing market pressures require a greater emphasis on regulating local-level trade and governing the commercial aspects of fishing livelihoods. These lessons are relevant to the estimated 540 million individuals whose livelihoods SSFs support who may increasingly engage in the global seafood trade.

The Impact of Financial Education for Youth in Ghana

- World Development---2018---James Berry, Dean Karlan, Menno Pradhan

Governments and non-governmental organizations promote school-based financial literacy programs as means to instill financial behaviors that can persist through adulthood. We conduct a randomized trial of two financial literacy education programs in government-run Ghanaian primary and junior high schools. The first integrated both financial and social education, while the second included only financial education. Our study finds that after nine months, both programs had positive impacts on self-reported savings at school relative to the control group, but there were no statistically significant increases in aggregate savings nor in hypothesized mechanisms such as attitudes, preferences, or knowledge. The financial education-only treatment led to a weakly statistically significant increase in child labor relative to the control group, although the dif-

ference in impact between the two treatment groups was not statistically significant. The lack of short-term effects of these programs on financial behaviors and attitudes indicate that alternative program designs should be evaluated to understand whether and how these outcomes can be influenced among students in this age group.

Can Developing Countries Gain from Defying Comparative Advantage? Distance to Comparative Advantage, Export Diversification and Sophistication, and the Dynamics of Specialization

- World Development---2018---Pauline Lectard, Eric Rougier

Since the 1990' s, developing countries have tried to promote export diversification and sophistication, notably by attracting vertical FDI and by supporting the emergence of new industries whose factor content is distant from the country' s endowment. We investigate whether defying comparative advantage has prompted a more sophisticated and diversified export basket in a large panel of countries over the period 1992–2012. We find that developing countries that defy their comparative advantage tend to export more manufactured items and manufacturing goods that are more sophisticated. As for export diversification, the impact is heterogeneous across development levels: although defying comparative advantage seems to help diversify the export baskets of middle-income and resource-rich countries, it tends to concentrate those of lower-income economies. Moreover, we find that the impact of the distance to comparative advantage on productive transformation is strongly conditioned by the size of FDI stocks and by the country' s specialization in the lower added-value productive tasks of global value chains (GVCs). More specifically, our results suggest that defying comparative advantage by attracting FDI may be a dangerous strategy in the long-term since it tends to bring only partial and artefact industrialization, with manufacturing exports increasing while the manufacturing value-added actually decreases.

Unpacking the Relationship between Outward Direct Investment and Innovation Performance: Evidence from Chinese firms

- World Development---2018---Xiaolan Fu, Jun Hou, Xiaohui Liu

This study investigates the impact of outward direct investment (ODI) by Chinese MNEs on innovation performance and the conditions under which such an impact is moderated, based on a sample of Chinese firms. The empirical evidence suggests that undertaking ODI leads to an increase in the innovation performance of these Chinese firms. The impact of ODI on innovation is contingent on firm characteristics such as in-house R&D, strategic orientation, and international experiences as well as contextual factors associated with investment destinations and industry contexts. We also find that learning through ODI is a complex process. There is a substitution between ODI and in-house R&D in Chinese MNEs. Our findings suggest that conducting ODI in developed countries serves as an effective channel for latecomer firms to overcome internal resource constraints and leapfrog toward the technology frontier.

Women' s Age at First Marriage and Long-Term Economic Empowerment in Egypt

- World Development---2018---Kathryn M. Yount, AliceAnn Crandall, Yuk Fai Cheong

Sustainable Development Goal (SDG) 5 calls on nations to promote gender equality and to empower women and girls. SDG5 also recognizes the value of women' s economic empowerment, entailing equal rights to economic resources and full participation at all levels in economic decisions. Also according to SDG5, eliminating harmful practices—such as child marriage before age 18—is a prerequisite for women' s economic empowerment. Using national data for 4,129 married women 15–43years who took part in the Egypt Labor Market Panel Survey (ELMPS 1998–2012), we performed autoregressive, cross-lagged panel analyses to assess whether women' s first marriage in adulthood (at 18years or older, as reported in 2006), was

positively associated with their long-term post-marital economic empowerment, measured as their engagement in market work and latent family economic agency in 2012. Women's first marriage in adulthood had positive unadjusted associations with their market work and family economic agency in 2012. These associations persisted after accounting for market work and family economic agency in 2006, pre-marital resources for empowerment, and cumulative fertility. Policies to discourage child marriage may show promise to enhance women's long-term post-marital economic empowerment.

The Consequences of Legal Minimum Wages in Honduras

- World Development---2018---Andrés Ham

Minimum wage policies are implemented in most developing countries, so understanding their consequences is critical to determine their effectiveness. This paper quantifies the labor market and poverty effects of Honduran minimum wages from 2005 to 2012. Using 13 household surveys as repeated cross-sections, I estimate the net effects of minimum wage hikes using variation from annual reforms to multiple minimum wages, a 60% increase, and changes in the number of minimum wage categories. Evidence shows that employers are partially complying with minimum wage laws, and respond to hikes by increasing their level of non-compliance. Higher minimum wages reduce covered (formal) employment and increase uncovered (informal) employment. Formal sector wages increase but greater labor supply in the informal sector leads to a negative net effect on wages. This last result is often empirically ambiguous, although consistent with the dual-sector minimum wage model. I find no evidence that minimum wages reduce extreme or moderate poverty.

Beyond the Short versus Long Accountability Route Dichotomy: Using Multi-track Accountability Pathways to Study Performance of Rural Water Services in Uganda

- World Development---2018---Sara Dewachter,Nathalie Holvoet,Miet Kuppens,Nadia Molenaers

Performance of social service delivery is often linked with effective accountability. Accountability studies increasingly acknowledge that studying one type of accountability relation at a time is too restrictive. Our study aims to correct for this and explores the effectiveness of combinations of different accountability mechanisms. We take the World Development Report's accountability triangle as a starting point and adapt it in three ways. First, we refine the long route to accountability into three tracks by differentiating between the three groups of demand side actors; political accountability (opposition), citizen-led, and civil-society-led social accountability. Second, for each track we take into account the demand and supply side and the availability of supply-demand interfaces. Finally, we adopt a holistic approach through the simultaneous incorporation of both the short and long (with the different tracks) routes. To test its usefulness, we use our refined accountability framework to study the accountability constellations and their link to performance in Uganda's rural water sector. Building on QCA, our findings identify the long three track route (supply—interface—all three demand actors) and the citizen-led social accountability route as viable routes to high water service performance in Ugandan districts. Additionally, a set of new hybrid accountability arrangements are identified while—contrary to theoretical assumptions—the short route (clients to service providers) does not prove effective.

Is the Informal Sector Politically Different? (Null) Answers from Latin America

- World Development---2018---Andy Baker,Vania Ximena Velasco-Guachalla

Scholars have produced a limited understanding of the

effect of informal labor status on a worker's political attitudes and behavior. We present descriptive evidence on the micropolitical correlates of informality using direct measures of the concept in public opinion surveys from 18 Latin American countries. We test three scholarly impressions of informal workers—that they are less politically engaged, more right-leaning, and more favorable toward noncontributory social programs than formal-sector workers. These are grounded in a dualist conception of labor markets that views the formal and informal sectors as having little overlap. We find minimal evidence for these impressions and argue that recent empirical findings consistent with a revisionist view of informality better account for our null results. According to this view, informal and formal labor markets are highly integrated, which, we argue, melds together the economic interests and political preferences of individuals in both sectors. We also provide evidence that casts doubt on alternative explanations that would attribute our null results to the timing of our surveys, to arational sources of political behavior, or to measurement error.

Bamboo Beating Bandits: Conflict, Inequality, and Vulnerability in the Political Ecology of Climate Change Adaptation in Bangladesh

- World Development---2018---Benjamin K. Sovacool

Bangladesh contributes little to global greenhouse gas emissions, yet it is one of the countries most vulnerable to climate change. Based on semi-structured research interviews as a conduit to a literature review, this paper shows how the processes of enclosure, exclusion, encroachment, and entrenchment impede the vitality of its climate change adaptation efforts. Enclosure refers to when adaptation projects transfer public assets into private hands or expand the roles of private actors into the public sphere. Exclusion refers to when adaptation projects limit access to resources or marginalize particular stakeholders in decision-making activities. Encroachment refers to when adaptation projects intrude on biodiversity areas or contribute to other forms of environmental degradation. Entrenchment refers to when

adaptation projects aggravate the disempowerment of women and minorities, or worsen concentrations of wealth and income inequality within a community. In the case of Bangladesh, climate change policies implemented under the country's National Adaptation Program of Action have enabled elites to capture land through public servants, the military, and even gangs carrying bamboo sticks. Exclusionary forms of adaptation planning exist at both the national and local scales. Climate protection measures have encroached upon village property, char (public) land, forests, farms, and other public commons. Most egregiously, community coping strategies for climate change have entrenched class and ethnic hierarchies ultimately trapping the poor, powerless, and displaced into a predatory patronage system that can aggravate human insecurity and intensify violent conflict. Planners and practitioners of adaptation need to become more cognizant of the potential for projects to harm others, or admit complicity in the processes of enclosure, exclusion, encroachment, and entrenchment, if they are ever to be eliminated.

The Role of Fairtrade Certification for Wages and Job Satisfaction of Plantation Workers

- World Development---2018---Katharina Krumbiegel,Miet Maertens,Meike Wollni

Worker welfare and employment conditions in the agri-food-producing and processing sectors in the global south have become an increasing concern for consumers. Sustainability standards, such as Fairtrade, play an important role in agri-food markets of horticultural produce and may be a tool to address these concerns. However, so far the implications of Fairtrade certification for extrinsic and intrinsic employment factors of hired labor on large-scale plantations remain hardly understood. In this paper we assess its effect on workers' hourly wages and their level of job satisfaction with primary survey data from 325 randomly sampled workers from eight different export-oriented pineapple companies in Ghana. We apply a linear, linear mixed model, and instrumental variable approach to take into account the multilevel characteristics of our data and possible selection bias. Our findings show that both

hourly wages and job satisfaction are indeed higher on Fairtrade-certified plantations. Factors of increased job satisfaction are likely driven by higher wages, permanent employment contracts, training opportunities, company services such as medical care and paid leave as well as established labor unions on Fairtrade-certified plantations.

Fisheries' Property Regimes and Environmental Outcomes: A Realist Synthesis Review

- World Development---2018---Rebecca McLain, Steven Lawry, Maria Ojanen

Our paper describes the application of a realist approach to synthesizing evidence from 31 articles examining the environmental outcomes of marine protected areas governed under different types of property regimes. The development of resource tenure interventions that promote sustainable management practices has been challenged by the difficulties of determining how contextual factors affect environmental outcomes given the complexity of socio-ecological systems. Realist synthesis is a promising evidence review technique for identifying the mechanisms that influence policy intervention outcomes in complex systems. Through a combination of inductive and deductive analysis of the links between context, mechanisms, and outcomes, realist synthesis can help clarify when, how, where, and why property regime interventions are likely to result in positive environmental outcomes. Our study revealed the importance of disaggregating property regimes into sub-categories, rather than treating them as homogeneous categories. More importantly, use of a realist synthesis approach allowed us to gain a deeper understanding of the ways in which three mechanisms—perceptions of legitimacy, perceptions of the likelihood of benefits, and perceptions of enforcement capacity—interact under different socio-ecological contexts to trigger behavioral changes that affect environmental conditions. The approach revealed the multi-faceted and interactive nature of perceptions of legitimacy, in which legal legitimacy, social acceptability, and ecological credibility combined to create robust legitimacy. The existence of robust legitimacy in turn appeared

to be an important contributor to the success of regulatory systems reliant on voluntary compliance. Our study contributes to the field of natural resources governance by demonstrating the utility of a systematic review method which has received little attention by property scholars but which has promise to clarify understanding of how complex systems work. Our study also highlights that achieving long-term sustainability requires paying greater attention to the mechanisms that support or undermine people's willingness to voluntarily engage in conservation behaviors.

Discrimination, Social Capital, and Financial Constraints: The Case of Viet Nam

- World Development---2018---Tho Pham, Oleksandr Talavera

This paper examines the relationship among gender, social capital, and access to finance of micro, small, and medium enterprises in the manufacturing sector in Viet Nam. Our dataset is from the 2011, 2013, and 2015 results of the Micro, Small, and Medium Enterprise Survey in Viet Nam. Using the Heckman technique to control for sample selection bias, the estimates do not provide evidence for discrimination against female-owned enterprises in the formal lending market. Specifically, female entrepreneurs have a higher probability of getting a loan and they pay lower interest rates in comparison with male entrepreneurs. No discrimination in formal credit markets may arise from the preference for informal loans over formal loans as entrepreneurs tend to borrow informal loans before applying for formal ones. Further analysis shows that social capital could facilitate loan applications: firms that have a closer relationship with government officials and other business people can get loans of longer duration.

Growth by Destination: The Role of Trade in Africa's Recent Growth Episode

- World Development---2018---Robert Mullings, Aruneema Mahabir

Over the period 1990–2009, Africa has experienced a

distinct and favorable reversal in its growth fortunes in stark contrast to its performance in the preceding decades, leading to a variety of hypotheses seeking to explain the phenomenon. This paper presents both cross-country and panel-data evidence on the causal factors driving the recent turnaround in Africa's growth and takes the unique approach of disaggregating the separate growth impacts of Africa's bilateral trade with: China, Europe, and America. The empirical analysis presented in this paper suggests that the primary and most robust causal factors driving Africa's recent growth turnaround are private sector and foreign direct investment. Although empirical evidence of the role of bilateral trade openness in Africa's recent growth emerges within a fixed effect estimation setting, these results are not as robust when endogeneity and other issues are fully accounted for. Among the three major bilateral partners, Africa's bilateral trade with China has been a relatively important factor spurring growth on the continent and especially so in resource-rich, oil-producing, and non-landlocked countries. The econometric results are not as supportive of growth-inducing effects of foreign aid. These findings emerge after applying a variety of panel data specifications to the data, including the recent fixed effects filtered (FEF) estimator introduced by Pesaran and Zhou (2014) and the dynamic panel generalized method of moments (GMM) estimator, which allows for endogeneity between trade and growth.

Temporal Stability of Risk Attitudes and the Impact of Adverse Shocks—A Panel Data Analysis from Thailand and Vietnam

- World Development---2018---Sabine Liebenehm

Exogenous negative shocks and intrinsic risk attitudes are two important elements characterizing the vicious cycle of poverty associated with rural households in developing countries. Recent empirical studies suggest that adverse shocks—a key driver of poverty—can trigger substantial changes in the risk attitudes of poor people, leading to decisions that perpetuate their lives in poverty. Although the temporal variability of risk attitudes is a controversial topic, the literature

advocating the temporal variability of risk attitudes suggests that covariate shocks, such as natural disasters, alter risk attitudes over time, whereas idiosyncratic shocks show no such significant impact.

All that Glitters is not Gold: Polarization Amid Poverty Reduction in Ghana

- World Development---2018---Fabio Clementi,Vasco Molini,Francesco Schettino

Ghana is an exceptional case in the Sub-Saharan Africa (SSA) landscape. Together with a handful of other countries, Ghana offers the opportunity to analyze the distributional changes in the past two decades, since four comparable household surveys are available. In addition, unlike many other countries in SSA, Ghana's rapid growth translated into fast poverty reduction. A closer look at the distributional changes that occurred in the same period, however, suggests less optimism. The present paper develops an innovative methodology to analyze the distributional changes that occurred and their drivers, with a high degree of accuracy and granularity. Looking at the results from 1991 to 2012, the paper documents how the distributional changes over time hollowed out the middle of the Ghanaian household consumption distribution and increased the concentration of households around the highest and lowest deciles; there was a clear surge in polarization indeed. When looking at the drivers of polarization, household characteristics, educational attainment, and access to basic infrastructure all tended to increase over time the size of the upper and lower tails of the consumption distribution and, as a consequence, the degree of polarization.

Supermarket Shopping and Nutritional Outcomes: A Panel Data Analysis for Urban Kenya

- World Development---2018---Kathrin M. Demmler,Olivier Ecker,Matin Qaim

Overweight and obesity are growing health problems in many developing countries. Rising obesity rates are the result of changes in people's diets and lifestyles.

Income growth and urbanization are factors that contribute to these changes. Modernizing food retail environments may also play a certain role. For instance, the rapid spread of supermarkets in many developing countries could affect consumer food choices and thus nutritional outcomes. However, concrete evidence about the effects of supermarkets on consumer diets and nutrition is thin. A few existing studies have analyzed related linkages with cross-sectional survey data. We add to this literature by using panel data from households and individuals in urban Kenya. Employing panel regression models with individual fixed effects and controlling for other factors we show that shopping in supermarkets significantly increases body mass index (BMI). We also analyze impact pathways. Shopping in supermarkets contributes to higher consumption of processed and highly processed foods and lower consumption of unprocessed foods. These results confirm that the retail environment affects people's food choices and nutrition. However, the effects depend on the types of foods offered. Rather than thwarting modernization in the retail sector, policies that incentivize the sale of more healthy foods—such as fruits and vegetables—in supermarkets may be more promising to promote desirable nutritional outcomes.

New Findings on Key Factors Influencing the UK's Referendum on Leaving the EU

- World Development---2018---Aihua Zhang

The UK's EU in/out referendum raised significant debate and speculation of the intention of the electorate and its motivations in voting; much of this debate was informed by simple data analysis examining individual factors, in isolation, and using opinion polling data. This, in the case of the EU referendum where multiple factors influence the decision simultaneously, failed to predict the eventual outcome. On June 23, 2016, Britain's vote to leave the EU came as a surprise to most observers, with a bigger voter turnout than that of any UK general election in the past decade. In this research, we apply multivariate regression analysis and a Logit Model to real voting data to identify statistically significant factors influencing the EU referendum

voting preference simultaneously as well as the odd ratio in favor of Leave. Visualizations of the key findings are also provided with heat maps and graphs.

Impact of Electrification on Children's Nutritional Status in Rural Bangladesh

- World Development---2018---Tomoki Fujii, Abu Shonchay, Sijia Xu

Access to electricity has the potential to improve the nutritional status of children by a variety of pathways such as increased wealth, reduced fertility through the change in time use, spread of information through technology such as TV, and improved health care services. Yet, the relationship between electrification and children's nutritional status is rarely explored in the literature. We attempt to fill this lacuna by offering microeconomic evidence from rural Bangladesh, where a rapid expansion of electrification and significant improvement in children's nutritional status were observed in the past two decades. We find that access to electricity has a positive impact on the nutritional status of children under five as measured by height-for-age Z-score (HAZ) by around 0.1–0.2 points using five rounds of Bangladesh Demographic and Health Survey from 2000 to 2014. Our results also appear to indicate that the quality of electricity may influence the size of this positive impact. While our analysis of causal pathways is limited by the data availability, it suggests that the positive impact of electrification partially comes from increased wealth. For some years, the positive impact can also be attributed to reduced fertility and information exposure through TV viewing. On the contrary, we find little evidence that the impact is attributable to the improvement of local health facilities. Our findings underscore the importance of evaluating infrastructure programs such as rural electrification from a broad perspective as their impacts may go well beyond the economic benefits considered in a typical cost-benefit analysis. This in turn may encourage governments to invest more in basic infrastructure, which is still severely lacking in Bangladesh and many other countries in the rest of South Asia and sub-Saharan Africa.

Bad Karma or Discrimination? Male–Female Wage Gaps Among Salaried Workers in India

- World Development---2018---Ashwini Deshpande, Deepti Goel, Shantanu Khanna

We use nationally representative data from the Employment–Unemployment Surveys in 1999–2000 and 2009–10 to explore gender wage gaps among Regular Wage/Salaried (RWS) workers in India, both at the mean, as well as along the entire wage distribution to see “what happens where”. The gender log wage gap at the mean is 55% in 1999–2000 and 49% in 2009–10, but this change is not statistically significant. The Blinder–Oaxaca and the Machado–Mata–Melly decompositions indicate that, in both years, the bulk of the gender wage gap is unexplained, i.e., possibly discriminatory. They also reveal that over the decade, while the wage-earning characteristics of women improved relative to men, the discriminatory component of the gender wage gap also increased. In fact, in 2009–10, if women were “paid like men”, they would have earned more than men on account of their characteristics. In both years, we see the existence of the “sticky floor”, in that gender wage gaps are higher among low-wage earners and lower for high-wage earners. Over the ten-year period, we find that the sticky floor became “stickier” for RWS women. Machado–Mata–Melly decompositions reveal that, in both years, women at the lower end of the wage distribution face higher discriminatory gaps compared to women at the upper end.

Property Rights and Water Access: Evidence from Land Titling in Rural Peru

- World Development---2018---Robyn Meeks

Insecure land tenure and property rights are an impediment to infrastructure access and services for households in many developing countries. This paper explores whether alleviating this impediment through a land-titling program in rural Peru is associated with improvements in household water sources, as well as sanitation and electricity services. The economics literature on the links between property rights and invest-

ment decisions has amassed; yet due to the necessity of water for life, the high fixed costs associated with water infrastructure construction, and the positive externalities that can result from water provision, it is not obvious how water services might respond to land tenure improvements. Utilizing the phased-in program timing in a quasi-experimental design, we exploit the differences in implementation timing across space in conjunction with the differences in program impact across households that held property titles prior to the project and those that did not. Results from this modified difference-in-differences method indicate that land titling is associated with small in magnitude, but statistically significant increases in water access. Larger gains in sanitation and electricity services are found. We investigate the channels through which this improved access occurs and find evidence of investments in all three services via either government or water utilities. We find evidence of individual household investment only in the case of sanitation. Taken together, these results indicate that land titles are important, but not sufficient to increase access to water and other services.

Does Resilience Capacity Reduce the Negative Impact of Shocks on Household Food Security? Evidence from the 2014 Floods in Northern Bangladesh

- World Development---2018---Lisa C. Smith, Timothy R. Frankenberger

Using data collected before and after the catastrophic flooding that took place in northern Bangladesh in 2014, this paper contributes to the growing evidence on the factors enhancing households’ resilience to shocks, or their “resilience capacities”. The analysis takes into account all three dimensions of resilience capacity—absorptive, adaptive, and transformative—as well as a broad range of specific capacities supporting them. In addition to disaster preparedness and mitigation, it finds suggestive evidence that the following capacities reduced the negative impact of the flooding on household food security: social capital, human capital, exposure to information, asset holdings, livelihood diversity,

safety nets, access to markets and services, women's empowerment, governance, and psycho-social capabilities such as aspirations and confidence to adapt. The paper highlights the importance of taking a comprehensive approach to understanding the determinants of resilience in future research, one that accounts for the full range of potential capacities. It also points to the value of taking a cross-sectoral, multi-intervention approach to on-the-ground resilience programming in Bangladesh and other developing-country areas that are increasingly vulnerable to climate shocks.

Agency, Human Dignity, and Subjective Well-being

- World Development---2018---Daniel A. Hojman,Álvaro Miranda

In the last decades, our understanding of human well-being and development has shifted from a traditional focus on income and consumption toward a richer multidimensional approach. This shift has been strongly influenced by a body of research in subjective well-being (SWB) and the capabilities' approach, which emphasizes the role of freedom, opportunities, and social inclusion on well-being. Using a novel nationally representative survey of Chilean households, this paper explores the relationship between life satisfaction and two "hidden dimensions" of development, agency, and human dignity. Human agency refers to the capability of an individual to control her destiny and make choices to fulfill goals set autonomously. Human dignity is associated with the absence of feelings of shame and humiliation, and is ultimately related to social inclusion. We use a method that allows to isolate the impact of personality traits affecting both SWB and capabilities' perceptions. Our results show that agency and shame are important predictors of life satisfaction, comparable in magnitude to the effect of income variables. The fact that capabilities that measure freedoms and social inclusion are aligned with well-being measures lends support to the view of human development as integral process. Policies to advance agency, and reduce shame and discrimination are discussed. In the case of shame and discrimination

we emphasize the role of interventions that influence stigmatization and group boundaries.

The Role of Private Standards for Manufactured Food Exports from Developing Countries

- World Development---2018---Malte Ehrich,Axel Mangelsdorf

The relevance of non-tariff barriers for global trade flows has increased in recent decades. However, the effect of food standards—as a particular important non-tariff measure—on agricultural trade flows remains unclear. We contribute to the debate with a unique dataset that contains the number of food processing firms of 87 countries from 2008 to 2013 that are certified with the International Featured Standard (IFS). We estimate a gravity model using the one-year lag of IFS as well as IFS certification in neighboring countries as an instrument to address potential endogeneity. We find that IFS increases c.p. bilateral exports on average of seven agricultural product categories in both specifications. However, the effect remains robust only for high- and middle-income countries and disappears for low-income countries. Hence, while IFS increases exports on average, low-income countries do not benefit in terms of higher export volumes. Moreover, once we separate the dataset by sector, the trade-enhancing effect remains for bakery, dairy, and beverage sectors only. Overall, we argue that food standards are not a suitable development tool to integrate low-income countries into high-value chains per se.

Health Expenditures and Global Inequalities in Longevity

- World Development---2018---Maksym Obrizan,George L. Wehby

Longevity is a key health and development indicator used for cross-country comparisons. Evidence on the effects of country health expenditures on longevity is mixed. We evaluate the heterogeneity in country health expenditure effects throughout the life expectancy distribution worldwide during 2006–11 using quantile regression and an assembled dataset on 175 countries

that includes both historic as well as recent data on life expectancy. Our goal is to evaluate the effects of health expenditures across quantiles of the country-level life expectancy distribution to understand whether increasing expenditures are associated with changes in longevity disparities between countries. We find significant heterogeneity in expenditure effects on life expectancy. The largest returns from increased spending are at the left margin of the life expectancy distribution. The results suggest that increasing health spending in countries with low life expectancy may have important returns to life expectancy and significantly diminish global inequalities in longevity and development by reducing the spread of the world's life expectancy distribution.

State Capacity and Health Outcomes: Comparing Argentina's and Chile's Reduction of Infant and Maternal Mortality, 1960–2013

- World Development---2018---Daniel Briebea

There is substantial quantitative evidence linking higher state capacity to better health outcomes, but scant attention has been paid to the specific mechanisms through which this causal influence operates. The problem is compounded by the considerable diversity of ways in which the influence of the state on development outcomes has been conceptualized, making it hard for practitioners to extract policy lessons from this literature. In this study, I seek to help to address both of these problems through a historical-comparative examination of the ways in which state capacity affected infant and maternal mortality reduction in Argentina and Chile over the last half century. I show that Chile's greater investment in health-specific state capacities was behind the remarkable historical "reversal of fortune" between these two countries in terms of infant and maternal mortality levels from 1960 to the present, as well as behind Chile's notorious reduction in the territorial inequality of these outcomes. I show the key difference between the two countries was the quality, reach, and homogeneity of their respective public health systems. From a theoretical standpoint, I argue that the notions of bureaucratic quality and

infrastructural power are both necessary and complementary perspectives through which to conceptualize state capacity and understand its causal influence over health and other desirable developmental outcomes. In turn, this suggests that a useful way to specify calls for better "governance" and to achieve better long-run health performance may be to invest in the public health system's technical (bureaucratic) autonomy and in its system-wide planning and coordination capacities.

Informal Groups and Health Insurance Take-up Evidence from a Field Experiment

- World Development---2018---Matthieu Chemin

This paper presents the results of 20 randomized experiments aimed at understanding the low take-up of in-patient health insurance observed in developing countries. Take-up does not increase when participants receive information about the product, or an assistance to register, or small subsidies of 2, 10, or 30%. Take-up does not increase when the same information is provided by local respected community leaders, when participants are offered an in-kind gift (a chicken) if they register, when participants are offered the possibility to contribute lower and more frequent payments, or the possibility to pay by cellphone. A full subsidy generates a mere 45% take-up (with no retention after one year). In contrast to these low take-up rates, presenting the same information without any subsidies to existing informal groups raises take-up to 12% (still 7% after one year), as well as trust and knowledge of the product. Social networks play a major role in the adoption of health insurance. This paper provides a cost-effective way to increase take-up of health insurance, while subsidies are found to be largely ineffective at raising take-up in the long run.

Formal but Less Equal. Gender Wage Gaps in Formal and Informal Jobs in Urban Brazil

- World Development---2018---Sarrah Ben Yahmed

In developing countries, a large share of employees work informally and are not covered by employment

protection legislation. I study how gender inequality differs across formal and informal wage-earners in urban Brazil. The raw gender wage gap is about the same on average in informal jobs (5%) as in formal jobs (7%), but I show that this difference is the result of different male and female selection processes. First, female employees have better observable characteristics than male employees, for example in terms of educational attainment. After controlling for observable characteristics, the adjusted gender wage gap is on average about 24% among formal employees and about 20% among informal employees. Second, men and women entering formal and informal jobs have different unobservable characteristics. Controlling for endogenous selection into formal vs. informal jobs, I find that the gender gap in wage offers is high and increases with education in formal jobs. In informal jobs, however, estimated wage offers are the same for men and women. I discuss the potential implications of these findings regarding the effect of labor market regulation on gender wage gaps.

Social Protection, Food Security, and Asset Formation

- World Development---2018---Melissa Hidrobo,John Hoddinott,Neha Kumar,Meghan Olivier

The last two decades have seen a rapid rise in social protection programs and studies that assess their impacts on a large number of domains. We construct a new database of studies of these programs that report impacts on food security outcomes and asset formation. Our meta-analysis finds that social protection programs improve both the quantity and quality of food consumed by beneficiaries. The magnitudes of these effect sizes are meaningful. The average social protection program increases the value of food consumed/expenditure by 13% and caloric acquisition by 8%. Food expenditure rises faster than caloric acquisition because households use transfers to improve the quality of their diet, most notably increasing their consumption of calories from animal source foods. Since the consumption of animal source foods in these popu-

lations is low, and because there are significant nutritional benefits to increasing the consumption of these, this is a positive outcome. Our meta-analysis also finds that social protection programs lead to increased asset holdings as measured by livestock, non-farm productive assets, farm productive assets, and savings. There is no impact on land holdings though the number of studies that assess these is small.

Do Conditional Cash Transfers Lead to Better Secondary Schools? Evidence from Jamaica’ s PATH

- World Development---2018---Marco Stampini,Sofia Martinez-Cordova,Sebastian Insfran,Donna Harris

Conditional cash transfer (CCT) programs have become the main anti-poverty program in many Latin American and Caribbean countries. While numerous rigorous impact evaluations have shown that they have been successful in increasing school enrollment and attendance, the evidence on learning achievement is still mixed, and there are no studies that analyze the effect on school placement. In this paper, we explore the hypothesis that the Programme of Advancement through Health and Education (PATH), Jamaica’ s CCT program, contributes to breaking the intergenerational poverty cycle by placing its urban beneficiaries on a higher educational trajectory. Using a regression discontinuity design, we find that PATH urban male beneficiaries who sat the Grade Six Achievement Test (GSAT) over the period 2010–14 performed better on the test (scoring 22.48 points, or 5.1%, higher than non-beneficiaries); consequently, they were placed in better secondary schools (7.2 percentiles higher in a national school ranking based on preprogram GSAT scores). In contrast, we find no significant impact on aspirations or on any outcome indicators for urban girls. To the best of our knowledge, our study is the first in the literature to take a comprehensive look at the impacts of a CCT program on educational aspirations, school performance, and placement.

Tracking the Quality Premium of Certified Coffee: Evidence from Ethiopia

- World Development---2018---Bart Minten,Mekdim Dereje,Ermias Engida,Seneshaw Tamru

Certification of Voluntary Sustainability Standards (VSS) is rapidly increasing in global value chains. While consumers, mostly in developed countries, are willing to pay significant premiums for the certification of such standards, it is not well understood how effectively these incentives are transmitted to producing countries. We study VSS—more in particular Fair Trade and Organic certification—in Ethiopia’s coffee sector, the country’s most important export commodity, using a unique census of transaction data at the export level and large-scale data at the production level. We find that transmission of export quality premiums to coffee producers is limited, with only less than one-third of this premium being passed on, and we find limited evidence of effects due to communal investments. Moreover, as quality premiums are small and average production levels in these settings are low, we estimate that these premiums would only lead to an increased income for coffee farmers of 22 USD per year even with a perfect transmission scenario, and therefore would have little impact on the welfare of the average coffee farmer. Given that the VSS studied are characterized by the highest premiums among VSS schemes, it can be assumed that even lower benefits from other VSS certification schemes trickle down to producers.

Does Collective Action Sequester Carbon? Evidence from the Nepal Community Forestry Program

- World Development---2018---Randall A. Bluffstone,E. Somanathan,Prakash Jha,Harisharan Luintel,Rajesh Bista,Michael Toman,Naya Paudel,Bhim Adhikari

This paper uses 620 forest plot measurements taken from a nationally representative sample of 130 Nepal community forests combined with information on forest collective action to estimate the effects of collective

action on carbon per hectare and three additional measures of forest quality. We use three measures of forest user group collective action, including membership in the Nepal Community Forestry Programme (CFP). Collective action shows large, positive, and statistically significant carbon effects vis-à-vis communities exhibiting no evidence of forest collective action, which do not necessarily correspond with results for other measures of forest quality. We find that depending on the collective action definition and physiographic region, forests controlled by communities exhibiting no evidence of forest collective action may have as little as 34% of the carbon of forests governed under collective action. We do not, however, find evidence that CFP forests, our narrowest measure of collective action, store more carbon than forests outside the CFP. Our results therefore suggest that it is the collective action behavior and not the official CFP label that offers the largest gains. Carbon benefits from collective action are therefore not found to be conditional on CFP participation.

Are Foreign-Owned Firms More Likely to Pay Bribes than Domestic Ones? Evidence from Emerging Markets

- World Development---2018---Allan Webster,Jenifer Piesse

An extensive literature exists on the adverse effects of corruption on inward FDI and the impact this may have on economic development but the reverse causality has not been fully explored. Legislation in the US and the EU prohibits firms from engaging in corrupt practices in foreign countries and this suggests that foreign-owned firms might be less likely to pay bribes. However, such legislation may be ineffective because foreign firms have to adapt to local market conditions or risk being uncompetitive. Using firm-level data for 41 emerging countries, a probit model estimates the probability that a firm pays bribes. To allow for possible endogeneity this probit analysis is repeated with an instrument to proxy for endogenous foreign ownership. Then, a propensity score matching technique tests for differences in the propensity to pay bribes by domestic and foreign firms. The paper finds no difference in

the behavior of foreign-owned and domestic firms with respect to corrupt practices. Results are robust to different levels of foreign ownership and support the view that foreign-owned firms adapt to local practices and are neither more nor less likely to pay bribes than comparable domestic firms. The paper finds that other variables including bureaucracy, government contracts, and perceived difficulties with civil society (legal and political) do have statistically significant effects on increasing bribery and that some others, such as per capita GDP, tend to reduce bribery. The study concludes that there is no evidence that foreign ownership, after investment has occurred, tends to reduce bribery but it does support the view that foreign-owned firms adopt local behavioral norms.

Interest Rates in Savings Groups: Thrift or Threat?

- World Development---2018---Maïté le Polain,Olivier Sterck,Marthe Nyssens

Savings group (SG) models are praised for achieving financial inclusion for the poorest at a very low cost. Promoted by international NGOs, SG models are inspired by indigenous savings and credit associations (ROSCAs). SG models however differ in that they prescribe lending the pooled savings to group members for an interest. The interest rate aims to (1) boost capital accumulation, (2) allocate scarce capital efficiently, and (3) remunerate and incentivize savers. This paper builds on a six-month fieldwork conducted in DR Congo consisting of direct observations of SG meetings and interviews with SG participants and practitioners. We study the gaps between SG practitioners' objectives and SG participants' perceptions and practices related to the interest rate. Our research pays particular attention to the local context and local norms that interfere with SG practitioners' objectives. Our analysis highlights three gaps. First, SG participants turn savings into credit for security purposes rather for rapid capital accumulation. Second, credit allocation decisions are guided by fairness and security concerns rather than efficiency. Third, SG participants often regard the accumulated interest as belonging to the group

and to active borrowers rather than to passive savers. Our results invite development actors to pay greater attention to the potential risks of the SG approach for its participants. Despite the common appellation "savings groups", this microfinance innovation builds upon credit and strongly encourages its members to go into debt.

Exploring the Schemes for Green Climate Fund Financing: International Lessons

- World Development---2018---Lianbiao Cui,Yuran Huang

As a key issue in recent international climate summits, the Green Climate Fund (GCF) is confronted with the problem of insufficient financing. This paper intends to explore several schemes for raising the public finance of the GCF among developed countries. Lessons from three main ongoing international financing mechanisms have been drawn, including the United Nations (UN) membership dues, Official Development Assistance (ODA), and the Global Environment Facility (GEF). The indexes that reflect historical emission responsibility (HR) and ability to pay (AP) are also used to share the burden. Results reveal that the ongoing international financing mechanisms vary in their burden sharing results and the shares of existing donors are driven by highly complex reasons. Weighting the HR, UN, and GEF approaches with the Preference Score Compromises (PSC) method could yield a compromise scheme in which the regional contributions are highly similar to those under the GCF initial resource mobilization from 2015 to 2018. GCF financing heavily depends on contributions from the developed countries even if the donor parties are extended to emerging economics. This paper also finds that the decision of the United States to withdraw from climate finance will significantly increase the burden for other donors, particularly for the European Union the contribution share of which is predicted to increase to nearly 14 percentage points. The schemes proposed in this study can provide a useful reference for GCF financing.

Community-Driven Reconstruction in Colombia: An Experimental Study of Collective Action beyond Program Beneficiaries

- World Development---2018---D'Exelle, Ben, Eric Coleman, Maria Claudia Lopez

Increased community cooperation is an important objective of Community-Driven Reconstruction (CDR) programs in post-conflict settings. While these programs typically work with a limited group of beneficiaries, little is known about the potential community impact beyond these beneficiaries. To investigate this, we empirically analyze how cooperative behavior develops in a lab-in-the-field experiment with mixed groups of CDR program beneficiaries and non-beneficiaries, organized in 42 municipalities in Colombia with active CDR programs. In the experiment, we use two rounds of a binary public goods game with a communication stage between both rounds. The experimental data are complemented with information on pre-existing social proximity among the participants and whether they have participated in a CDR program. We find that cooperation increases after communication, and that it correlates positively with the proportion of cooperators before communication. This peer effect is mainly driven by the cooperative behavior of CDR program beneficiaries while the influence of non-beneficiaries is limited.

Assessing Medium-term Impacts of Conservation Interventions on Local Livelihoods in Northern Cambodia

- World Development---2018---Emilie Beauchamp, Tom Clements, E.J. Milner-Gulland

The success of conservation interventions often depends on the multifaceted and sometimes competing interests and motivations that lead local people to sustainably manage natural resources in the first place. Yet despite an extensive literature exploring the effects of conservation on human livelihoods, there is a lack of robust evidence about which type of conservation intervention works, for whom, and how. This is partly

because the social impacts of conservation interventions often affect multiple aspects of human well-being, with changes taking place over long periods during which unintended feedbacks can occur. This paper assesses the medium-term impacts of Protected Areas (PAs) and of three Payment for Environmental Services (PES) projects on three socio-economic indicators across 16 villages in Northern Cambodia. We present a multi-period evaluation including three panel surveys over six years from villages inside and outside PAs to clarify the mechanisms through which social effects of conservation take place and how this translates into the development pathways adopted by households. While livelihood improvements were recorded across all villages, we found that PAs slightly reduce households' socio-economic status, though does not impede their development. PAs also protect traditional livelihoods. Participants in one of the three PES projects recorded higher economic status and agricultural productivity than non-participants, suggesting that there can be important social co-benefits to conservation interventions when programs are well-designed to respond to local contexts.

Diversification Strategies and Adaptation Deficit: Evidence from Rural Communities in Niger

- World Development---2018---Solomon Asfaw, Giacomo Pallante, Alessandro Palma

The paper provides fresh empirical evidence on the adaptation process in Niger rural communities using original longitudinal socio-economic panel data merged with granular geo-referenced climatic information. We identify the main drivers and impacts of crop and labor diversification which constitute two livelihood strategies on moderating the adaptation deficit. In doing so, we account for the interdependence between the two diversification practices and potential reverse causality between welfare outcomes and diversification behavior. Moreover, we condition the impacts of diversification on different sections of the welfare distribution to capture potential non-linear effects. Our results reveal that the diversification has positive and significant welfare impacts when most vulnerable households rely on

it as an adaptation strategy to mid-run climate variability and as a coping strategy to short-run market shocks. At the same time, our results find lower but still positive impacts for well-endowed households that are likely to diversify their activity portfolio. Given the very limited presence of policy support, we conclude that the rural Nigerian communities are characterized by a large and autonomous adaptation response which constitutes a key leverage mechanism for policy makers. We thus suggest government interventions aimed at supporting the most important diversification drivers, but also aimed at straightening some channels, such as network infrastructures or the promotion of local crop varieties, which may have a greater potential in triggering diversification.

Bilateral FDI Flows, Productivity Growth, and Convergence: The North vs. The South

- World Development---2018---Firat Demir, Yi Duan

Controlling for the aggregation bias in FDI flows and the home and host country heterogeneity within and between Northern and Southern countries, we explore the effects of bilateral FDI flows on host country productivity growth, and on the productivity convergence dynamics between the host and the productivity-frontier country. Using bilateral FDI flows' data from 108 host and 240 home countries over 1990–2012, and employing a variety of estimation techniques together with a rich battery of robustness tests, we find no significant effect of bilateral FDI flows on either host country productivity growth or on the productivity gap between the host and the frontier country. We also show that these findings are not sensitive to the direction of FDI flows, which are South-South, South-North, North-South or North-North. In a decomposition exercise, we also fail to find any significant effect of bilateral or aggregate FDI flows on physical capital growth. Yet, we find some evidence of a positive effect of FDI flows on human capital growth but just in one direction, South-South. Last but not least, we fail to find any productivity growth or convergence effect at the sectoral level, including agricultural, industry, or services sectors.

A New Profile of the Global Poor

- World Development---2018---Andrés Castañeda, Dung Doan, David Newhouse, Minh Cong Nguyen, Hiroki Uematsu, João Pedro Azevedo

This paper presents a new demographic profile of extreme and moderate poverty, defined as those living on less than \$1.90 and between \$1.90 and \$3.10 per day in 2013, based on household survey data from 89 developing countries. The face of poverty is primarily rural and young; 80% of the extreme poor and 75% of the moderate poor live in rural areas. Over 45% of the extreme poor are children younger than 15 years old, and nearly 60% of the extreme poor live in households with three or more children. Gender differences in poverty rates are muted, and there is scant evidence of gender inequality in poor children's educational attainment. A sizable share of the extreme and moderate poor, 40 and 50%, respectively, have completed primary school. Compared with the extreme poor, the moderate poor are significantly more likely to have completed primary school and are less likely to work in agriculture. After conditioning on other individual and household characteristics, having fewer than three children, having greater educational attainment, and living in an urban area are strongly and positively associated with welfare. The results reinforce the central importance of households in rural areas and those containing large numbers of children in efforts to reduce extreme poverty, and are consistent with increased educational attainment and urbanization hastening poverty reduction.

Weather Shocks, Coping Strategies, and Consumption Dynamics in Rural Ethiopia

- World Development---2018---Jianfeng Gao, Bradford F. Mills

Rural households adopt a broad range of strategies to cope with adverse weather shocks. Previous studies have examined the effectiveness of individual coping strategies in mitigating the impact of adverse weather shocks, but no study to date has presented a comprehensive evaluation of alternative coping strategies. We employ household panel data spanning 15 years to

estimate the impact of weather shocks on consumption and poverty dynamics in rural Ethiopia, along with the effectiveness of household coping strategies in alleviating the impact of shocks. We find that rainfall increases are positively associated with per adult equivalent consumption, while high temperatures are negatively associated with consumption. In terms of household coping strategies, formal social safety net transfers mitigate the impact of adverse rainfall shocks on consumption and off-farm employment mitigates the impact of high-temperature shocks. Simulations suggest that rainfall shocks and formal social safety net transfers significantly influence household poverty dynamics. By contrast, high-temperature shocks and off-farm employment have less impact on poverty dynamics. The results highlight the need for social protection programs that support existing household coping strategies and that can rapidly respond to weather shocks.

Does Intimate Partner Violence Decline as Women's Empowerment Becomes Normative? Perspectives of Bangladeshi Women

- World Development---2018---Sidney Ruth Schuler,Sohela Nazneen

Studies addressing the relationship between women's empowerment and intimate partner violence (IPV) have yielded conflicting findings. Some suggest that women's economic and social empowerment is associated with an increased risk of intimate partner violence (IPV), arguably because men use often IPV to enforce their dominance and reassert inegalitarian gender norms when patriarchal norms are challenged; other studies suggest the converse. It is important to understand why these findings are contradictory to create a more sound basis for designing both women's empowerment interventions and anti-violence interventions. The aim of this study is to clarify the relationship between women's empowerment and IPV in a setting where gender roles are rapidly changing and IPV rates are high. We examine some of the ways in which the nature of women's empowerment evolved in six villages in rural Bangladesh during a 12-year period in

which surveys have documented a decline of 11 points in the percentage of married women experiencing IPV in the prior year. The paper is based on data from 74 life history narratives elicited from 2011 to 2013 with recently married Bangladeshi women from the six villages, whom other community residents identified as empowered. Our findings suggest that women's empowerment has evolved in several ways that may be contributing to reductions in IPV: in its magnitude (for example, many women are earning more income than they previously did), in women's perceived exit options from abusive marriages, in the propensity of community members to intervene when IPV occurs, and in the normative status of empowerment (it is less likely to be seen as transgressive of gender norms). The finding that community-level perceptions of empowered women can evolve over time may go a long way in explaining the discrepant results in the literature.

Unleashing Waste-Pickers' Potential: Supporting Recycling Cooperatives in Santiago de Chile

- World Development---2018---Pablo Navarrete-Hernandez,Nicolas Navarrete-Hernandez

The informal economy currently provides two out of three jobs worldwide, with waste-picking activities providing employment for millions of the poorest of society. Moreover, waste-picking could provide a sustainable solution for solving the waste management crisis that affects the 3 billion people lacking access to waste services. Governmental policies toward waste-pickers in particular, and the informal economy in general, have been fundamentally based on four policy approaches: (1) dualist and voluntarist, which proposes repressive policies against waste-picker activity and the expansion of formal solid waste management systems; (2) structuralist, which argues for weak supporting policies aimed at reinforcing waste-picker associations; (3) legalist, which promotes the competition of waste-picking with other recycling alternatives without government intervention; and (4) co-production, which supports waste-picking with local policies as a means of enhancing waste-pickers' productivity. Both qualitative, and

particularly quantitative evidence testing the impact of these four approaches is scarce. In this paper, we attempt to fill this gap in the literature by operationalizing concepts, building a waste-picker sustainable performance index, and estimating the impacts of these four competing policy approaches. An exploratory sequential design method is used to analyze data: first, a thematic analysis to examine 40 in-depth interviews, and then multiple linear regressions to analyze a census survey of 100 waste-pickers in four cooperatives in Santiago de Chile. Our empirical results suggest a positive association between the level of government support and waste-pickers' sustainable performance. Consequently, further positive government intervention, particularly in supporting a stronger structural organization for the waste-picker recycling system, is advocated as the primary policy recommendation of this paper.

Traps and Sustainable Development in Rural Areas: A Review

- World Development---2018---L. Jamila Haider, Wiebren J. Boonstra, Garry D. Peterson, Maja Schlüter

The concept of a poverty trap—commonly understood as a self-reinforcing situation beneath an asset threshold—has been very influential in describing the persistence of poverty and the relationship between poverty and sustainability. Although traps, and the dynamics that lead to traps, are defined and used differently in different disciplines, the concept of a poverty trap has been most powerfully shaped by work in development economics. This perspective is often constraining because, as many studies show, poverty arises from complex interactions between social and environmental factors that are rarely considered in development economics. A more integrated understanding of poverty traps can help to understand the interrelations between persistent poverty and key social and ecological factors, facilitating more effective development interventions. The aim of this paper is to provide a critical appraisal of existing trap conceptualizations in different disciplines, and to assess the characteristics and

mechanisms that are used to explain poverty traps in rural contexts, thereby broadening the traps concept to better account for social-ecological interactions. Complementarities and tensions among different disciplinary perspectives on traps are identified, and our results demonstrate that different definitions of traps share a set of common characteristics: persistence, undesirability, and self-reinforcement. Yet these minimum conditions are not sufficient to understand how trap dynamics arise from complex social-ecological interactions. To broaden the utility of the concept we propose a more social-ecologically integrated definition of traps that includes four additional considerations: cross-scale interactions, path dependencies, the role of external drivers, and social-ecological diversity. Including these wider dimensions of trap dynamics would help to better account for the diverse social-ecological feedbacks that produce and maintain poverty traps, and could strengthen strategies to alleviate poverty in a more integrated way.

Output Value Risk for Commodity Producers: The Uncertain Benefits of Diversification

- World Development---2018---Nicolas Merener, Maria Eugenia Steglich

Commodity price volatility has long been recognized as a main risk for commodity producers' welfare and has led to diversification efforts. Less noticed has been the importance of commodity correlations, and their increase after 2006, in the risk faced by producers. To assess their impact, we perform an empirical analysis of the market value of commodity producers' output. In a sample of 56 countries producing 26 commodities we find that diversification and correlations strongly explain output value volatility. During 1987–2006, producers effectively specialized in a single commodity had an average output value volatility of 27.0% while producers of three or more commodities had a 12.7% volatility. In this period average correlation was 8% and diversification was very effective. In the 2007–12 period, correlations averaged 26% and output volatilities for specialized and diversified commodities were 30.4% and 19.5% respectively, thus reducing the benefit of

diversification at a time of macroeconomic distress. In 2013–16, output volatilities reverted to levels close to those in 1987–2006 as commodities decorrelated again. Our findings should be relevant to policy makers embarking in diversification efforts and in the analysis of macroeconomic risk of commodity producers.

Does Free Public Health Care Increase Utilization and Reduce Spending? Heterogeneity and Long-Term Effects

- World Development---2018---Peter Hangoma,Bjarne Robberstad,Arild Aakvik

Zambia removed user fees in publicly supported-government and faith-based-health facilities in 54 out of 72 districts in 2006. This was extended to rural areas of previously unaffected districts in 2007. The natural experiment provided by the step-wise implementation of the removal policy and five waves of nationally representative household survey data enables us to study the impact of the removal policy on utilization and household health expenditure. We find that the policy increased overall use of health services in the short term and the effects were sustained in the long term. The increases were higher for individuals whose household heads were unemployed or had no or less education. The policy also led to a small shift in care seeking from private to publicly supported facilities, an effect driven primarily by individuals whose household heads were either formally employed or engaged in farming. The likelihood of incurring any spending reduced, although this weakened slightly in the long term. At the same time, there was an upward pressure on conditional health expenditure, i.e., expenditure was higher after removal of fees for those who incurred any spending. Hence, total (unconditional) household health expenditure was not significantly affected.

The Road to Growth: Measuring the Tradeoffs between Economic Growth and Ecological Destruction

- World Development---2018---Richard Damania,Jason Russ,David Wheeler,Alvaro Federico

Barra

Roads bring significant economic benefits that are vital for development. But they are often also the precursors to deforestation and other adverse environmental impacts. This paper examines the road-induced tradeoffs between economic growth, deforestation, and biodiversity loss in the Democratic Republic of Congo (DRC). Decades of conflict have left the DRC's transport infrastructure among the sparsest and most dilapidated in the world. Most of the provincial capitals are unconnected to the capital city, and improving road connectivity could lead to a significant boost in trade and economic growth. At the same time the DRC is also home to the second largest rainforest in the world. The iconic Congo forests are a trove of ecological value—some monetizable and most that is not. So the destruction of the DRC's forests will have significant environmental ramifications. We provide empirical estimates of the economic benefits of improving market access and reducing transportation costs. We then estimate a forest destruction function to assess the impact that new or improved roads have on forest clearing. In addition, a novel biodiversity index is developed to identify forests of high biodiversity significance. Two simulations are performed to quantitatively demonstrate the impacts of road improvement projects in terms of increased GDP, forest loss, and biodiversity that are put at risk. To our knowledge, this is the first study to jointly examine the economic benefits and ecological risks to infrastructure investments. It is envisioned that the methods employed here can be used to guide future infrastructure investments toward designs which have a large economic impact while minimizing ecological risks.

The Millennium Villages Project and Local Land Values: Using Hedonic Pricing Methods to Evaluate Development Projects

- World Development---2018---Hope Michelson,Katherine Tully

This paper uses hedonic analysis to estimate the impact of an area-based anti-poverty project on land

values in a developing country. Economic theory would suggest that benefits of area-based programs would be capitalized into land prices, as supply is relatively fixed compared to other factors of production. While revealed preference methods have been applied widely in the field of environmental economics, they have not yet been used to evaluate an international development project. We study the effects of The Millennium Villages Project (MVP) in Sauri, Kenya. Using administrative data from the Kenyan government on prices for land bought and sold within the MVP (established in 2005) and for land bought and sold in the surrounding area during 1999–2013, we estimate the project's effect on local land prices. We find no evidence that the MVP investments led to an increase in land prices within project areas. This research represents the first work to use hedonic analysis of land values to assess an international development project.

Reconfiguring Frontier Spaces: The territorialization of resource control

- World Development---2018---Mattias Borg Rasmussen, Christian Lund

The expansion of capitalism produces contests over the definition and control of resources. On a global scale, new patterns of resource exploration, extraction, and commodification create new territories. This takes place within a dynamic of frontiers and territorialization. Frontier dynamics dissolve existing social orders—property systems, political jurisdictions, rights, and social contracts—whereas territorialization is shorthand for all the dynamics that establish them and re-order space anew. Frontier moments offer new opportunities, and old social contracts give way to struggles over new ones. As new types of resource commodification emerge, institutional orders are sometimes undermined or erased, and sometimes reinterpreted, reinvented, and recycled. New property regimes, new forms of authority, and the attendant struggles for legitimacy over the ability to define proper uses and users follow frontier moments. The drawing of borders and the creation of orders around new resources profoundly rework patterns of authority and institutional

architectures. We argue that the territorialization of resource control is a set of processes that precedes legitimacy and authority, fundamentally challenging and replacing existing patterns of spatial control, authority, and institutional orders. It is dynamics of this sort that the articles in this collection explore: the outcomes produced in the frontier space, the kinds of authority that emerge through control over space and the people in it, and the battles for legitimacy that this entails. This collection explores the emergence of frontier spaces, arguing that these are transitional, liminal spaces in which existing regimes of resource control are suspended, making way for new ones.

Entangled Territories in Small-Scale Gold Mining Frontiers: Labor Practices, Property, and Secrets in Indonesian Gold Country

- World Development---2018---Nancy Lee Peluso

Small-scale gold mining territories emerge at the nexus of land use, property, and labor relations in some of Indonesian Borneo's most vibrant and populated spaces, entangling state actors while sitting comfortably beyond the reach of formal state authority. Based on 7 months of field research in a key gold-producing region of West Kalimantan, I argue that gold's presence, discovery, and informal extraction creates resource frontiers, and that within these frontiers, mining labor practices, property relations, and gold mining-related secret knowledges converge to generate resource territories. While development practitioners, agrarian scholars, and government officials represent mining sites as chaotic and lacking institutional order, I show that a clearly understood organization of life and work animates the territorial subjects and territorialized spaces that small-scale mining populates in both urban and rural mining territories. The article challenges views of territory and territorialization as an imposition of government on the people and resources within spatial boundaries. Territories with no formalized boundaries in Indonesian gold country emerge through specific production practices engaging labor, resource access, and situated knowledges. The complex entanglements of legalities and illegalities suggest that smallholder

gold production spaces are ungovernable through centralized state regulatory institutions.

Indirect Recognition. Frontiers and Territorialization around Mount Halimun-Salak National Park, Indonesia

- World Development---2018---Christian Lund, Noer Fauzi Rachman

Government institutions and local people in Indonesia have entrenched, resurrected, and reinvented space through their different territorial and property claims. From colonial times, onward, government institutions have dissolved local political orders and territorialized and reordered spatial frontiers. Local resource users, on the other hand, have aligned with, or undermined, the spatial ordering. We analyze government-citizen encounters in West Java and the dynamics of recognition in the fields of government territorialization, taxation, local organization, and identity politics. Spatial categories are struggled over, and groups of actors seek to legitimate their presence, their activities, and their resource use by occupation, mapping, and construction of “public” infrastructure. In the case of conservation in the Mount Halimun-Salak National Park, we find that rather than one overarching recognition of a single direct spatial claim to property, a web of direct and indirect claims for recognition emerges between and among claimants and institutions. If direct claims to resources are impossible to pursue, people lodge indirect claims. In everyday situations, indirect recognition can perform important legal and political work. After the authoritarian New Order regime, in particular, claims to citizenship worked as indirect property claims, and indirect recognition of such claims are important because they serve as pragmatic proxies for formal property rights. Two case studies examine how people struggle over the past, negotiating the constraints of social propriety for legitimation and indirect recognition of their claims.

Paper Works: Contested Resource Histories in Peru’ s Huascarán National Park

- World Development---2018---Mattias Borg Rasmussen

Resource histories determine how particular parts of the environment come to be defined as valuable. As elsewhere, protected areas in Latin America link the governance of people, territory, and resources by reinterpreting and reclassifying practices and environments. Set in highland Peru, the article focuses on how such revisions imply contestation of both history and future. It explores particular modes of claiming space through an archeology of the claims to knowledge and legitimacy put forward by a national park and a campesino community, respectively. Claims to space entwine with social struggles about local development where territorial claims are based on different notions of history and interpretations of the esthetic and productive values of the landscape. While the park officials navigate interests of conservation, tourism, and extraction, the campesino community mobilizes a different set of values and interests based on their historical occupation of the territories. These processes of contestation over authority and legitimacy highlight different views on the role of landscapes in the history and progress of local communities. Conservation may not only dispossess people of their land and natural resources, but also of labor and territorial sovereignty. This case shows how an Andean campesino community counters such movements by a wide repertoire of legal and social actions that works simultaneously in legal and extra-legal domains. Paper works mediate claims to territorial sovereignty, people, and resources. These claims involve contestations over interpretations of history which, besides their oral forms, materialize in paperwork such as official communications, community records, and cadastral maps, as well as in visual representations, internal statutes, and deliberate history writing.

Conflicts, Territories, and the Institutionalization of Post-Agrarian Economies on an Expanding Tourist Frontier in Quilotoa, Ecuador

- World Development---2018---Rudi Colloredo-Mansfeld, Angélica Ordoñez, Homero Paltán López, Joe Quick, Diego Quiroga, Julie Williams

World Heritage and associated conservation-based tourism can generate significant national income, yet the top-down efforts to open up new tourist destinations can displace communities that are meant to benefit. In Ecuador, the administration of Rafael Correa has invested substantially in both new infrastructure and community level training in order to steer world heritage visitors into a more diversified tourist sector. Our research examined the attempt of one community at the crater lake Quilotoa (Cotopaxi province) to maintain control of their economy in the face of increased state investments. We asked, under what circumstances is a community able to both define and defend a zone of locally managed economic development? To answer the question, we carried out a participatory GIS mapping project focused on sites of conflict and community assemblies and supplemented the mapping with an economic survey and detailed career histories. Our research finds that, since 1988, cycles of conflicts within the community of Quilotoa and between Quilotoa and its neighbors came to define an effective, yet informal, territorial boundary within which residents were highly committed to mobilize to defend their work and investments. Interviews show the importance of territory as political resources used by the community to escalate commercial conflicts into matters of wide public concern and ultimately establish the institutional basis of non-agricultural work.

Territoriality by Conservation in the Selous–Niassa Corridor in Tanzania

- World Development---2018---Jevgeniy Blustein, Jens Friis Lund

In this paper we argue that historically emerging frontiers of conservation pave the way for continuous top-down territorialization. Drawing on a concrete

case in the Selous–Niassa Corridor in Southern Tanzania, we show how a frontier emerged in the form of community-based conservation. Decades of consecutive and continuous territorialization projects, based on mapping and boundary making, have ensured that conservation is beyond questioning, despite failures in the processes of demarcating, controlling, and managing this large-scale socio-spatial intervention. Although these failures produce territorial conflicts and confusions on the ground, we argue that in the context of a conservation frontier the gap between the envisioned ideal and the messy reality is used to legitimize continuous conservation interventions that rely on technical expertise rather than political dialog. While such top-down territorialization by community-based conservation inevitably remains partial and contingent, this is nonetheless a powerful and resilient project that gradually transforms communal landscapes into conservation territories with little room for public debate.

Making Concessions: Extractive Enclaves, Entangled Capitalism and Regulative Pluralism at the Gold Mining Frontier in Burkina Faso

- World Development---2018---Muriel Côte, Benedikt Korf

This paper studies the regulation of concessions in the global gold mining rush. The liberalization of the gold mining sector has given way to complex forms of regulation where non-state and illegal mining entrepreneurs compete in governing mining extraction. Taking the case of gold mining in Burkina Faso, this paper analyses the conditions and dynamics under which such complex regulation takes place. We draw on extensive ethnographic fieldwork conducted in Northern Burkina Faso, in particular the Burkinabè mining sector. We argue that enclave economies in the gold mining sector are co-produced by state and market regulation through a “plurification” of regulatory authority. This “plurification” is the effect of competition among different frontier entrepreneurs, who seek to broker regulatory authority in mining concession sites. We show that concession sites are not discrete extractive enclaves, but are better understood as indis-

crete sites that are entangled in local politics and social relations. Rather than thinning social relations, as is often claimed, we observe that enclave economies thicken politics around concessionary regimes, where governmental bodies re-emerge as an arbitrating regulatory force. These findings problematize policy prescriptions to formalize the gold mining sector and draw attention to the role of the state in re/producing frontier entrepreneurs with unequal political rights to claiming concessions.

Frontiers: Authority, Precarity, and Insurgency at the Edge of the State

- World Development---2018---Michael J. Watts

The focus of this article is two home-grown insurgencies which arose in Nigeria after the return to civilian rule in 1999: Boko Haram in the Muslim northeast, the Movement for the Emancipation of the Niger Delta (MEND) in the oil producing and Christian south-east. The two insurgencies arose, I argue, from frontier spaces in which the limits of state authority and legitimacy intersected with a profound crisis of authority and rule on the one hand, and the political economy of radical precarity on the other. Boko Haram and MEND share family resemblances—they are products of the same orderings of power—despite the obvious fact that one is draped in the language of religion and restoration (but as we shall see modernity) and the insistence that Nigeria should become transformed into a true Islamic state, while the other is secular and civic (and also modern) wishing to expand the boundaries of citizenship through a new sort of federalism. There are striking commonalities in the social composition of the armed groups and their internal dynamics; each is deposited at the nexus of the failure of local government, customary institutions, and the security forces (the police and the military task forces in particular). Each, nevertheless, is site specific; a cultural articulation of dispossession politics rooted in regional traditions of warfare, in particular systems of religiosity, and very different sorts of social structure and identity, and very different ecologies (the semi arid savannas of the north, and the creeks and forest of the Niger delta).

In both cases state coercion and despotism and the ethico-moral decrepitude of the state figures centrally as does the politics of resentment that each condition generates among a large, alienated but geographically rooted group of precarious classes.

Performance of Microfinance Institutions: Does Government Ideology Matter?

- World Development---2017---Ferdinand A. Gul, Jyotirmoy Podder, Abu Zafar M. Shahriar

We draw on the political economy theory and examine whether incumbent government's political ideology affects the performance of microfinance institutions (MFIs). We collect data on 619 MFIs from 75 countries over the period of 1996–2012 and merge them with country-level data on government ideology and other economic and institutional factors. We find that MFIs operating in a left wing regime have higher portfolio growth rates relative to the ones operating in a right wing or a centrist regime. Furthermore, under leftist political leadership, MFIs have lower funding costs, lower operating costs, and lower default costs. The electoral incentives of left wing governments, however, impair the capacity of MFIs to increase financial revenue. Thus, despite having lower costs, these MFIs are not more sustainable relative to those operating in right wing or centrist regimes. Academics and policymakers devote substantial resources to better understand the conditions under which MFIs are more likely to flourish and deliver on their promises. We contribute to this endeavor by empirically showing that government ideology is an important determinant of MFI performance.

Does Aid Effectiveness Depend on the Quality of Donors?

- World Development---2017---Anna Minasyan, Peter Nunnenkamp, Katharina Richert

It has been intensively and controversially discussed whether “good” economic policies and governance in the recipient countries render foreign aid more effective in alleviating poverty and stimulating economic

growth. By contrast, the question of whether aid recipient countries would benefit from stronger income effects if foreign donors provided higher quality aid has received scant attention so far. We make use of the index of donor performance from the Center for Global Development to compare the effects of quality-adjusted aid and unadjusted aid on changes in GDP per capita. Our difference-in-differences analysis reveals significant and quantitatively important treatment effects for quality-adjusted aid after the introduction of the Paris Declaration on Aid Effectiveness in 2005, while we do not find significant treatment effects for unadjusted aid. This implies that only recipient countries with increased aid inflows of high quality benefit in terms of increasing GDP per capita. The quality of aid matters most when accounting for delayed effects. However, our results depend on the sample of recipient countries.

The “Discouraged Worker Effect” in Public Works Programs: Evidence from the MGNREGA in India

- World Development---2017---Sudha Narayanan, Upasak Das, Yanyan Liu, Christopher Barrett

This study investigates the consequences of poor implementation in public workfare programs, focusing on the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in India. Using nationally representative data, we test empirically for a discouraged worker effect arising from either of two mechanisms: administrative rationing of jobs among those who seek work and delays in wage payments. We find strong evidence at the household and district levels that administrative rationing discourages subsequent demand for work. Delayed wage payments seem to matter significantly during rainfall shocks. We find further that rationing is strongly associated with indicators of implementation ability such as staff capacity. Politics appears to play only a limited role. The findings suggest that assessments of the relevance of public programs over their lifecycle need to factor in implementation quality.

Child Labor and Household Land Holding: Theory and Empirical Evidence from Zimbabwe

- World Development---2017---Ali Reza Ory-oie, Jeffrey Alwang, Nicolaus Tideman

The relationship between rural household productive assets and child labor in developing countries is complex. Some empirical evidence shows that child labor tends to increase as land holding increases, or there is an inverted U-shaped curve relationship between the probability of putting children to work and land holding. This paper shows that the relationship between use of children as laborers and land holding is nuanced. Child labor generally decreases as per capita land holding increases, but there can be an upward bump in the relationship between child labor and landholding near the middle of the range of land per capita. The bump can be explained theoretically by the relationship between the marginal productivity of a child worker on the farm and the marginal value placed on his/her education at different levels of wealth. This pattern is repeated in three surveys conducted in Zimbabwe, in 2001, 2007–8, and 2010–11. From the perspective of policy making, the policy maker should be alerted that the programs to promote school retention should not necessarily focus only on the poorest households in rural areas. There is a high probability that middle-wealth households put their children to work, and this probability may change by some other factors such as gender of child and agro-ecological conditions.

The Universality, Peculiarity, and Sustainability of Indian Public Interest Litigation Reconsidered

- World Development---2017---Hajime Sato

Since the first decade of the 2000s, there has been serious concern that public interest litigation (PIL) in India, which was launched by the Supreme Court in the late 1970s to protect the rights of weaker sections of the society, has come to be occasionally used against them instead. Can PIL in India truly serve as a model for other developing countries in promoting the basic rights of their citizens? Reconsidering the conditions that enable the judiciary to engage in judicial activism

through PIL, this paper argues that writ jurisdiction is the key factor in considering the peculiarity and sustainability of Indian PIL, as the unique development of its jurisdiction has contributed to increased power for judges in delivering social justice to society and has also opened the possibility of judges pursuing their own agendas through the resulting informalization of procedure and remedy.

Dynamic Poverty Decomposition Analysis: An Application to the Philippines

- World Development---2017---Tomoki Fujii

In this paper, we propose a new method of poverty decomposition. Our method remedies the shortcomings of existing methods and has some desirable properties such as time-reversion consistency and subperiod additivity. Our decomposition integrates the existing methods of growth-redistribution decomposition and sector-based decomposition, because it allows us to decompose the change in poverty into growth and redistribution components for each group (e.g., regions or sectors) in the economy. Our decomposition works well in cases where only partial data are available for some periods. It is also flexible and can be extended to have the following six components: population shift, within-region redistribution, between-region redistribution, nominal growth, inflation, and methodological change components. The empirical application of the six-way decomposition to the Philippines for the period 1985–2009 shows that important policies for poverty reduction may differ across regions. For example, the Autonomous Region in Muslim Mindanao would need growth-enhancing policies, whereas Eastern Visayas would need policies to improve the income distribution. Our decomposition method has a wide applicability and may complement the poverty profile approach.

Participation and Power in Climate Change Adaptation Policies: Vulnerability in Food Security Programs in Nepal

- World Development---2017---Sigrid Nagoda, Andrea J. Nightingale

The article explores the moments wherein participatory approaches in climate change adaptation (CCA) policies contribute to reinforcing, rather than transforming, the underlying causes of vulnerability. Using the case of food insecure households in the district of Humla in northwestern Nepal, the study demonstrates that the same social and power relations that are driving local vulnerability dynamics, such as caste, gender, and access to social and political networks, also play important roles in shaping the impact of CCA policies. By tracing Nepal's CCA programs, starting with the local level, through district to international-national level dynamics, the study adds insights into the barriers to exclusion that embed power relations all the way through the chain of policy development. The purpose is to better understand how CCA can perpetuate rather than alleviate the conditions that create differential vulnerability patterns at village level. It raises questions about how whether CCA programs are an adequate response to increasing vulnerability for some of the world's most marginalized people.

Selecting the State or Choosing the Chief? The Political Determinants of Smallholder Land Titling

- World Development---2017---Lauren Honig

This article examines the effect of customary institutions on smallholder land titling in Sub-Saharan Africa. It argues that the individual's status within the customary institution conditions his or her demand for land titles. Individuals with greater customary privilege gain advantages from maintaining customary property rights, including stronger tenure security. For households with lower privilege within the customary institution, the benefits of adopting state land titles are higher. Analysis of an original survey of smallholder farmers in Senegal and an existing survey in Zambia demonstrates that households with greater customary privilege are less likely to adopt state land titles, independent of ethnicity, wealth, and land values. I find additional support for the argument in measures of increased tenure security for those with greater customary privilege. Qualitative interviews with customary

authorities and smallholder farmers help establish the mechanism. These findings update the dominant wisdom that land values and material transaction costs drive smallholder land titling, demonstrating the important effect of status within the customary institution on demand for land titles. By examining the political underpinnings of customary property rights, this article contributes to our understandings of which farmers benefit most from land titling. This has implications for the improved design of land governance programs.

Land Markets and Land Access Among Female-Headed Households in Northwestern Tanzania

- World Development---2017---Ayala Wine-man, Lenis Saweda O. Liverpool-Tasie

Land markets can potentially improve land access for female-headed households if markets exhibit less restrictive gender norms around land ownership, as compared with non-market-based systems of allocation. At the same time, land markets may not operate in a gender-neutral manner, with restrictions beyond the market continuing to influence the options of female-headed households. Using both qualitative data and household survey data collected in 2014 and 2015, this paper explores the extent and manner in which female heads participate in the sales and rental markets in northwestern Tanzania. A qualitative analysis reveals that female heads do engage with the market, although they find it most difficult to mobilize the necessary capital to participate as buyers or renters. Women also seem to face unique restrictions on selling land. Regression results show that female heads use the market to augment a small land endowment left from their marriage, and this is particularly true for divorced or separated women. However, female-headed households remain somewhat marginalized in terms of market participation. Our study shows that female heads in Tanzania are far from sidelined in the land market, though the “rules” of market engagement are decidedly nuanced.

Mitigating Climate Change in Africa: Barriers to Financing Low-Carbon Development

- World Development---2017---Ademola A. Adenle, Dale Manning, Joseph Arbiol

Meeting global climate change mitigation goals requires the participation of developing countries in abatement programs to encourage low-carbon development pathways. Incentivizing developing countries to participate in climate change mitigation often requires a mechanism for developed countries to finance projects in poorer countries. While several funding institutions have been established, African country participation has been low. In this analysis, we conduct interviews with climate change policy stakeholders from across the continent and find a general consensus that a lack of institutional capacity has limited the participation of African countries in existing climate change mitigation programs. To confirm this qualitative observation, we use data from the Global Environment Facility (GEF) and the World Bank to examine the correlation between country-year measures of institutional capacity and the number of projects implemented by the Global Environment Facility (GEF) and find that better institutional quality is associated with more GEF projects implemented in a country-year. We propose to address the lack of institutional capacity with the creation of regional institution, or Climate Change Mitigation Institution (CCMI), that specializes in building local capacity by leveraging external capacity as well as facilitates the integration of African countries into global climate change mitigation efforts by improving capacity, strengthening research and development, forming partnerships, and coordinating the disbursement of financing.

Synergy and Learning Effects of Informal Labor-Sharing Arrangements

- World Development---2017---Dawit Mekonnen, Jeffrey H. Dorfman

We study the effects of informal labor-sharing arrangements and other social interactions on farmers’ productivity in a developing country context, testing

whether these types of social and work interactions lead to productivity gains through learning, synergy, or both. Using a rich panel data set of Ethiopian subsistence farmers, we estimate a distance function of grains production and find large productivity gains (approximately 33% and 29% in 1999 and 2004) from labor sharing due to synergy effects that boost labor productivity. However, labor sharing does not lead to learning as the productivity gains observed in years with labor sharing disappear in following years if the farmers do not continue to engage in labor sharing. Labor-sharing partners are either neighbors, relatives, members of the same funeral and religious associations, or have plots next to each other, which together reduce labor sharing as a single venue for learning. However, the synergy effect is strong enough to warrant the design of extension and outreach policies that recognize and utilize farmers' informal social networks such as labor-sharing arrangements.

The Effect of Intellectual Property Rights on Domestic Innovation in the Pharmaceutical Sector

- World Development---2017---Simona Gamba

There is little empirical evidence concerning the effect of Intellectual Property Rights (IPR) protecting pharmaceutical products and processes on pharmaceutical domestic innovation. Indeed, existing literature does not provide a punctual estimate of this effect for developing countries. This paper fills this gap, by exploiting a self-constructed dataset which provides, for a 22-year period, information concerning IPR reforms involving pharmaceuticals for 74 developed and developing countries. The identification strategy exploits the different timing across these countries of two sets of IPR reforms. Domestic innovation is measured as citation-weighted domestic patent applications filed at the European Patent Office (EPO): the highly skewed distribution of the dependent variable, and the high number of zero observations, are taken into account using count data models. In particular, a Zero Inflated Negative Binomial model is adopted, to overcome previous literature assumption that all innovations are

patented in the main markets of reference, and to take into consideration the choice not to patent at the EPO. Results show that innovation is sensitive to IPR protection, but not to its degree. Moreover, the effect is not long lasting. My study also finds that developing countries profit significantly less than developed ones from the protection, benefiting from an effect that is roughly half of that for developed countries. Consequent policy implications are examined, and include the conclusions that a “one size fits all” approach can be inappropriate, and that gradual reforms should be preferred to rare reforms that greatly alter the level of IPR protection.

Women' s Worldwide Education–employment Connection: A Multilevel Analysis of the Moderating Impact of Economic, Political, and Cultural Contexts

- World Development---2017---Carlijn Bussemakers, Kars van Oosterhout, Gerbert Kraaykamp, Niels Spierings

Education is a core driver of female employment and empowerment all over the world. As development studies have shown, the strength of this educational effect however varies considerably across countries. Theoretically, we employ mechanisms from human capital theory and modernization theory that explicate the education–employment link. Next, insights from the gender and development approach lead us to hypothesize how economic, political, and socio-cultural features of countries might moderate this effect of educational attainment. Using World Values Survey data on women surveyed in 139 country–year combinations, we empirically test whether and how a country' s labor market structure, social policy, and gender norms condition the influence of women' s education attainment on employment. Employing multilevel logistic regression models with cross-level interactions, our results indicate that in countries where service sector jobs are relatively scarce, having a higher education is more important for women to get a job; it seems that higher-educated women push lower-educated women out of employment under those circumstances. Most impor-

tantly, women's educational attainment makes more of a difference in countries with conservative gender norms; in these countries women's employment is considerably lower than in more liberal countries, but to a lesser extent for higher educated women.

Natural Resource Management and Household Well-being: The Case of POSAF-II in Nicaragua

- World Development---2017---Luis A. De los Santos-Montero, Boris Bravo-Ureta

Measuring the impact of natural resource programs is a key element in the formulation and implementation of policies designed to promote farm income while enhancing the quality of the surrounding environment. In this paper, we analyze the economic impact of natural resource technologies delivered by the Socio-environmental and Forestry Development Program-II (POSAF-II) in Nicaragua. We use cross-sectional data for 1,483 households, from 212 treated and control communities. Results obtained from propensity score matching (PSM), ordinary least squares (OLS), weighted least squares regression (WLS) based on PSM, and instrumental variables (IV) regression indicate that POSAF-II has had a positive impact on the total value of agricultural production of beneficiary farmers. An internal rate of return analysis supports the hypothesis that increasing household income while encouraging the sustainable use of natural resources through the implementation of suitable management programs can be complementary development objectives.

Profits from Peace: The Political Economy of Power-Sharing and Corruption

- World Development---2017---Felix Haass, Martin Ottmann

Does power-sharing drive corruption in post-conflict countries? We conceptualize government elites in any post-conflict situation as rent-seeking agents who need to ensure the support of their key constituencies to remain in power. Power-sharing institutions—especially cabinet-level, executive power-sharing institutions—

systematically shape these rent-seeking motives. Power-sharing cabinets create political coalitions dominated by small circles of government and rebel elites with direct access to state resources and low levels of loyalty toward the government leader. Also, the provisional nature of many power-sharing institutions increases rent-seeking incentives: facing a limited time horizon in office, rent-seeking elites within the power-sharing coalition are likely to capture as many rents as possible before they have to leave office. Thus, post-conflict countries with power-sharing institutions should exhibit higher aggregated levels of rent-seeking measured as the level of corruption in a country. In a statistical analysis of all post-conflict situations during 1996–2010, we find that power-sharing cabinets substantively increase corruption in post-conflict countries and that this effect is stronger in the presence of natural resource rents. These findings add quantitative evidence to the debate about drivers of post-conflict corruption. Moreover, they highlight a trade-off between short-term stability and long-term negative effects of corruption for post-conflict political and economic development.

Innovation, Public Support, and Productivity in Colombia. A Cross-industry Comparison

- World Development---2017---Isabel Busom, Jorge Andrés Vélez-Ospina, Jorge Andrés Vélez-Ospina

We investigate the association between perceived barriers to innovation and the allocation of public support for innovation in manufacturing and service industries in Colombia, as well as the potential heterogeneity of returns to innovation across the firm-level productivity distribution. Extending the CDM recursive system, we include an equation for the allocation of direct support and use quantile regression methods to estimate the productivity equation. We find some differences across manufacturing and service industries. Financing constraints are correlated with obtaining public support in manufacturing and in some services, but in knowledge-intensive services (KIS) barriers associated with regulations are more significant. The introduction of innovations increases mostly the productivity of firms below the median of the productivity distribu-

tion, especially in services. Increasing human capital would boost productivity of firms in all industries, providing support to the hypothesis that human capital is indeed a bottleneck for productivity growth across the board in Colombia. We conclude that addressing factors that hinder innovation by low-productivity firms in all service industries could significantly contribute to increasing productivity and reduce its dispersion.

Moving Up or Moving Out? Insights into Rural Development and Poverty Reduction in Senegal

- World Development---2017---Goedele Van den Broeck,Miet Maertens

While worldwide progress in poverty reduction has been impressive, Sub-Saharan Africa is lagging behind with slow growth and a high-poverty headcount ratio. There are fierce debates on how Sub-Saharan Africa can foster pro-poor growth and the role of agriculture and small- versus large-scale farming in poverty reduction. We contribute to this debate with micro-economic empirical evidence from the Senegal River Delta, an area that recently experienced rapid rural development. We use household survey data from two panel rounds in 2006 and 2013 and a cluster analysis to investigate livelihood, income, and poverty dynamics in the region. We find that with 4.3% annual growth in average household income, 29.5 percentage points' poverty reduction, and 4.2 percentage points' inequality reduction over the period 2006–13, development in the Senegal River Delta region has been remarkably pro-poor. Income growth and poverty reduction have been most impressive among households moving into wage employment on large-scale horticultural export farms and in an emerging service sector. Income growth in small-scale agriculture and non-farm businesses has been more modest but has affected the largest number of households. Transformation in both farm and non-farm sectors has driven rural development in the Senegal River Delta region, and investments in both large- and small-scale agriculture have contributed importantly to household income growth and poverty reduction. Our findings imply that (foreign) investments in large-scale commercial and export-oriented

farming can trigger pro-poor growth—directly through employment effects and indirectly through investment and consumption linkages with the small-scale farm and non-farm sector.

Engaging development and religion: Methodological groundings

- World Development---2017---Séverine Deneulin,Augusto Zampini-Davies

Religion is no longer a neglected dimension in development studies. Not only has the literature on religion and development blossomed over the last decade, but partnerships between international development institutions and faith communities have also multiplied. Yet, little is said about how such engagement is to take place beyond reference to general principles, and beyond the instrumental use of religion for achieving pre-determined international development goals. The aim of the paper is to propose some methodological grounding for engaging development and religion at the normative level. It does so on the basis of Amartya Sen' s capability approach and Pope Francis' s encyclical *Laudato Si' : On Care of Our Common Home*. Although the latter is written by the global Catholic leader, it is addressed to every human being and urges a redefinition of the meaning of development. Our paper argues that the encyclical contains a potentially fruitful methodological proposal for engaging development and religion. We analyze how such a methodology has been applied in an exercise by the UK Catholic Agency for Overseas Development (CAFOD) to facilitate a global dialogue on development and religion in different geographical contexts. After addressing some of the limits of the methodology of *Laudato Si' ,* we examine how Sen' s normative conceptualisation of development and methodological proposal toward dialogue and reason about values – including religious ones – could complement some religious approaches and methodologies, such as in *Laudato Si' ,* to yield innovative proposals for engaging development and religion.

Pro-poor Land Transfers and the Importance of Land Abundance and Ethnicity in The Gambia

- World Development---2017---Ulrik Beck, Benedikte Bjerge

We ask whether there is empirical evidence that supports the existence of norm-based access rules that give poor households access to important production resources. A substantial literature has investigated informal insurance schemes, which trigger supporting exchanges after negative shocks have occurred. This paper is instead concerned with material exchanges that take place before shocks occur, which has received far less attention in the economic literature. We employ a dataset of 51 rural villages in The Gambia, and we focus on access to the most important production resource in our context—land. We find that poor households are more likely to receive seasonal land usage rights. We also show that these exchanges are more likely to occur in villages where land is abundant and where ethnic fractionalization is low. We argue that this is consistent with the existing qualitative evidence, which argues that informal exchange is thought to be disappearing due to population increases and ethnic fractionalization. Our findings highlight the importance of attention to the local (i.e., village-level) context for assessing welfare and conducting effective policy.

Drivers of Structural Transformation: The Case of the Manufacturing Sector in Africa

- World Development---2017---Mijiyawa, Abdoul' Ganiou

This paper analyzes the driving factors of manufacturing development in Africa. Using the system-GMM technique with four-year average panel data over the period 1995–2014, including 53 African countries, the paper finds four main results. (1) There is a U-shaped relationship between the manufacturing share of GDP and per capita GDP. (2) Exchange rate depreciation stimulates Africa's manufacturing sector. (3) Good governance, especially a low level of corruption and better government effectiveness contribute to Africa's

manufacturing development. (4) The size of domestic market positively affects the manufacturing share of GDP. On the other hand, the paper finds no significant effects of FDI and urbanization on manufacturing development. The implication of these findings is that improving the level of competitiveness, expanding the size of domestic market, combating corruption as well as improving government effectiveness are key for Africa's manufacturing sector development. Moreover, the U-shaped relationship between the manufacturing share of GDP and per capita GDP, implies that African countries should not expect industrialization to automatically happen with income increase, but rather, they should proactively tackle key obstacles to the development of the manufacturing sector.

Legal Empowerment and Social Accountability: Complementary Strategies Toward Rights-based Development in Health?

- World Development---2017---Anuradha Joshi

Citizen-based accountability strategies to improve the lives of the poor and marginalized groups are increasingly being used in efforts to improve basic public services. The latest thinking suggests that broader, multi-pronged, multi-level, strategic approaches that may overcome the limitations of narrow, localized successes, hold more promise. This paper examines the challenges and opportunities, in theory and practice, posed by the integration of two such citizen-based accountability strategies—social accountability and legal empowerment. It traces the foundations of each of these approaches to highlight the potential benefits of integration. Consequently it examines whether these benefits have been realized in practice, by drawing upon five cases of organizations pursuing integration of social accountability and legal empowerment for health accountability in Macedonia, Guatemala, Uganda, and India. The cases highlight that while integration offers some promise in advancing the cause of social change, it also poses challenges for organizations in terms of strategies they pursue.

How to Find out What's Really Going On: Understanding Impact through Participatory Process Evaluation

- World Development---2017---Andrea Cornwall, Alia Aghajanian

This article considers the contribution participatory process evaluation can make to impact assessment, using a case study of a study carried out to evaluate how a Kenyan nutrition education program had brought about change in the nutritional status of children and in their and their parents' understanding and practices. Using Bhola's three dimensions of impact—"impact by design", "impact by interaction", and "impact by emergence"—focuses not just on what changes as an intended result of an intervention, but on how change happens and how positive changes can be sustained. The principal focus of the article is methodological and as such it describes in some detail the development of a sequence of participatory visualization and discussion methods and their application with a range of stakeholders, from program staff in the headquarters of the implementing agency, to local government officials, front-line program workers, and beneficiaries. It suggests that the use of a participatory approach can enable researchers and evaluators to gain a fuller picture of incidental and unintended outcomes arising from interventions, making participatory process evaluation a valuable complement to other impact assessment methodologies.

Oil, Dissent, and Distribution

- World Development---2017---Nimah Mazaheri

This study reveals that social forces condition the extent to which oil-rich nations provide vital public services to the population. Although it is often assumed that oil wealth leads to the formation of a distributive state that generously provides services in the areas of water, sanitation, education, health care, or infrastructure, this study shows that the spread of political dissent conditions the effect of oil wealth on the actual patterns of service distribution. Quantitative tests

reveal that oil-rich nations who experience demonstrations or riots provide better water and sanitation services than oil-rich nations who do not experience such dissent. Subsequent tests find that oil-rich nations who experience nonviolent, mass-based movements provide better water and sanitation services than those who experience violent, mass-based movements. The causal mechanisms between oil, dissent, and distribution are evaluated through a case study of Saudi Arabia's oil-rich Eastern Province. The analysis begins with the early days of Aramco and examines how mobilization activities and the rise of Sunni-Shiite sectarianism altered service distribution in the province. This study provides evidence that social forces can shape the extent to which oil wealth benefits the nation and improves the population's quality of life.

Strategies for Synergy in a High Modernist Project: Two Community Responses to India's NREGA Rural Work Program

- World Development---2017---Rajesh Veeraraghavan

This article asks what led to the successful implementation of the National Rural Employment guarantee program (NREGA) in Andhra Pradesh. In particular, the article ethnographically examines the implementation of the program in two different village panchayats (Dalit and Tribal) in Andhra, with a focus on underprivileged communities and it finds dramatic differences in the outcomes of the program. Both outcomes can be considered successful for the workers of the NREGA, although perhaps in ways that could not have been anticipated by the planners of the program. Theoretically, the analysis is situated between two strands—pessimistic critiques of the high-modernist state and more optimistic visions of state-society synergy. The pessimistic analysis underestimates the possibility a community will take advantage of the opportunities that a high-modernist state can provide. On the other hand, the overly optimistic account of the state-society literature assumes what I am calling "joint intentionality" between state and community is necessary for success, and empirically rules out successes that do not

have such joint intentionality. The article shows that high-modernist state actions can create a structural context that opens up avenues for local successes, while local factors—namely the caste, class and livelihood strategy of villagers—determine the distinct avenues through which success is achieved. Top-down centralized implementation characterized by a high-modernist state does not rule out the realization of local goals. State and society can interact to produce positive outcomes even if these outcomes are not jointly intended.

Revisiting the Oil Curse: Does Ownership Matter?

- World Development---2017---Arpita Asha Khanna

A large body of literature finds a negative relationship between oil abundance and economic growth. The existing empirical evidence on the oil curse, however, does not account for variations in the ownership of oil. This article investigates whether the effect of oil abundance on growth varies with ownership structures. It also investigates whether pre-existing institutional conditions influence the effect of oil abundance across different ownership structures. Using a novel database on ownership structures and employing a panel fixed effects estimation method, it analyzes a sample of oil-exporting developing countries during the period 1984–2005. The results show that the effect of oil abundance on growth varies with ownership structures and is also influenced by the quality of pre-existing institutions. Under state ownership and control, oil abundance reduces growth when the institutional quality is poor, but increases growth when the institutional quality is good. Under private ownership, on the other hand, oil abundance increases growth when the institutional quality is poor, but reduces growth when the institutional quality is good. The results suggest that ownership matters and countries can avoid the oil curse by choosing an appropriate ownership structure given their pre-existing institutional circumstances. The policy advice in this article is: adopt state ownership and control if the institutions are strong, if the institutions are weak, transfer ownership to foreign oil companies.

Extending a Lifeline or Cutting Losses? The Effects of Conflict on Household Receipts of Remittances in Pakistan

- World Development---2017---Yashodhan Ghorpade

I examine the causal effects of long-term exposure to conflict, measured at the micro level, on households' receipt of remittances, among households residing in areas affected by the 2010 floods in Pakistan. Using a dataset of 7802 households, representative of all flood-affected areas of Pakistan in 2010, I employ IV estimation to overcome the endogeneity of conflict exposure and remittance receipts, and control for a range of confounding factors. I find that, contrary to the literature from country-level case studies, long-term exposure to conflict reduces households' likelihood of receiving any remittances at all, as well as the average amounts of remittances received. However for households in the lowest food consumption expenditure quintile, conflict has a positive effect on the likelihood of remittance receipts, which provides evidence for the existence of heterogeneous effects as well as a significant micro-macro gap in understanding the causal effects of conflict on remittance receipts.

The Impact of Terrorism on Governance in African Countries

- World Development---2017---Simplice Asongu, Jacinta Nwachukwu

This study investigates how terrorism affects governance in 53 African countries for the period 1998–2012. Four terrorism indicators are used namely: domestic, transnational, unclear, and total terrorism. Ten bundled and unbundled governance indicators are also employed namely: political governance (consisting of political stability and voice and accountability), economic governance (encompassing government effectiveness and regulation quality); institutional governance (entailing corruption-control and the rule of law), and general governance. The governance indicators are bundled by means of principal component analysis. The empirical evidence is based on Generalized Method of

Moments. Three key findings are established. First, all selected terrorism dynamics negatively affect political governance and its constituents. Second, evidence of a negative relationship is sparingly apparent in economic governance and its components. Third, no proof was confirmed in relation to the impact of terrorism and institutional governance with its elements. Fourth, compared with domestic terrorism, transnational terrorism more negatively and significantly affects political, economic, and general governances. Policy implications are discussed.

The Mobile Phone Revolution: Have Mobile Phones and the Internet Reduced Corruption in Sub-Saharan Africa?

- World Development---2017---Daniel A. Kanyam,Genti Kostandini,Susana Ferreira

There is a growing consensus that information and communication technology (ICT) systems (here mobile phones and the internet) offer remarkable opportunities for promoting good governance, increasing transparency, and reducing corruption. Thus, many development practitioners, policy makers, and various international organizations who are committed to promoting transparency and good governance have embraced the view that mobile phones can be used as a social accountability tool in the fight against corruption. This study empirically investigates the impact of mobile phone penetration, internet adoption, and the interaction effect between the two on corruption, by focusing specifically on Sub-Saharan Africa (SSA). The results reveal that cell phones are powerful tools for reducing corruption. Results of panel Granger causality tests show that there is unidirectional causality from mobile phone penetration to corruption, and from internet adoption to corruption. To deal with the problem of endogeneity, a dynamic panel data (DPD) model is employed.

Toward Improving the Design of Sustainability Standards—A Gendered Analysis of Farmers’ Preferences

- World Development---2017---Eva-Marie Meemken,Prakashan Chellattan Veettil,Matin Qaim

Recently, sustainability standards have gained in importance for export crops produced in developing countries. Several studies analyzed whether such standards deliver on their promise to improve the livelihoods of poor farmers, with mixed results. Here, we ask whether the design of standards could be improved such that farm households benefit more. An assessment of what particular features of standards hamper or facilitate participation requires a better understanding of farmers’ preferences. Our contribution is twofold: First, based on a choice experiment we analyze how farmers evaluate actual and hypothetical features of standards. Data were collected from small-scale coffee producers in Uganda. Second, this is the first quantitative study on standards employing a gendered research design. A gender focus is important, because coffee and other certified export crops are often controlled by men. The choice experiment included features of standards aimed at reducing gender inequality and was conducted separately with male and female members of farm households. Results indicate that farmers have positive attitudes toward sustainability standards in general. While they dislike bans of productivity-enhancing inputs, agricultural training and special female support are appreciated. Many also see requirements that have to be met for certification as a welcome nudge to invest in better farm management and quality upgrading. Female farmers have a higher preference for standards than male farmers. Also within households, significant preference heterogeneity between women and men is found.

The Livelihood Impacts of Cash Transfers in Sub-Saharan Africa: Beneficiary Perspectives from Six Countries

- World Development---2017---Eleanor Fisher,Ramlatu Attah,Valentina Barca,O'Brien, Clare,Simon Brook,Jeremy Holland,Andrew Kardan,Sara Pavanello,Pamela Pozarny

Cash transfers (CTs) are a social protection mechanism to reduce the poorest households' vulnerability to shocks and build human capital by smoothing consumption and sustaining expenditure on education and social welfare. Our study examines whether and how CTs go beyond welfare objectives to promote livelihoods. Presenting a cross-case analysis using original qualitative data on beneficiary perspectives from six African countries—Kenya, Ethiopia, Malawi, Lesotho, Zimbabwe and Ghana—we explore CT livelihood impacts within household economies and social networks, paying attention to gender issues. We find that a small but predictable flow of cash improves strategic livelihood choices and stimulates productive investments, including through positive effects on beneficiary entry into risk-sharing arrangements and networks for economic collaboration. Levels of household vulnerability and labor constraint nevertheless significantly mediate the ability of CTs to consolidate livelihood outcomes. The varying availability of economic opportunities, plus effective program implementation, also shape livelihood impact. Incorporating beneficiary perspectives brings to the fore the multi-dimensionality of CT effects on experiences of poverty and deprivation, including gender dynamics and intangibles such as dignity and respect; they add powerful realism to the influence of the CT on both immediate survival and livelihood choices. Beyond this, they confirm wider knowledge on productive impact and bring nuance to the conditions under which, and mechanisms by which beneficiaries' use CTs to build productive capability and assets and to make strategic livelihood choices.

Aid Fragmentation and Effectiveness: What Do We Really Know?

- World Development---2017---Kai Gehring,Katharina Michaelowa,Axel Dreher,Franziska Spörri

Aid fragmentation is widely recognized as being detrimental to development outcomes. We reinvestigate the impact of fragmentation in the context of growth, bureaucratic policy, and education, focusing on a number of conceptually different indicators of fragmentation, and paying attention to potentially heterogeneous effects across countries, sectors, and channels of influence. Our systematic and detailed reexamination of existing empirical studies shows that this differentiation is crucial. In some sectors—such as primary education—donor concentration or limiting donor numbers appear to be detrimental rather than beneficial for development outcomes. In other areas, we find the expected negative effect, but only when we conceptualize fragmentation as a lack of lead donors (too limited concentration), rather than in terms of donor numbers. In all cases, sufficient initial administrative capacity in recipient countries prevents the negative and reinforces the positive effects of fragmentation. This stresses the importance of questioning the sweeping conclusions drawn by much of the previous literature. Based on what we currently know, generalizing judgments about the effect of aid fragmentation may be misleading.

Land markets, Property rights, and Deforestation: Insights from Indonesia

- World Development---2017---Vijesh Krishna,Christoph Kubitz,Unai Pascual,Matin Qaim

We examine the emergence of land markets and their effects on forest land appropriation by farm households in Jambi Province, Sumatra, using micro-level data covering land use and land transactions for a period of more than 20 years (1992–2015). Based on a theoretical model of land acquisition by a heterogeneous farming population, different hypotheses are developed and empirically tested. Farm households involved in

forest land appropriation differ from those involved in land market purchases in terms of migration status and other socioeconomic characteristics. In principle, these differences provide opportunities for market-induced deforestation. However, the appropriated forest land is not extensively traded, which we attribute to the lack of de jure property right protection and the resulting undervaluation in the market. While the de facto property right protection under customary law provides sufficient security within the village community, the sense of external tenure security is low when the land cannot be formally titled. Clearing forests for trading in the land market is, therefore, financially less lucrative for farm households than engaging in own cultivation of plantation crops, such as oil palm and rubber. We conclude that land markets did not have significant effects on deforestation. On the other hand, the emergence of land markets alone has also not been able to deter forest appropriation by local farm households.

Childhood Health and Prenatal Exposure to Seasonal Food Scarcity in Ethiopia

- World Development---2017---Ray Miller

There is growing empirical support that poor maternal nutrition during pregnancy can lead to permanent fetal adaptations that affect health throughout a child's life. Most of the evidence stems from evaluating the impact of extreme prenatal deprivations due to atypical events such as droughts or floods. However, less is known about the magnitude of effects due to more normal variations in food availability. This study estimates the impact of prenatal exposure to seasonal food scarcity on the evolution of childhood health for a cohort of Ethiopian children born in 2001–02. A novel measure of seasonal exposure was constructed based on reported months of relative food scarcity in the local community collected shortly after birth. While exposure was found to have little effect on child height at age one, a larger and statistically significant negative impact emerges by age eight and strengthens by age twelve. Effects in early childhood also appear to be latent from the view of parents with little evidence of remedial invest-

ments in exposed children after birth. We conclude that mild prenatal nutritional deprivations could have significant impacts on long-term health and well-being even if effects are small or unobserved in early childhood. This implies caution against the common use of birth and early-life outcomes as the sole evaluation tools for mild prenatal insults or interventions. Overall, results highlight that in addition to the effects of severe famine conditions identified in many studies, more typical variation in prenatal food availability can have lasting impacts on health in the developing world.

New Ways to Assess and Enhance Land Registry Sustainability: Evidence from Rwanda

- World Development---2017---Daniel Ayalew Ali, Klaus Deininger, Marguerite Duponchel

Rwanda has recently implemented a nation-wide program of first-time land regularization (LTR) that many believe set new standards for the region. We use administrative data combined with household survey- and program-rollout information to explore sustainability of the infrastructure created in this process, including the impact of public efforts to increase registration of subsequent transactions. We find that the program provided significant benefits in terms of gender equality and credit access while opening up new opportunities in terms of land taxation or land use planning, but that high level of rural informality may undermine these in the medium to long term. While public efforts to decentralize service provision helped to significantly reduce informality, additional efforts are likely to be needed to ensure sustainability of the registry. We discuss how Rwanda can further move in this direction and draw out implications for other countries considering first time adjudication and registration of property rights.

Deep Impact: Geo-Simulations as a Policy Toolkit for Natural Disasters

- World Development---2017---Syed Ali Asjad Naqvi

Adverse post-natural disaster outcomes in low-income regions, like elevated internal migration levels and low

consumption levels, are the result of market failures, poor mechanisms for stabilizing income, and missing insurance markets, which force the affected population to respond, and adapt to the shock they face. In a spatial environment, with multiple locations with independent but inter-connected markets, these transitions quickly become complex and highly non-linear due to the feedback loops between the micro individual-level decisions and the meso location-wise market decisions. To capture these continuously evolving micro-meso interactions, this paper presents a spatially explicit bottom-up agent-based model to analyze natural disaster-like shocks to low-income regions. The aim of the model is to temporally and spatially track how population distributions, income, and consumption levels evolve, in order to identify low-income workers that are “food insecure”. The model is applied to the 2005 earthquake in northern Pakistan, which faced catastrophic losses and high levels of displacement in a short time span, and with market disruptions, resulted in high levels of food insecurity. The model is calibrated to pre-crisis trends, and shocked using distance-based output and labor loss functions to replicate the earthquake impact. Model results show, how various factors like existing income and saving levels, distance from the fault line, and connectivity to other locations, can give insights into the spatial and temporal emergence of vulnerabilities. The simulation framework presented here, leaps beyond existing modeling efforts, which usually deals with macro long-term loss estimates, and allows policy makers to come up with informed short-term policies in an environment where data is non-existent, policy response is time dependent, and resources are limited.

Increasing Rural Health Clinic Utilization with SMS Updates: Evidence from a Randomized Evaluation in Uganda

- World Development---2017---Luke Chicoine, Juan Carlos Guzman

This paper examines an alternative to monitoring staff at a public health clinic in rural Uganda. The program sent SMS updates regarding confirmed attendance of clinic staff and activities to randomly selected

cell phone-owning households in the local community. These messages aimed to reduce uncertainty regarding the availability of clinic services, and in turn, increase the expected benefit of deciding to visit the local health clinic. A difference-in-difference approach is used to evaluate the impact of the SMS program, and we find that the messages led to an increase in clinic attendance, the receipt of medicine, and reduced the duration of illness for young children aged six and under. However, these benefits are only seen for children who are the same sex as the cell phone owner, suggesting favoritism toward the health of these children. The benefits are found to be similar for both boys and girls. This is evidence that it is possible to increase health care utilization without changing the behavior of clinic staff.

Civil Conflict and Conditional Cash Transfers: Effects on Demobilization

- World Development---2017---Paola Pena, Joaquin Urrego, Juan Villa

Cash transfer programs have been successful in helping millions of people afford better livelihoods. While this is well known, little research has yet been conducted to examine the power of such programs to influence outcomes in times of conflict, especially in countries where anti-poverty programs are implemented amidst disputes against illegal armed groups. This paper focuses on the implementation of Familias en Accion, a flagship anti-poverty cash transfer program in Colombia, during the early 2000s when the country was still experiencing its long-lasting internal conflict. Impact evaluations have already shown the important effects of this program on household poverty levels and children's time allocation, including a higher incidence of school attendance and a lower incidence of child labor. Our hypothesis here is that such outcomes imply changes in the dynamics of the civil conflict, since 50% of the demobilised combatants are children mostly eligible for the transfers. We take advantage of a natural experiment that occurred during the first stage of implementation of the program in the period 2001–04 when the transfers were gradually rolled out across

eligible municipalities. By setting out a difference-in-differences approach, our results indicate that the program had positive effects on the demobilisation of combatants. These findings are observed for a length of three years since the program started.

Democratic Talk in Church: Religion and Political Socialization in the Context of Urban Inequality

- World Development---2017---Amy Erica Smith

In new and developing democracies, levels of education are often low and many citizens lack experience with democratic processes. How do citizens in such political systems learn about elections and develop participatory orientations? Civil society organizations can promote political socialization, yet often fail to reach those lowest in resources. This article proposes that churches constitute an often overlooked instance of civil society, one that is highly inclusive and provides frequent opportunities for interaction. Such socialization can be especially important in low-income and low-education neighborhoods, where access to media and political information through everyday social networks is more limited. A case study of a municipal election campaign in a single Brazilian city reveals that exposure to political information in church is common, especially in evangelical churches and in low-education neighborhoods. Even more frequent than partisan discussion is promotion of non-partisan civic norms encouraging citizens to cast informed votes based on non-clientelistic criteria. Those exposed to civic and partisan messages know significantly more about the local campaign and are more likely to turn out. Messages encouraging a “conscientious vote” boost knowledge most strongly in low-education neighborhoods, helping to equalize political information across the urban environment. This suggests that development professionals take churches seriously as sites of civic education.

Is GM Soybean Cultivation in Argentina Sustainable?

- World Development---2017---Pascale Phelinas, Johanna Choumert Nkolo

This paper explores the long-term sustainability of Argentina’s specialization in genetically modified (GM) soybean cultivation. We perform an evidence-based assessment of the most relevant economic, social, and environmental implications of the “soybeanization” of Argentinian agriculture. Our diagnostic relies on a combination of published sources and a unique data set drawn from a field survey carried out in 2011 in two provinces of the Argentinian Pampas. This data set allows us to evaluate with a reliable empirical base the socio-economic impacts of GM soybean cultivation. Our analysis suggests a conflict between the success of the “soybeanization” of Argentinian agriculture measured in terms of production and profit records, and the social, economic, and environmental sustainability of this new model of production. On the one hand, GM soybean technological package adoption has increased farm productivity, and reduced the costs per unit produced, resulting in a dramatic increase in profits. On the other hand, the specialization of Argentinian agriculture on soybean cultivation has increased the dependence of public finances on the foreign exchange revenue generated by exports earnings. We also find a mixed empirical picture of changing land distribution patterns and labor displacement resulting from GM soybean expansion. Finally, we find that the environmental implications of agricultural biotechnology appear alarming and the long-term sustainability of GM crops highly questionable. Promoting sustainable agricultural growth has become not only desirable but necessary.

Global Kerosene Subsidies: An Obstacle to Energy Efficiency and Development

- World Development---2017---Evan Mills

It is widely agreed that energy subsidies impede the efficient functioning of markets. The resulting distortions in prices work at odds with policies to improve energy efficiency and reduce the cost of energy services and associated externalities such as health and environmental damages. The analysis developed in this article finds that kerosene is used in 173 countries, at a cost to consumers of \$43.4B/y, \$60.3B/y including direct

economic subsidies, and \$77.2B/y including certain externalities. Despite low world oil prices, direct economic subsidies for kerosene were \$18.4B in 2013, and \$34.7B including environmental externalities. These values correspond to 72% and 56% of total kerosene costs being passed through to consumers, respectively. When excluding advanced economies, the pass-through values fall to 40% and 35%. Approximately 52% of the global kerosene supply receives direct subsidy, or 63% when externality costs are considered. The cooking end use receives \$2.0B/y in direct kerosene subsidies, lighting \$7.1B/y, and heating and other residual uses \$9.3B/y, or \$76 per over all households each year. Defining subsidies at this level of granularity is useful for pinpointing policy issues and opportunities. Promoting a transition to energy efficient off-grid energy services is one of the most cost-effective ways of reducing dependency on subsidies. However, the very presence of subsidies undercuts this process by diluting market price signals and rendering energy efficiency investments less cost-effective, while competing with other social and development-focused budgetary needs. Kerosene subsidies are additionally counterproductive because the emerging technologies they impede (e.g., improved lighting and cook stoves) also improve productivity, safety, and quality of life. Forty-five countries—many in the developing world—have priced kerosene such that there are no direct subsidies, and twenty-two have done so even when accounting for environmental externalities, suggesting the practice is economically and politically feasible.

The Anatomy of Failure: An Ethnography of a Randomized Trial to Deepen Democracy in Rural India

- World Development---2017---Vijayendra Rao,Kripa Ananthpur,Kabir Malik

Programs that induce citizen participation to improve the quality of government at the local level are the subjects of large amounts of funding and intense debate. This paper combines a randomized control trial of a citizenship training and facilitation program in rural India, with an in-depth, four-year, ethnography of

the intervention to understand the underlying mechanisms of change. The quantitative data show no impact from the intervention. Household and village survey data from 100 treatment and 100 control villages show considerable improvement across a wide variety of governance and participation indicators over time, but the differences in the changes between treatment and control villages are not statistically significant. The detailed qualitative data from a 10% subsample allow us to unpack the reasons why the intervention “failed” highlighting the role of variations in the quality of facilitation, lack of top-down support, and difficulties with confronting the stubborn challenge of persistent inequality. However, the qualitative investigation also uncovered subtle treatment effects that are difficult to observe in structured surveys. The paper thus demonstrates that a concerted effort to use “thick description” to uncover process of change using careful and detailed qualitative work can add value to standard impact evaluations.

Comparison of Direct Transfers for Human Capital Development and Environmental Conservation

- World Development---2017---Zhao Ma,Jonathan Bauchet,Diana Steele,Ricardo Godoy,Claudia Radel,Laura Zanotti

Over the past 30years, direct transfers to beneficiaries have become an increasingly important tool for addressing society’ s need for effective, efficient, and equitable conservation and development, and have been widely used to generate socially desirable outcomes in human capital development (HCD) programs and Payments for Ecosystem Services (PES) programs. Yet, the two types of programs have been examined in distinct bodies of literature without much reference to each other. By systematically reviewing peer-reviewed journal articles, dissertations, and select working papers, we suggest important similarities and differences between HCD cash transfer and PES programs that have been overlooked, particularly in how direct transfers are conceptualized and operationalized and how intended and unintended program outcomes are produced. Rather

than considering HCD cash transfers and PES as two distinct tools, a common framework that conceptualizes direct transfers as an umbrella mechanism to produce socially desirable outcomes can contribute to effectively engaging target populations, addressing the needs of beneficiaries in a holistic way, comprehensively evaluating program impacts, and enabling opportunities to build synergies and minimize redundancies and competition across programs. We conclude by offering five insights into future research, program development, and policy innovations. Specifically, PES programs can learn from HCD cash transfer programs to (1) incorporate considerations of economic and gender inequalities to better sustain long-term environmental outcomes; (2) enhance collaboration among PES scholars, program practitioners, and policy makers to improve PES design and implementation and minimize adverse unintended impacts; (3) use randomized control trials to measure the causal impacts of PES; and (4) reconsider the role of conditionality to promote simultaneous production of environmental, economic, and social benefits. HCD cash transfer programs can learn from PES programs to (5) explore collaborative, community-based program design and implementation to facilitate not only adoption of socially desirable behaviors but also long-term human capital gains.

The Multifaceted Role of the State in the Protection of Geographical Indications: A Worldwide Review

- World Development---2017---Delphine Marie-Vivien, Estelle Biénabe

Geographical indications (GIs) serve to designate goods with a quality, characteristics, or reputation attributed to its geographical origin. They are increasingly protected in many countries of the South as a tool for economic, social, territorial, and ecological development. Implemented in the wake of the weakly prescriptive WTO Agreement on Trade-Related Intellectual Property Rights (TRIPs) of 1995, the choice of the institutional framework for protecting GIs nationally as well as associated public support infrastructure was left open. This led to divergences in overarching approaches

and to GI institutionalization that differs remarkably across countries. Twenty years after TRIPs, the purpose of both this paper and of the special issue is to advance our understanding of the institutionalization of GIs, as an IPR, a quality standard, and a policy instrument in harnessing all of the expected benefits of GI protection.

Proving Provenance? Geographical Indications Certification and its Ambiguities

- World Development---2017---Dev S. Gangjee

With their historic links to a specific region, GIs are increasingly valued for their endogenous development potential. But precisely what does legal recognition as a GI guarantee? Drawing on the EU's registration system as a model, this paper investigates the certification of provenance and authenticity by public authorities. Recent empirical findings reveal that considerable flexibility exists within the certification process, which permits the loosening of linkages to a region and dilutes the certification guarantee. The present over-reliance on the system's ability to certify could be usefully remedied if greater attention is paid to the individual product specification design.

Are French Geographical Indications Losing Their Soul? Analyzing Recent Developments in the Governance of the Link to the Origin in France

- World Development---2017---Delphine Marie-Vivien, Laurence Bérard, Jean-Pierre Boutonnet, François Casabianca

Geographical indications in France are governed since 1935 by a unique mixed public/private Institute set-up on the failure of the State to define GIs. This mixed body, the National Institute of Appellation of Origin, composed of representatives of public authorities and producers' Organization was weakened due to a moving context in France, Europe, and worldwide. The transfer of activities of control of GIs to private certification organization on the one end and the increased involvement of the EU Commission on the other end

questions the future of INAO and affects the attractiveness of GIs and hence rural development.

The Role Played by the US Government in Protecting Geographical Indications

- World Development---2017---Caroline Le Goffic,Andrea Zappalaglio

Unlike what is usually thought, the US public institutions play a crucial role in the protection of Geographical Indications (GIs), as trademarks or as AVAs appellations of origin for wines, to guarantee that all legitimate operators have the right to use GIs. Although the US institutions and scholars have often criticized the EU sui generis GI regime, practice shows that the two systems have much more in common than what emerges superficially. Indeed, in the US several collective marks aimed at protecting indications of geographical origin are managed and funded by public bodies or agencies. Furthermore, the US practice often procedurally recalls the European regime of GI protection and, in general, the overall development of the US system shows that it is heading toward a regime that is at least very compatible with, if not similar to, the EU one. Finally, concepts such as “terroir”, that is one of the theoretical pillars of the French-European GI regime, are increasingly accepted in the US context as well. Therefore, the analysis conducted shows how the practical aspects of the management of GIs in the US contrasts with the traditional narrative according to which GI protection in the US, guaranteed by trademarks, the self-regulated system of private law, and the European administrative-based system are substantively different and irreconcilable.

Geographical Indications, Public Goods, and Sustainable Development: The Roles of Actors' Strategies and Public Policies

- World Development---2017---Giovanni Belletti,Andrea Marescotti,Jean-Marc Touzard

The protection of Geographical Indications (GIs) is being explored more and more worldwide as a tool for supporting local sustainable development. Focusing on

wine and coffee value chains, this paper will set out in what way GI protection schemes can contribute to the provision of public goods, and illustrate how this contribution is being threatened by different failures that may occur within both valorization strategies and legal protection policies. By examining how private, collective, and public interventions front these failures, this paper will put forward economic arguments supporting a more comprehensive policy approach, to ensure GIs' contribution to sustainable development.

Institutionalizing Geographical Indications in Southern Countries: Lessons Learned from Basmati and Rooibos

- World Development---2017---Estelle Biénaabe,Delphine Marie-Vivien

Geographical Indications (GIs) are increasingly conceived as a development tool. However there are insufficient empirical and conceptual grounds to fine tune their institutionalization. This paper investigates the need for and the role of State intervention in GIs using comparative analysis of the trajectories of Basmati rice and Rooibos tea, emblematic products respectively from India and South Africa. The social relevance of GIs depends on the State's conception and examination of the link to the origin embodied in the GI. Institutionalization should consider GI as a hybrid between a public quality standard and a specific IPR to protect a heritage-based reputation.

Establishing Geographical Indications without State Involvement? Learning from Case Studies in Central and West Africa

- World Development---2017---Didier Chabrol,Mariagiulia Mariani,Denis Sautier

This paper addresses the debate on establishing GIs in weak national institutional contexts. It builds on evidence provided by six case studies in a project implemented by the African Intellectual Property Organization (French acronym OAPI) in Western and Central Africa: Oku white honey, Penja pepper, Ziamamacenta coffee, Dogon shallots, Galmi purple onions,

and Korhogo cloth. Thanks to OAPI's unique status and an appropriate methodology, three GIs have been registered. We notice a lack of sound and effective state involvement which can limit the successful development of GIs. We identify some decisive factors in successful collective action.

Geographical Indications and “Origin” Products in Brazil – The Interplay of Institutions and Networks

- World Development---2017---John Wilkin-son,Claire Cerdan,Clovis Dorigon

In this article, we analyze the institutional and organizational factors which have influenced the development of policies and mobilizations around “origin” agricultural products in Brazil focusing particularly on the role of networks. We identify the different instances involved in the defense and promotion of origin products situated within the broader politico-institutional context. We then show how these interact through the analysis of an iconic origin product, artisan cheese in Brazil. Two types of networks are identified and their different objectives and implications for the promotion of origin products analyzed. Finally, we relate GIs to the broader trends in Brazilian agriculture.

Can Geographical Indications Modernize Indonesian and Vietnamese Agriculture? Analyzing the Role of National and Local Governments and Producers’ Strategies

- World Development---2017---Claire Du-
rand,Stéphane Fournier

This paper investigates the way Geographical Indications (GIs) are implemented by national and local governments in Indonesia and Vietnam. The two States are active at all stages of GI development, from the selection of the products candidates for GI registration to the supervision of the GI implementation. Thanks to the involvement of national experts from public agencies in the establishment of the Codes of Practices (CoP), they are able to push for the substitution of traditional local techniques with “good practices” (i.e.,

mostly those recommended by research centers world-wide). Thus, they put GIs at the service of agricultural modernization when GIs apply more conventionally to specific products based on traditional know-how.

The Role of the State for Geographical Indications of Coffee: Case Studies from Colombia and Kenya

- World Development---2017---Dominique Bar-
jolle,Xiomara F. Quiñones-Ruiz,Monique Ba-
gal,Hermann Comoé

In the context of de-regulation of the coffee sector, the registration of some Geographical Indications (GIs) has recently been implemented. This paper aims at answering to the following research question: how does GIs’ process (protection and management) help to rationalize the role of the state in the coffee sector? In Colombia, the National Coffee Growers Federation took all initiatives for the registration and implementation of Café de Colombia as a GI both in Colombia and in European Union and manages also the GI use. In Kenya, the Coffee Directorate registered the certification trademark “Coffee Kenya, So Rich So Kenyan” and acts as public body in charge of managing the coffee sector. Although both countries conceived different approaches, there is a common strategic line, which consists in attempting to secure downstream value of the long lasting origin coffee branding and in strengthening the quality management system. This paper shows that discrepancies in public intervention in the coffee industry depend on the empowerment of producers in this industry irrespective of the legal tool to protect GIs.

Political Context, Organizational Mission, and the Quality of Social Services: Insights from the Health Sector in Lebanon

- World Development---2017---Melani Cam-
mett,Aytuğ Şaşmaz

Non-state actors are important providers of social welfare. In parts of the Middle East, South Asia,

sub-Saharan Africa, and other regions, religious charities and parties and NGOs have taken on this role, with some preceding independent statehood and others building parallel or alternative welfare infrastructure alongside the modern state. How well do these groups provide welfare goods? Do some exhibit a “welfare advantage,” or a demonstrated superiority in the quality and efficiency of providing social services? In this paper, we explore whether distinct organizational types are associated with different levels of the quality of care. Based on a study in Greater Beirut, Lebanon, where diverse types of providers operate health centers, we propose and test some hypotheses about why certain organizations might deliver better services. The data indicate that secular NGOs, rather than religious, political or public sector providers, the other main types of providers in the charitable sector, exhibit superior measures of health care quality, particularly with respect to objective provider competence and subjective measures of patient satisfaction. In Lebanon, where religious and sectarian actors dominate politics and the welfare regime and command the most extensive resources, this appears to be a counterintuitive finding. Our preliminary explanation for this outcome emphasizes the ways in which the socio-political context shapes the choices of more qualified or professional doctors to select into secular providers, in part because of their organizational missions, and why citizens might perceive these providers to be better, irrespective of the actual quality of services delivered.

Enforcement and Political Power in Anticorruption—Evidence from China

- World Development---2017---Li Li,Donald Lien,Yiping Wu,Yang Zhao

Few empirical studies focused on the role of officials in the anticorruption enforcement, especially in the authoritarian regime. This paper uses linear panel data models with various control variables to investigate how the power of the government official in an anticorruption agency may impact the effectiveness of anticorruption campaign in China. Two types of political power are considered. Formal power is obtained

when the Discipline Inspection Secretary is also named as a Vice Party Secretary of the province whereas informal power arises when the Secretary used to work with the Party Secretary of the province. It is found that both the formal and informal power of the Secretary of the Chinese Communist Party’s Discipline Inspection Commission (i.e., the head of the anticorruption agency) help enhance the number of corruption cases under investigation. This result offers evidence to further explore how and why the anticorruption enforcement officials play their roles in a developing transitional country.

Heterogeneous Impact of a Collective Payment for Environmental Services Scheme on Reducing Deforestation in Cambodia

- World Development---2017---Colas Chervier,Sébastien Costedoat

Payments for Environmental Services (PES) are increasingly used in tropical countries as incentives to improve forest conservation outcomes, notably in forests managed or owned by rural communities. However, little is known about the performance and the suitable conditions under which collective PES can be effective. We assess the impact of a collective PES on reducing deforestation in the Cardamom Mountains, Cambodia. We use a quasi-experimental approach combining covariate matching with difference-in-difference estimation as a procedure to assess program effectiveness on reducing deforestation. We find that the PES program contributed additionally saving on average about 0.17 percentage point of the enrolled PES area per year during 2005–12. We also highlight that characteristics such as slope, proximity to roads, and number of households are associated with heterogeneous PES impact. We finally call for improving both data availability and impact assessment methods in order to test better theories of change that take into account not only the ability of payments to reduce opportunity costs of conservation but also to consider how PES are turned into improved community collective action likely to improve the local enforcement of conservation.

Troubling Tradition, Community, and Self-Reliance: Reframing Expectations for Village Seed Banks

- World Development---2017---Emily Reisman

Heralded by both food sovereignty activists and mainstream development practitioners, village seed banks are a rural development phenomenon rapidly gaining attention for their potential to support resilient agricultural systems. This paper presents a case study for examining the power of prevailing narratives of decentralized development to shape and ultimately constrain the operations of village seed banks in Telangana, India. This case demonstrates how visions of tradition, community, and self-reliance can serve to discount the materiality of seeds, the social complexity of village institutions, and even the voices of farmers. The goal of this research is not to criticize village seed banks, as they hold great potential, nor to vilify the narratives in question, but rather to encourage critical reflection on how the assumptions embedded in these narratives shape mechanisms for agricultural development. I argue for a shift away from framing tradition, community, and self-reliance as development solutions and propose an interrogative approach that turns these narratives into questions for engaging more effectively with rural livelihoods.

Maternal Health Care in the Time of Ebola: A Mixed-Method Exploration of the Impact of the Epidemic on Delivery Services in Monrovia

- World Development---2017---Theodora-Ismene Gizelis,Sabrina Karim,Gudrun Østby,Henrik Urdal

Public health emergencies like major epidemics in countries with already poor health infrastructure have the potential to set back efforts to reduce maternal deaths globally. The 2014 Ebola crisis in Liberia is claimed to have caused major disruptions to a health system not fully recovered after the country's civil war, and is an important and relevant case for studying the resilience of health systems during crises. We use data on the utilization of maternal health care services from two

representative surveys, one conducted before the outbreak of Ebola, the 2013 Liberian DHS, and another, smaller survey conducted in Monrovia in December 2014, during the height of the epidemic. We focus exclusively on data for women aged 18–49 residing in urban Monrovia, restricting our samples to 1,073 and 763 respondents from the two surveys respectively. We employ a mixed methods approach, combining a multinomial logit model with in-depth semi-structured interviews. Our regression analyses indicate that deliveries in public facilities declined whereas they increased for private facilities. Furthermore, overall facility delivery rates remained stable through the Ebola epidemic: the proportion of home births did not increase. Drawing on insights from extensive qualitative interviews with medical personnel and focus groups with community members conducted in Monrovia in August–September 2015 we attribute these survey findings to a supply side “substitution effect” whereby private clinics provided an important cushion to the shock leading to lower supply of government services. Furthermore, our interviews suggest that government health care workers continued to work in private facilities in their local communities when public facilities were closed. Our findings indicate that resources to shore up healthcare institutions should be directed toward interventions that support private facilities and health personnel working privately in communities during times of crisis so that these facilities are safe alternatives for women during crisis.

Is the Brazilian Tale of Peaceful Racial Coexistence True? Some Evidence from School Segregation and the Huge Racial Gap in the Largest Brazilian City

- World Development---2017---Gustavo Andrey de Almeida Lopes Fernandes

Brazil has always been considered to be a land free of racial and ethnic tensions. However, despite Brazil being famous for miscegenation, racial discrimination in Brazil has been documented in the literature, especially in light of the huge disparity between Brazil's racial groups with respect to economic outcomes and

education levels. The objective of this paper is to contribute to a better understanding of the economics of racial discrimination in Brazil. To this end, the effect of segregation on the income of workers is estimated using data from elementary schools in São Paulo, the largest city in the country. Measures of segregation in the educational system are evaluated using economic data obtained from the 2010 census. It is shown that segregation plays a fundamental role on the wage gap among racial groups. This effect may be attributed to the virtual absence of pretos and pardos in private schools. In public education, however, there is little separation along racial lines, which suggests that lack of access to social networks and to higher quality public schools may be the most important element in explaining wage differences. In Brazil, racial discrimination seems to work indirectly through socio-economic factors.

Language use in education and human capital formation: Evidence from the Ethiopian educational reform

- World Development---2017---Rajesh Ramachandran

In 1994, Ethiopia introduced mother tongue instruction in primary schooling for the largest ethnic group in the country. Combining data from before and after the policy change, from the regions that gain access to mother tongue schooling, along with the regions and ethnic groups that face no change in language policy, I estimate the effect of mother tongue instruction on human capital formation. The results show that access to mother tongue schooling increases the ability to read by 40%. Moreover, it increases the completed years of schooling by more than half a year, and the probability of completing primary schooling by five percentage points. The ability to read by permitting access to printed sources of information, increases newspaper readership by around 25% and makes it 17% points more likely that individuals report using pamphlets, posters or leaflets as a source of information about family planning. My preferred interpretation of the results is that provision of schooling in a language spoken at home, and used for social interactions, reduces

the cost and increases the efficiency of learning. The result highlights the use of non-native languages, an almost ubiquitous practice in Sub-Saharan Africa, as a potentially important factor underlying the large educational failures in this part of the world.

A Study of Climate-Smart Farming Practices and Climate-resiliency Field Schools in Mindanao, the Philippines

- World Development---2017---Alvin Chandra,Paul Dargusch,Karen E. McNamara,Ana Maria Caspe,Dante Dalabajan

This paper explores how Climate-resiliency Field Schools involving smallholder farmers in the Mindanao region of the Philippines advance climate-smart farming practices. Using data from field observations, 86 interviews, and 13 focus group discussions from five municipalities, the research finds that cross-scale activities, including local plans and multi-stakeholder forums, and municipal budgeting processes, influence adaptation and mitigation to climate change in smallholder farming systems. Furthermore, using matrix analysis and stakeholder responses, we identify interactions, synergies, conflicts, and potential co-benefits between mitigation and adaptation, and food production practices. The analysis of climate-resiliency field school practices shows that the addition of livelihood outcomes to smallholder farming landscapes strengthen adaptation, mitigation, and food production outcomes (and vice versa). Climate-resiliency Field Schools have promoted the practice of organic farming, various systems for rice intensification, and the establishment of community seed banks. Other practices, such as soil conservation, reforestation, and agroforestry, have been used in Mindanao to maintain carbon stocks while increasing crop production. Climate-resiliency Field Schools serve as a multilevel institutional platform where farmers can access climate information, which they can use to improve farm planning (i.e., choices of crops, timing of farm preparation, and harvest). The research findings suggest that climate-smart interventions are highly location-specific, technically rigorous, involve knowledge-intensive processes, and

are influenced by the knowledge and capacities of local farming communities and implementing partners. We conclude with some suggestions for the design of programs, and the types of interventions that are required to sustain and ultimately scale up efforts to enhance climate-smart agriculture.

The Political Morphology of Drainage—How Gully Formation Links to State Formation in the Choke Mountains of Ethiopia

- World Development---2017---Hermen Smit,Rahel Muche,Rhodante Ahlers,Pieter van der Zaag

To understand why soil erosion is persistent despite three decades of massive investments in soil conservation, this paper explores how drainage and soil conservation change a hill slope in the Choke Mountains. By paying close attention to the practices that reshape the hill, we account for the active roles of people and material flows in shaping their identities, forms, and power relations. Social relations can be read in the landscape as their material outcomes are literally scoured into the hill slope. Such a material reading of Ethiopia's "developmental state" reveals three issues: First, drainage and soil conservation practices are configured by particular historical regimes of land distribution and rent appropriation. Second, the power of the Ethiopian government's model of the developmental state derives from the exploitation of this configuration by a new coalition of landholders and government officials. Government officials mobilize landholders to construct terraces in exchange for government support in conflicts over land and input distribution. When the terraces create obstructions that can trigger flooding, landowners convert them into drains and divert drainage flows to plots sharecropped by landless families. Consequently, the yearly mobilization for terrace construction does not halt soil erosion but further aggravates it. This continues because the performance of this yearly ritual affirms the authority of landholders and government agents. Third, landless families which fail to live up to the model of the "farmer interested in soil conservation" have created a competing "trader model" with its own institutions. The denial of their

non-farmer identities by landholders and officials fuels generational conflicts over drainage which deepen the fractures in the hill and pose a challenge to government authority. Land degradation thus embodies both the powers and the limits of the developmental state.

A Comparative Framework for Assessing Sustainability Initiatives at the Regional Scale

- World Development---2017---Daniel E. Orenstein,Dalit Shach-Pinsley

"Sustainability" has been a prominent goal in environmental and spatial planning over the past three decades. A diverse array of initiatives have been proposed and implemented with the aim of facilitating human economic and social development, while mitigating or even reversing associated environmental damage. These initiatives vary in their definitions of sustainability, their targets for planning and management, their bureaucratic structures, and other characteristics. As such, a universally applicable "how-to" manual for realizing the goals of regional sustainable development remains elusive.

Megacities, the World's Largest Cities Unleashed: Major Trends and Dynamics in Contemporary Global Urban Development

- World Development---2017---Simon Xiaobin Zhao,Natasha Shu Guo,Chun Lok Kris Li,Christopher Smith

In this study we ask two basic questions: will the megacity trend continue into the immediate and long-term future and why do more and more people continue to concentrate in the world's biggest cities? Based on the UN dataset of all cities in the world with population 750,000 and a number of other datasets, and with an innovative application of the Gini-coefficient, this study explores the on-going trends and patterns of contemporary human urban settlement over the past half century, particularly the phenomenal growth of megacities (10 million+) and their powerful "internal" and "external" driving forces.

Decollectivization, Collective Legacy, and Uneven Agricultural Development in China

- World Development---2017---Zhun Xu

China has seen persistent regional inequality in agricultural productivity since it dismantled its rural collectives in the early 1980s. This paper evaluates the effects of collective legacies on the agricultural performance after decollectivization. We construct a Collective Legacy Index (CLI) based on the achievements in the areas of rural infrastructure, education, and health under collectives. Using a district-level panel dataset, we find that the CLI has long-term positive effects on agricultural development after decollectivization. That is, districts that already performed well under socialism could still succeed under a different institution because they had superior infrastructure and human capital. At the same time, districts with less successful experience under socialism are less likely to catch up even after dismantling the collective institutions. The results with an instrumental variable (the pace of decollectivization) further reinforce this conclusion. We therefore argue that different collective legacies contribute to the uneven development in rural China. To tackle its problems of regional inequality, China needs to appreciate the role of its collective legacies in development.

Scalar Politics in Sectoral Reforms: Negotiating the Implementation Of water Policies in Ecuador (1990–2008)

- World Development---2017---Jaime Hoogesteger, Yisenia Tiaguaro-Rea, Edwin Rap, Juan Pablo Hidalgo

In Ecuador neo-liberal reforms in the 1990s transformed the water and irrigation sector at different scales. We analyze how these neoliberal reforms were implemented from the top-down by the World Bank and the national government, as well as how from the grassroots water users negotiated these policies and their implementation at local and national level. We show that these sectoral reforms were politically contested as it changed roles, responsibilities, and authority at different scales

of governance. This is evidenced by the fact that locally the relationships between water users, differently scaled state agencies, and broader networks greatly determined how water users associations negotiated the irrigation management transfer program as well as the development of new water policies. Our analysis highlights how the alliances that differently positioned actors create to navigate water policy implementation shape the scalar and the political dimensions of sectoral reforms. It shows that actors need multi-scalar networks of support to develop political leverage, overcome opposition, and materialize projects in the water governance domain.

Women' s Land Tenure Security and Household Human Capital: Evidence from Ethiopia' s Land Certification

- World Development---2017---Felix M. Muchomba

This article examines the impact of Ethiopia' s gendered land certification programs on household consumption of healthcare, food, education, and clothing. Ethiopia embarked on a land tenure reform program in 1998, after years of communism during which all land was nationalized. The reform began in Tigray region where land certificates were issued to household heads, who were primarily male. In a second phase carried out in 2003–2005, three other regions issued land certificates jointly to household heads and spouses, presenting variation in land tenure security by gender. Results using household panel data show that joint land certification to spouses was accompanied by increased household consumption of healthcare and homegrown food and decreased education expenditure, compared to household-head land certification. Joint land certification was also accompanied by increased consumption of women' s and girls' clothing, and decreased men' s clothing expenditures indicating results may be explained by a shift in the gender balance of power within households. Analysis on the incidence and duration of illness indicates that increased healthcare expenditures after joint land certification may be due to joint certification households seeking more effective treatment than head-only certification households

for household members who fell ill or suffered injuries.

A Gendered Analysis of Fisherfolk' s Livelihood Adaptation and Coping Responses in the Face of a Seasonal Fishing Ban in Tamil Nadu & Puducherry, India

- World Development---2017---Julia M. Novak Colwell, Mark Axelrod, Shyam S. Salim, S. Velvizhi

This study investigates how people respond to economic stresses incurred as a result of natural resource regulations. Previous research has demonstrated that in some cases, men and women adapt differently to livelihood stresses. We argue that looking only at an individual' s sex is insufficient for understanding why they adapt the way they do. Instead, using the framework of intersectionality, we examine individuals' adaptation strategies and coping responses influenced not only by their sex but also their power and class. Using the case of a closed fishing season in Tamil Nadu and Puducherry, India we employ interviews, seasonal activities calendars, and surveys to identify key variables that influence an individual' s likelihood of employing reactive strategies that may threaten their longer term livelihood sustainability. We show that if we categorize individuals only by sex, then women are more likely to resort to reactive coping than men. However, this sex divide in reactive coping is driven by particular subsets of people who also lack power and/or capital. Furthermore, we find that power and class lead to different outcomes for men and women, with networked power most helpful to women above a certain financial threshold. This study highlights the necessity of examining gender and livelihood adaptations beyond the male versus female dichotomy: considering intersecting and locally relevant measures of power, class, and sex are pivotal in understanding why people adapt and cope the way they do. This understanding of adaptation options may also have implications for resource management decisions that do not force individuals to choose between long-term livelihood resilience and response to immediate stresses.

Borrowing from “Pui” to Pay “Pom” : Multiple Borrowing and Over-Indebtedness in Rural Thailand

- World Development---2017---Bezawit Beyene Chichaibelu, Hermann Waibel

Rural financial markets have grown rapidly in Asian emerging market economies, thus contributing to economic development and the reduction of poverty. At the same time, however, the level of indebtedness of rural households has increased, making households more vulnerable to shocks. One of the reasons for rising household debt is the ease of borrowing simultaneously from a growing number of lending institutions. This paper addresses two major questions. First, does borrowing from multiple sources increase rural households' risk of over-indebtedness? Second, do over-indebted rural households refinance their outstanding loans through multiple borrowing, running the risk of becoming trapped in a debt cycle? Employing a dynamic random effects bivariate probit model for a unique set of longitudinal household panel data from Northeast Thailand, this study examines the bidirectional relationship between over-indebtedness and multiple borrowing to determine to what extent rural households become trapped in debt cycles. On the one hand, the results indicate that households in Northeast Thailand take on multiple loans, which further increases their risk of becoming over-indebted. On the other hand, our model results do not confirm the widespread notion that over-indebted rural households use multiple loans to refinance unpayable debts.

Fifteen Years of Bt Cotton in China: Results from Household Surveys

- World Development---2017---Fangbin Qiao, Jikun Huang, Xiaobing Wang

The short-run benefit of insect-resistant *Bacillus thuringiensis* (Bt) crops has been well documented, but its sustainability in the long run has not been well studied. On the other hand, pest resistance build-up and secondary pest outbreaks have caused concern regarding the sustainability of this benefit. Using seven

unique waves of panel data collected during 1999–2012, we show that pesticide use against bollworms has not increased significantly over time, indicating that the buildup of pest resistance is still not a concern because of the existence of a large number of nature refuge areas. In addition, we show that Bt cotton adoption has not led to outbreaks of secondary pests. Finally, we show that the benefit has been shared by both Bt and non-Bt cotton adopters as the widespread adoption of Bt cotton has successfully suppressed the density of the pest population regionally. We conclude that the benefit of Bt cotton adoption continues 15 years after its introduction, albeit with evidence of a decline in the comparative advantage over non-Bt cotton in late adoption period. We believe that this contribution is theoretically and practically relevant because of the long length of our dataset and because we categorize pesticide use into that for controlling bollworms and that for controlling secondary pests.

Why is the Labour Force Participation of Women Declining in India?

- World Development---2017---Santosh Mehrotra, Jajati K. Parida

This paper explores the recent fall in female labour force participation and its socio-economic determinants in India. The major contribution of this paper is: to explore both micro- and macro-level factors which determine female labour force participation rate (LFPR); to examine the “U shape” female LFPR, by examining the likely income and substitution effects of the real wage increase, to identify the sub-sectors within manufacturing and service sectors that could create jobs for new female job aspirants and those older women displaced from agriculture in recent years; and thus to understand the conditions under which female LFPR could be raised. Using both macro-level and household survey (NSS) data, we find that the recent fall in the process of structural transformation has pushed a large number of females out of agriculture. The growing mechanization in agriculture and rising capital intensity in manufacturing sectors together have limited the opportunity for females because of their low education

and skill and due to other cultural constraints. We also found that the rise in real wages in rural areas and the consequent improvement in the standard of living has produced a strong negative income effect which outweighs the positive substitution effect and as a result female LFPR has declined substantially. However, with the massive increase in female enrollment in secondary and higher levels of education, it could be expected that the substitution effect of the increase in real wage would become stronger if appropriate measures are taken by the government, which are suggested.

Grounded Globalization: Foreign Capital and Local Bureaucrats in China’s Economic Transformation

- World Development---2017---Ling Chen

How does a globalized context influence domestic development policies and the allocation of government resources in an authoritarian country like China? This study explores the coalitional politics in China’s transition from foreign direct investment (FDI) attraction to domestic technology upgrading, which created winners and losers in the local allocation of government resources. Drawing on comparative case studies, semi-structured interviews and newly compiled data at the city level, the study finds that the varied levels of government support for domestic upgrading are shaped by coalitions for or against the transition. The major obstacle for bureaucrats within a city government to garner resources for domestic technology does not directly depend on the overall level of FDI. Rather, it comes from the vested interest of international commerce bureaucrats. These bureaucrats are more likely to form a cohesive coalition when the export share of foreign firms is large. At the same time, such a coalition is more likely to gain political influence when industrial sales are concentrated in large firms. The direction and magnitude of foreign capital influence, therefore, is channeled and manifested through local bureaucratic coalitions. This study sheds light on the politics of implementing development policies in an era in which globalization has cultivated fragmented

interests within the local bureaucracy.

Worlding the Intangibility of Resilience: The Case of Rice Farmers and Water-Related Risk in the Philippines

- World Development---2017---Sameer H. Shah, Leonora C. Angeles, Leila M. Harris

Agricultural livelihoods are resilient when capable of enduring and overcoming socio-environmental stressors. The “Sustainable Livelihoods Approach”, popularized in development programs, frequently targets farmer capacities to cope with and recover from loss and damage by (i) enhancing tangible capitals (e.g., ecological, financial) and/or by (ii) reducing socio-institutional constraints on entitlements and opportunities to access those capitals. While this two-pronged approach can reduce damage to production or expand the range of livelihood activities available to farmers, it often positions tangible capitals themselves as the central and objective means for building resilience. The recent “social turn” is a call to theorize resilience’ s intangible and non-material dimensions (e.g., subjective, emotive, and relational forms) as emergent from specific local social-cultural-ecological contexts. Drawing on in-depth field research with rice-farmers in a region of the Philippines experiencing water-related risks, we analyzed several situated “intangible” narrations of resilience, with a focus on emotive and affective indicators. Farmers narrated their courage to get back up following loss and damage as well as their optimism, faith, and hope for brighter futures in farming and in life. These emotions flowed from their affective relationships with the cosmos (naturalizing life’ s hardships as cyclical), themselves (strong belief in their own capabilities to persist in times of hardship), and the Divine (faith in God’ s power to protect hard-working families). Our results contribute to the “social turn” in resilience literature in two ways. First, we highlight affect and emotion as indicators of farm livelihood resilience. Second, we suggest narrations of resilience are constituted through farmers’ particular “worldings”, or constructions of reality where knowledge, belief systems, and relations, are lived and enacted on an

everyday basis. Situating oneself in local contexts can illuminate sources of intangible resilience otherwise hidden from top-down approaches, while engaging “worldings” can help render these intangible sources intelligible within their contexts.

For India’ s Rural Poor, Growing Towns Matter More Than Growing Cities

- World Development---2017---John Gibson, Gaurav Datt, Rinku Murgai, Martin Ravallion

We demonstrate that it is theoretically ambiguous whether growth of cities matters more to the rural poor than growth of towns. We then test empirically whether the economic growth of India’ s secondary towns mattered more to recent rural poverty reduction than did growth of the big cities. Satellite observations of night lights are used to measure urban growth on both extensive and intensive margins in the context of a spatial Durbin fixed-effects model of poverty measures for rural India, calibrated to a panel of 59 regions observed four times over 1993–2012. Lit area expansion had more effect on rural poverty measures than did intensive margin growth in terms of the brightness of light from urban areas. For India’ s current stage of development, growth of secondary towns may do more to reduce rural poverty than does big city growth although our theoretical model suggests that cities may eventually take over from towns as the drivers of rural poverty reduction.

Labour Market Effects of Large-Scale Agricultural Investment: Conceptual Considerations and Estimated Employment Effects

- World Development---2017---Kerstin Nolte, Martin Ostermeier

Large-scale agricultural investments (LSAIs) in general and their socio-economic implications in particular have been heavily debated in recent years. While some claim that LSAIs are an important catalyst for development in neglected rural areas, others caution that they pose a risk to rural communities’ livelihoods.

The extent to which LSAs provide benefits for local communities is hence still contested. This paper sets out to conceptually understand what effects the establishment of a large-scale farm has on the rural labor market in low- and middle-income countries. In addition, we empirically address the question of whether large-scale farming as recorded in the Land Matrix creates or destroys employment. We develop a transition matrix to identify several scenarios based on key determinants of the direct employment creation potential of LSAs, namely the former land use, the crop type and the production model. We empirically assess the actual importance of these scenarios and the employment creation to be expected from this sample of LSAs based on labor intensities. We further look into the net employment effects for land formerly used by smallholder farmers. Our analysis shows that LSAs massively crowd out smallholder farmers, which is only partially mitigated through the cultivation of labor intensive crops and the application of contract farming schemes. This holds true for all regions targeted by LSAs, although regional differences are found in terms of magnitude. The paper concludes that these effects tend to be large on the local scale (i.e., in the immediate surroundings of the investment site) but small in relation to total national employment in agriculture. However, indirect employment creation related to LSAs, which is discussed but not empirically addressed in this paper, needs to be taken into account to have the full picture.

Does Market Experience Attenuate Risk Aversion? Evidence from Landed Farm Households in Ethiopia

- World Development---2017---Mequanint Mellesse, Francesco Cecchi

Risk preferences are important drivers of many relevant economic decisions of farm households. High risk aversion is a well-known trigger of “poverty traps” for farm households in developing countries. This paper analyzes the effect of market experience on risk aversion for a relatively large sample of landed farm households characterized by historically low mobility in

Ethiopia. We measure risk aversion using lab-in-field experimental data, and relate it to actual market experience of household heads. We use an instrumental variable approach to address the issue of endogeneity due to possible self-selection into trade. We find that market experience attenuates risk aversion—farm households with greater market experience are more risk tolerant. Results are robust to using several alternative specifications, controlling for internal mobility, out-migration and other potential unobservables, and for violations to rational choice. Overall, this study provides strong empirical evidence that risk preferences endogenously change as a result of market experience, and can help design policies aiming to increase the productivity and efficiency of farm households.

Disaggregating the Developing Welfare State: Provincial Social Policy Regimes in China

- World Development---2017---Kerry Ratigan

Local variation in social welfare provision appears in myriad contexts around the world. And yet, our attempts at conceptualizing welfare regimes focus on the national level. In China, local authorities have shaped social policy implementation since economic reforms. In this paper, I answer three questions about subnational variation in social policy provision in China: (1) Have Chinese provinces diverged in their social policy provision?; (2) How do provincial social policy regimes differ from one another?; (3) What explains variation in provincial social policy spending? To answer the first question, I conduct a cluster analysis of provincial social policy spending data. I find that provinces systematically diverge in their social policy priorities. While some provinces invest in education to develop human capital and promote economic growth, others emphasize poverty alleviation. I propose a typology to conceptualize these tendencies. I then test for these divergent approaches using between-effects regression models of provincial social policy spending. Although provincial wealth and needs sometimes play a role in allocations for social policy, I find that economic development strategy and social instability are associated with distinct approaches to social welfare spending.

These distinct provincial welfare regimes have implications for the adoption, implementation, and ultimately, effectiveness of social policy in China.

NGOs and Personal Politics: The Relationship between NGOs and political leaders in West Bengal, India

- World Development---2017---Tom Harrison

Much of the literature on development NGOs has focused on their ability to offer “development alternatives” and how their distinctiveness is threatened by increased dependence on governments and donors. However, more recent literature has increasingly focused on the constructive potential of blurred boundaries between NGOs and the state, arguing that a degree of overlap provides NGOs with increased mechanisms for influence. There has been less research on the interactions between NGOs and political parties, and how political connections affect the relationship between NGOs and the state. This article contributes to addressing that gap.

New Evidence on the Impact of Large-scale Conditional Cash Transfers on Child Vaccination Rates: The Case of a Clustered-Randomized Trial in Indonesia

- World Development---2017---Dian Kusuma,Hasbullah Thabrany,Budi Hidayat,Margaret McConnell,Peter Berman,Jessica Cohen

Despite recent progress, millions of children still die every year from vaccine-preventable diseases. One strategy is Conditional Cash Transfers (CCTs), which provide cash payments to poor households in exchange for compliance with health-related conditionalities including child vaccination. Using a randomized trial, we provide new evidence on the impact of large-scale CCTs on child vaccination rates in Indonesia by investigating the Program Keluarga Harapan (PKH) with a sample of over four thousand children under two years old. After two years of implementation from 2007 to 2009, difference-in-differences (DID) estimates show

that PKH significantly increases child vaccination rates for all basic vaccine types by up to 30% compared to the control group means among children aged less than 12months old but PKH shows modest effects among children aged 12–23months old. There is also evidence that PKH is equity enhancing by increasing child vaccination rates for most vaccine types by up to 52% among children aged less than 12months old living with less educated mothers (below six years). All this underscores the ability of cash transfers to reach poor children for whom health systems supply-side-oriented strategies have been less successful.

What Do We (Not) Know About Development Aid and Violence? A Systematic Review

- World Development---2017---Christoph Zürcher

The paper presents findings from the first-ever systematic review of the causal impact of development aid on violence in countries affected by civil war. The review identifies 19 studies: Fourteen within-country studies from Afghanistan, Iraq, Colombia, Philippines, and India, and five cross-national studies. These studies investigate the impact of six aid types: Community-driven development, conditional cash transfers, public employment scheme, humanitarian aid, infrastructure, and aid provided by military commanders in Iraq and Afghanistan. The evidence for a violence-dampening effect of aid in conflict zones is not strong. Aid in conflict zones is more likely to exacerbate violence than to dampen violence. A violence-dampening effect of aid appears to be conditional on a relatively secure environment for aid projects to be implemented. A violence-increasing effect occurs when aid is misappropriated by violent actors, or when violent actors sabotage aid projects in order to disrupt the cooperation between the local population and the government.

Land Sparing and Land Sharing Policies in Developing Countries – Drivers and Linkages to Scientific Debates

- World Development---2017---Ole Mertz,Charlotte Filt Mertens

The need for developing land sparing or land sharing policies for protecting the environment has been a polarized debate in the scientific literature. Some studies show that “spared” landscapes with clearly separated intensive agriculture and pristine forest are better for biodiversity and other ecosystem services, whereas others demonstrate the benefits of “shared” mosaic landscapes composed of a mix of forest types, agricultural fields, grassland, and plantations. Increasingly, these scientific views have been depolarized, recognizing that both shared and spared landscapes have a role to play, depending on the context. However, it is less clear from the literature what drives actual policy-making related to land sparing and land sharing in developing countries and what the outcomes of these policies are. We therefore reviewed the international peer-reviewed literature for evidence of policies that aim at land sparing or land sharing in developing countries, the driving forces behind these policies and their outcomes. We also searched for evidence of whether the scientific debates have had an effect on land policy-making and explored the hypothesis that land sparing is the dominant land policy paradigm. We show that all countries represented in the studies have land sparing policies and half of them also have land sharing policies, although the latter appear inferior and under-funded. Drivers of land policies are very diverse, ranging from international commitments in conventions to various national-level pressures, but there is little evidence that scientific results have affected these policies. The policy outcomes in terms of ecosystem services and livelihoods are also very diverse. We conclude based on the studies reviewed that context is indeed very important for understanding different design and outcomes of land sparing and land sharing policies and that more evidence is needed on the processes for integration of rapidly evolving scientific debates in land policy-making in developing countries.

Spurred to Upgrade: A Review of Triggers and Consequences of Industrial Upgrading in the Global Value Chain Literature

- World Development---2017---Seth Pipkin,Alberto Fuentes

The Global Value Chains (GVC) literature intervenes in today’ s challenging development context by focusing on the means by which developing-country industries can ‘upgrade’ their market positions and outcomes for workers. Yet while this literature has produced hundreds of rich empirical case studies, there has to date been no attempt to systematically analyze this case literature for lessons regarding the antecedents and consequences of the key outcome of upgrading. This paper undertakes a systematic analysis of a representative sample of 45 case studies of primary product and light manufacturing industries in developing countries. These studies were coded for factors involved in initiating and sustaining upgrading processes, the results of upgrading, and the role of local institutions in these processes. We find that contrary to the major assumptions of the literature, advanced-country buyers are not the main force in the initiation of industrial upgrading. Rather, in most cases, developing-country firms initiate upgrades when pushed by “shocks” of market vulnerability, usually produced by state policies, that force them to seek to change their status quo operations. Once initiated, upgrading processes can produce a wide spectrum of results—from little to no advancement in market position (‘treadmilling’) to vaulting to the forefront of a global industry (‘leaps forward’)—on the basis of the sources of learning present in the local institutional environment, such as state agencies and business associations. We also identify conditions under which state participation in upgrading processes can lead to increased local institutional capacity. Together, these findings suggest a framework for upgrading that we refer to as an ‘induced search’ model. This model has important implications for future research on the dynamics of industrial upgrading in developing countries, techniques of state intervention, and processes of mutually supportive learning between actors in the public and private sector.

Recent Social Security Initiatives in India

- World Development---2017---Jean Drèze,Reetika Khera

There has been a major expansion of social security programs in India during the last 15 years or so, along with wider recognition of economic and social rights. This paper discusses five programs that can be seen as partial foundations of a possible social security system for India: school meals, child care services, employment guarantee, food subsidies, and social security pensions. The record of these programs varies a great deal between Indian states, but there is growing evidence that they make an important contribution to human well-being, and also that the achievements of the leading states are gradually spreading to other states as well. Much scope remains for extending these efforts: despite the recent expansion, India's social security system is still very limited in international perspective. The paper also discusses some general issues of social policy in India, such as the arguments for universalization versus targeting and the value of a rights approach to social security.

Financial Inclusion, Bank Concentration, and Firm Performance

- World Development---2017---Lisa Chauvet,Luc Jacolin

This study focuses on the impact of financial inclusion and bank concentration on the performance of firms in developing and emerging countries. Using firm-level data for a sample of 55,596 firms in 79 countries, we find that financial inclusion, i.e., the distribution of financial services across firms, has a positive impact on firm growth. This positive impact is magnified when bank markets are less concentrated, a proxy for more competition among banks. We also find that more competitive banks favor firm growth only at high levels of financial inclusion, while bank concentration is particularly favorable to foreign and state-owned firms and increases firm growth at low levels of financial inclusion. In countries with limited financial deepening, the quality of the banking system (financial inclusion and

bank competition) may be as important in promoting firm performance as its overall size.

Aiming for a Moving Target: The Dynamics of Household Electricity Connections in a Developing Context

- World Development---2017---Tom Harris,Mark Collinson,Martin Wittenberg

We investigate household electricity access in a poor rural setting in South Africa, showing that the acquisition of connections is not the simple monotonic process often assumed in the literature. We argue that changes in household electricity access are a complex and changing outcome of two key time-varying processes: (1) net connections (new connections less disconnections) and (2) household formation and dissolution dynamics. In particular, we show that migration can occur in ways which either improves or worsens access. Even for households that stay in place we observe many disconnections. Therefore, in their efforts to improve access to electricity, governments in developing countries may in fact be aiming for a moving target—if the infrastructure is provided in places from which people are migrating, if many new households are being formed in un-serviced areas, or if existing connections are being lost.

Collective Property Leads to Household Investments: Lessons From Land Titling in Afro-Colombian Communities

- World Development---2017---Ximena Peña,Maria Vélez,Juan-Camilo Cardenas,Natalia Perdomo,Camilo Matajira

In the developing world, collective land titling has become an important tool for recognizing the historical presence of ethnic communities and safeguarding their rights to occupy and manage their territories. However, little is known about the average impact of these titling processes on the well-being of these communities. In this paper we attempt to estimate the impact of collective land titling in territories inhabited by

Afro-descendent communities in Colombia. We compare rural districts in titled areas with rural districts in untitled areas that are similar in all the relevant observable characteristics. We find that the collective titling process in the Chocó region has caused an increase in average household per capita income, a decrease in extreme poverty, larger investments in housing, higher attendance rates among children in primary education, and a decrease in housing overcrowding. Our results suggest that collective land titling creates a more secure natural resource base and a longer time horizon for households in collective territories, which leads to investment in their private physical and human capital.

Aspirations and the Role of Social Protection: Evidence from a Natural Disaster in Rural Pakistan

- World Development---2017---Katrina Kosec, Cecilia Hyunjung Mo

Citizens' aspirations are increasingly recognized as an important dimension of their well-being. Those with high aspirations set ambitious goals for themselves, and those with low aspirations may fall prey to a poverty trap. Do natural disasters negatively impact aspirations? If so, can governments blunt these effects? We consider Pakistan's devastating 2010 floods—and the government's uneven relief efforts—to analyze these questions. We first show that the extreme rainfall generating this disaster significantly reduced aspirations, even when current levels of household expenditure, wealth, and education are taken into account. Individuals experiencing 2010 monsoon season rainfall that was one standard deviation higher than average had aspiration levels 1.5 years later that were 0.15 standard deviations lower than those of similar individuals experiencing just average levels of rainfall. This is the same negative shock to aspirations that one would experience as a result of a 50% reduction in household expenditures. Moreover, the negative effect of natural disasters on aspirations is especially strong among the poor, and among those who are most vulnerable to weather shocks. However, exploiting exogenous variation in flood relief access, we show that government

social protection can attenuate these negative impacts. Individuals in villages that received Citizens Damage Compensation (Watan Card) Program flood relief—providing cash equivalent to 9.4% of annual household expenditures in each of the three years following the disaster—saw significantly lower declines in aspirations than did those in similarly affected villages without this relief. This offers a new understanding of social protection; it not only restores livelihoods and replaces damaged assets, but also has an enduring effect by easing mental burdens, and thus raising aspirations for the future. The negative effects of natural disasters and the efficacy of government relief programs may thus be underestimated if aspirations are ignored.

Conflict and Collisions in Sub-Saharan African Urban Definitions: Interpreting Recent Urbanization Data From Kenya

- World Development---2017---Deborah Potts

This paper explores the challenges for analysis of urbanization which can arise from insufficiently rigorous definition of what is “urban”. Policy makers and investors still use the ideas of “rural” versus “urban” and increasingly assume that the pace of urbanization in African countries is a measure of positive economic structural change. However most urban definitions do not incorporate economic characteristics. In Africa widely differing urban population thresholds and administrative factors are the most common criteria. The thresholds are often so low that many rural settlements are also defined as “urban” or they may be included on population density criteria, meaning the apparent pace of urbanization is inflated unrealistically. These issues are exemplified in this paper through detailed examples drawn from Kenya. It uses a range of sources including official census data and urban data published by Africapolis, as well as aerial images of rural and urban settlements in Kenya. It demonstrates how the use of population density criteria has inflated Kenyan urban data by the incorporation of very large numbers of rural people and explains how this can lead to entirely misleading interpretations of local and national urban and migration trends. Errors in urban figures

can therefore have serious policy implications. It is argued that such errors can be reduced by not relying on a single criterion to define “urban” or by triangulating data on rural and urban settlements with other relevant information.

Spillover Effects of International Standards: Working Conditions in the Vietnamese SMEs

- World Development---2017---Neda Trifkovic

Private international standards are commonly applied to improve market access and competitiveness. While most studies focus on trade effects and organizational outcomes, very few studies look at the effect of standards on employees. Using a three-year matched employer–employee panel dataset, this paper finds that the application of management standards improves working conditions in small and medium enterprises (SMEs) in Vietnam. Certified firms pay higher wages on average, implying that the adoption of standards could boost labor productivity. They are also more likely to offer formal contracts, illustrating that benefits from standards also have non-monetary aspects. These effects come from higher investment in employee training, adherence to national labor laws, and engagement of non-technical workforce. There is, however, no systematic impact of standards on the provision of fringe benefits, such as paid sick leave and health, social, unemployment, and accident insurance. The estimation accounts for endogenous matching of workers with firms and unobserved heterogeneity using an instrumental variable approach. The study reveals unexpected benefits from certification.

Rags and Riches: Relative Prices, Non-Homothetic Preferences, and Inequality in India

- World Development---2017---Ingvild Almås, Anders Kjelsrud

It is well known that consumption patterns change with income. Relative price changes would therefore affect rich and poor consumers differently. Yet, the standard price indices are not income-specific, and

hence, they cannot account for such differences. In this paper, we study consumption inequality in India, while fully allowing for non-homotheticity. We show that the relative price changes during most of the period from 1993 to 2012 were pro-poor, in the sense that they favored the poor relative to the rich. As a result, we also find that conventional measures significantly overstate the rise in real consumption inequality during this period. The main lesson from our study is the importance of accounting for non-homotheticity when measuring inequality. The price index literature has, as of yet, paid relatively little attention to this. In our application, however, it turns out that the allowance for non-homotheticity is quantitatively much more important than much discussed adjustments, such as those for substitution in consumption.

Understanding the Process of Community Capacity-Building: A Case Study of Two Programs in Yunnan Province, China

- World Development---2017---Juan M. Moreno, Lori M. Noguchi, Marie K. Harder

In recent decades, development discourse has increasingly acknowledged the importance of participation and ownership of development programs at the local level. As the discourse has advanced, terms such as community-driven development and community capacity-building (CCB) have become widely used and attracted significant funding. Yet, despite the prominent place CCB has come to occupy in development discourse and practice, relatively little attention has been given to the process of capacity-building at the level of the community, particularly as it is understood by key protagonists. The authors present a descriptive case-study of two CCB programs in Yunnan, China, examining how capacity is understood by the key protagonists at the level of individuals, institutions, and communities, and which capacities are identified as built at each level. The authors show that while there are expected differences in the perceptions of the CCB process and outcomes at different levels, there are also clear overlaps, and that capacities develop simultaneously at different levels, in an interactive and mutually

reinforcing manner. The results suggest that the interconnection across levels may be very important to study further. This study helps fill a gap in the CCB literature and contributes insights that could improve the effectiveness of community development projects. In addition, it provides insight into the specific case of CCB in China, where literature has tended to focus on institutional capacity and relationships between civil society organizations and the government rather than process and outcomes at the community level.

Risk Perception in a Multi-Hazard Environment

- World Development---2017---Kira A. Sullivan-Wiley, Anne G. Short Gianotti

Environmental disasters cause enormous losses of life and property every year, a threat that is recognized and addressed in both the Sendai Framework for Disaster Risk Reduction and the 2015 Sustainable Development Goals. Organizations from both the risk reduction and development fields are working to design programs that build risk understanding and risk perception to encourage protective action in communities that are often at risk from multiple, overlapping threats. We know little, however, about how individuals perceive and prioritize multiple hazards at once and how this relates to their adoption of protective action strategies in the developing world. Our work addresses environmental hazard risk perception in a multi-hazard context in eastern Uganda, with particular attention paid to the role that risk reduction and development organizations (RDOs) play in shaping risk perceptions, as well as their potential to influence protective action. To better understand risk prioritization, we used survey data from farming households to generate four indices reflecting several components of risk perception and to predict holistic risk perception through multivariate regression analysis. Our study finds that the factors shaping smallholder risk perception vary among hazards within the study population and that characteristics of both hazards and individuals are important. The regression analysis also reveals a surprising relationship between risk perception, self-efficacy, and protective action. Our findings suggest that risk reduction and development

programs can play an important role in affecting both risk perception and the capacity of smallholders to respond to environmental threats. Our work adds to the growing body of literature on how people perceive and respond to risk in a multi-hazard environment, a context increasingly common in a changing world. Improved understanding of how RDO programs in the developing world are engaging with and influencing risk mitigation in the multi-hazard environments is fundamental for reducing vulnerability.

What Can the Capabilities Approach Learn from an Ubuntu Ethic? A Relational Approach to Development Theory

- World Development---2017---Nimi Hoffmann, Thaddeus Metz

Over the last two decades, the capabilities' approach has become an increasingly influential theory of development. It conceptualizes human wellbeing in terms of an individual's ability to achieve functionings we have reason to value. In contrast, the ethic of ubuntu views human flourishing as the propensity to pursue relations of fellowship with others, such that relationships have fundamental value. These two theoretical perspectives seem to be in tension with each other. While the capabilities' approach seems to focus on individuals as the locus of ethical value, an ubuntu ethic concentrates on the relations between individuals as the locus.

Obstacles to Takeup: Ecuador's Conditional Cash Transfer Program, The Bono de Desarrollo Humano

- World Development---2017---Chloe S. Rinehart, James W. McGuire

Social assistance programs cannot help the poor if the poor do not enroll in them. Obstacles to the uptake of social assistance in industrialized countries include information costs, compliance costs, and psychological costs. Using qualitative field research and quantitative analysis of data from a nationwide survey in 2013–14, we explore the impact of these costs on the uptake of the

Bono de Desarrollo Humano (BDH), a US \$50 monthly cash transfer in Ecuador. Drawing on interviews with Ecuadorians whose households are eligible for the BDH, as well as on findings about social assistance takeup in industrialized countries, we hypothesize that particular information costs, compliance costs, and psychological costs, along with program design and household poverty, will influence the probability of BDH takeup. We then use probit regression to estimate the statistical effect of these factors on the probability of takeup, using data on 11,449 BDH-eligible households sampled by Ecuador's 2013–14 Encuesta Condiciones de Vida (Living Standards Measurement Survey). Controlling for program design and household poverty, we find that compliance costs and psychological costs each have a significant deterrent effect on BDH takeup. The purpose of social assistance is to help the poor, but if social assistance is to achieve this goal, the poor must actually receive it. This study helps to identify the forces and circumstances that influence the takeup of an important social assistance program in a middle-income Latin American country.

The Uneven Effect of Financial Constraints: Size, Public Ownership, and Firm Investment in Ethiopia

- World Development---2017---Addisu Lashitew

This study investigates if financial constraints reduce investment among private and small firms using a rich, census-based dataset of manufacturing plants from Ethiopia. Impulse responses from a panel VAR estimation are used to compare the response of investment to changes in cash flow and the marginal product of capital among plants with different size and ownership status. The analysis reveals that cash flow has greater effect on investment among small plants, whereas the effect of the marginal product of capital is greater among large plants. This indicates that small plants are more financially constrained than large plants even though they have significantly higher marginal product of capital. Comparison between public and private firms is less conclusive, showing that size rather than ownership is strongly associated with financial constraints in

Ethiopia. The results indicate that financial market imperfections could undermine industrial performance in Africa by limiting the growth of small firms.

Agrarian Extractivism in Bolivia

- World Development---2017---Ben M. McKay

The expansion of Bolivia's agricultural frontier fueled by the development of a soy complex has become part of the state's three-pronged "neo" extractivist development model based on minerals, hydrocarbons, and soybeans. While Bolivia has a long history of mineral and natural gas extraction, the agricultural sector's highly mechanized and capital-intensive character are relatively new developments. Referred to here as "agrarian extractivism" this paper reveals the very extractive nature of soybean production in Bolivia based on four interlinked dimensions: (1) large volumes of materials extracted destined for export with little or no processing; (2) value-chain concentration and sectoral disarticulation (3) high intensity of environmental degradation; and (4) the deterioration of labor opportunities and/or conditions. It is argued here that "agrarian extractivism" is a politically and analytically useful concept for understanding new dynamics and trajectories of agrarian change as it reveals the very extractive nature of capitalist agriculture, particularly in the context of contemporary land grabbing, flex crops, and the increasingly corporatized agro-food system. Rather than a form of industrial agricultural development which implies value-added processing, sectoral linkages, and employment generation, agrarian extractivism challenges this dominant discourse, revealing the various dimensions of social, economic and environmental exploitation and its negative implications for rural development.

Squaring the Circle: Reconciling the Need for Rigor with the Reality on the Ground in Resilience Impact Assessment

- World Development---2017---Christophe Béné,Fahim S. Chowdhury,Mamun Rashid,Sabbir A. Dhali,Ferdous Jahan

Currently shaping a large part of the development and humanitarian agenda the concept of resilience has been embraced by a large number of donors, development agencies, and international NGOs. As a consequence, an increasing number of development interventions that aim at strengthening the resilience of vulnerable households and communities are now being implemented across the globe. Along with these interventions, a growing and urgent call for rigorous monitoring and evaluation has emerged. Unfortunately, the very few resilience measurement frameworks that are available are often too “academics”, data-demanding, and therefore poorly adapted to the reality faced by practitioners on the ground. In this paper we develop a resilience impact assessment framework which addresses this challenge. Using an ex-post treatment vs. control approach, the framework satisfies the requirement for rigor that should be found in any proper impact assessment framework, but remains operational in the data- and resource-constrained situations which characterize most of the current interventions in the field. We illustrate the approach through the case of the Enhancing Resilience program that was implemented by the World Food Programme and its partners in Bangladesh during 2011–13.

Aid Dispersion: Measurement in Principle and Practice

- World Development---2017---Cathrin Fløgstad,Rune Hagen

Excessive dispersion of development assistance has been high on the Paris Agenda on aid effectiveness. However, there is no agreement in the existing literature on how aid dispersion should be measured and few studies of the extent of the problem. We argue for using the Theil Index for both recipients and donors. This relative inequality measure has a major advantage: it allows for a perfect decomposition into variation between and within entities. Exploiting this property, we can rank official donors and recipients not only in terms of the total spread, but also assess the contributions of geographic and sectoral dispersion. We provide a detailed picture of developments along various dimen-

sions (globally as well as for countries, income groups, and regions, over 1998–13). We further distinguish between bilateral and multilateral donors. Consistent with other studies using more limited samples, we find little effect of the Paris Agenda overall. Aid is more fragmented in Sub-Saharan Africa and in the poorest countries. Globally as well as for most donor and recipient countries, between variation is the main driver of the spread, lending support to the geographic concentration policies many donor countries have adopted. Bilateral aid has been somewhat more dispersed than multilateral aid and in both cases the large number of donors controlling similar shares of total funds is a major driver of the total spread. The latter suggests that concentration could also be achieved through a reduction of the number of actors on the donor side of the aid industry, a perspective that previous studies using other measures have been unable to capture.

Productivity and Welfare Effects of Nigeria's e-Voucher-Based Input Subsidy Program

- World Development---2017---Tesfamichael Wossen,Tahirou Abdoulaye,Arega Alene,Shiferaw Feleke,Jacob Ricker-Gilbert,Victor Manyong,Bola Amoke Awotide

In an attempt to go beyond the so called “smart” subsidies, Nigeria has embarked on a potentially innovative mobile phone-based input subsidy program that provides fertilizer and improved seed subsidies through electronic vouchers. In this article, we examined the productivity and welfare effects of the program using household-level data from rural Nigeria. The article employed instrumental variable regression approach to control for the potential endogeneity of the input subsidy program. Our results suggest that the program is effective in improving productivity and welfare outcomes of beneficiary smallholders. The size of the estimated effects suggests a large improvement in productivity and welfare outcomes. Moreover, the distributional effects of the program suggest no heterogeneity effects based on gender and farm land size. These results are robust to using alternative measurements of program participation. The benefit–cost ratio of 1.11

suggests that the program is marginally cost-effective. Overall, our results suggest that while improving average productivity is a good outcome for improving food security, improving the distributional outcome of the program by targeting the most disadvantaged groups would maximize the program's contribution to food security and poverty reduction.

Livelihood Strategies and Dynamics in Rural Cambodia

- World Development---2017---Xi Jiao,Mariève Pouliot,Solomon Zena Walelign

This paper addresses one of the major challenges in rural livelihood analysis to quantitatively examine the dynamics of household livelihood strategies. It investigates the interactions between livelihood assets, activities, and outcomes, and captures the dynamics of long-term changes and their underlying factors. The study aims to identify the classification of rural livelihood strategies, their transitions and factors influencing these processes and changes. We employ the dynamic livelihood strategy framework, and use panel data for 2008 and 2012 covering 464 households in 15 villages in Cambodia, for latent class cluster analysis and regression estimation. In this paper, livelihood strategies are quantified based on allocation of available resources, which overcomes the limitations of income-based analysis. Our study identifies five household livelihood strategies pursued in the study areas, and the results show that over 70% of households change livelihood strategies over time in response to evolving pressures, incentives and opportunities. The study identifies covariates that shape the choices of livelihood strategies and affects the households' access to more remunerative strategies, such as education, ownership of physical assets, and access to infrastructure. These findings suggest policy implications for improving the range of livelihood choices available to lower income groups to move out of poverty trap.

Market Accessibility and Economic Growth: Insights from a New Dimension of Inequality

- World Development---2017---Jacob Hochard,Edward Barbier

We modify an AK growth model to allow for households' differential access to markets. Such local production spillovers highlight a new dimension of inequality arising through geographic remoteness and predicts divergent growth patterns among countries with poorly market-integrated households. The model is tested using an instrumental variables approach that takes advantage of the relationship between market accessibility and exogenous geographic features of the landscape as well as spatial data derived from a unique global dataset characterizing country-level market accessibility distributions. Our findings are consistent with production spillovers diminishing concavely across space before tapering off convexly in remote areas. This result suggests that the marginal household exhibiting production spillovers is located approximately five hours from the nearest market center. The policy implications are that governments could adopt pro-growth inequality-reducing policies using targeted infrastructural investments, relocation subsidies, or income redistribution mechanisms. Based on our spillover threshold estimates, these policies would be access-equality enhancing for 5.1 billion people globally and access-equality reducing for 825 million people globally. We also present findings that growth divergence occurs among countries with geographically less pervasive markets. This outcome may explain why wealthier nations exhibit divergent growth paths relative to poorer nations.

Do Development Interventions Confer Adaptive Capacity? Insights from Rural India

- World Development---2017---Unmesh Patnaik,Prasun Kumar Das

Risks due to the occurrence of climatic aberrations pose an impediment to the economic growth of the households in vulnerable regions. The frequency of these events is projected to increase in the foreseeable

future, with developing countries being the worst sufferers. Dealing with this appears to be an additional burden on the resources of such countries, a large part of which is already devoted to providing better living standards for its inhabitants. Does this imply that developmental interventions should be discontinued? Is there a link between these programs and adaptation to environmental shocks? In an effort to answer such questions, the paper examines the impact of the developmental schemes on the livelihood of the households in Western Odisha, India and investigates whether they augment post disaster coping and adaptation as well. The results indicate that overall the programs have made an impact concerning their intended goals but the diffusion of benefits across beneficiary groups is heterogeneous. Additionally, the programs have contributed in post disaster coping, but only in the regions where either they performed well or their penetration was extensive. Activities promoting livelihood diversification, food security, and poverty reduction also tacitly facilitate improvements in the resilience of the individuals and communities thereby enhancing their capacity to deal with climatic risks. Policy implication advocates the continuation of developmental interventions. However, realigning their framework to incorporate actions intended toward disaster risk reduction and management would result in more inclusive impacts.

Wage Structure and Gender Earnings Differentials in China and India

- World Development---2017---Jong-Wha Lee,Dainn Wie

This study analyzes how changes in overall wage inequality and gender-specific factors affected the gender wage gap in Chinese and Indian urban labor markets in the 1990s and 2000s. We observe the significant expansion of skilled workers and the increase in overall wage inequality in both countries over the period. Analyses of micro data present that contrasting evolutionary patterns in gender wage gap emerged over the period, showing a widened wage gap in China but a dramatically reduced gap in India. In both countries, female workers' increased skill levels contributed to reducing

the gender wage gap. However, increases in observed prices of education and experience worked unfavorably for high-skilled women, counterbalancing their improvement in labor market qualifications. Decomposition of changes in the gender wage gap shows that China's widened gap was attributable to gender-specific factors such as deteriorated observable and unobservable labor market qualifications and increased discrimination, especially against low- and middle-skilled female workers. For India, gender-specific factors and relatively high wage gains of low- and middle-skilled workers reduced the male-female wage gap. Our study suggests that consideration of overall wage structure, unobserved skills, and gender-specific factors such as unobserved labor market qualification and discrimination against women should be included in designing policies to promote gender equity and inclusiveness in labor markets.

Small Firms, large Impact? A systematic review of the SME Finance Literature

- World Development---2017---Renate Kersten,Job Harms,Kellie Liket,Karen Maas

Many people in Low- and Middle-Income Countries (LMICs) work for Small and Medium-sized Enterprises (SMEs). Oftentimes, these SMEs have limited access to finance. Interventions to promote financial access for SMEs are therefore an integral part of the development strategy of many governments and donors. To provide an overview of the effectiveness of these interventions, we conduct a systematic review and multivariate meta-analysis. This yields three results. Firstly, few evaluations of SME finance programs apply the same rigorous experimental methods that are more commonly used in studies of microfinance. Secondly, most evaluations of SME finance programs consider neither spillover effects to other enterprises nor effects on the employee level. Thirdly, we find a positive significant effect of SME finance on capital investment, firm performance, and employment within the supported firm, whereas the summary effect on profitability and wages is insignificant. In sum, it remains unclear to what extent SME finance contributes to economic development and poverty reduction. We discuss the main policy impli-

cations of these findings as well as the limitations and suggestions for future research on SME finance.

Technology Adoption and Employment in Less Developed Countries: A Mixed-Method Systematic Review

- World Development---2017---Mehmet Ugur, Arup Mitra

The implications of technology adoption for productivity, income, and welfare have been studied widely in the context of less developed countries (LDCs). In contrast, the relationship between technology adoption and employment has attracted less interest. This systematic review evaluates the diverse yet sizeable evidence base that has remained below the radars of both reviewers and policy makers. We map the qualitative and empirical evidence and report that the effect of technology adoption on employment is skill biased and more likely to be observed when technology adoption favors product innovation as opposed to process innovation. Technology adoption is also less likely to be associated with employment creation when: (i) the evidence is related to farm employment as opposed to firm/industry employment; (ii) the evidence is related to low-income countries as opposed to lower middle-income or mixed countries; and (iii) the evidence is based on post-2001 data as opposed to pre-2001 data. There is also qualitative evidence indicating that international trade, weak forward and backward linkages, and weaknesses in governance and labor-market institutions tend to weaken the job-creating effects of technology adoption. We conclude by calling for compilation of better quality survey data and further attention to sources of heterogeneity in modeling the relationship between technology adoption and employment in LDCs.

Decomposing the Gender Wealth Gap in Ecuador

- World Development---2017---Boaz Anglade, Pilar Useche, Carmen Diana Deere

Unlike the gender earnings gap that has been amply studied, the gender wealth gap has only recently begun to receive attention. Studies of the gender wealth gap

have been concentrated on developed countries and have been limited by the use of household-level data. Using individual-level and sex-disaggregated wealth data for Ecuador, this paper examines the pattern of wealth inequality across genders, at different points of the wealth distribution, for sole and then partnered household heads. We use a new Oaxaca-Blinder-type decomposition method based on unconditional quantile regression to investigate the sources of the gap at different quantiles. Our results show that among sole heads the gap favors men across the distribution and is largest at the lower tail. Among partnered heads, the gap is much less pronounced throughout the distribution, actually reverting at the lower tail. For both sole and partnered heads, at the lower tail of the distribution, the gender gap is primarily associated with differing returns to covariates. At the median and upper quantiles, gender differences in endowments (ownership of savings accounts, education, and age) drive the gap. Gender bias in inheritance plays a significant role only at lower and median wealth levels. Overall, our results show stark contrasts with results for developed countries and important differences between sole versus partnered heads. Our study also adds evidence to the long-standing debate over whether female household heads are poorer than male heads and calls for the pursuit of wealth-differentiated policies and social programs to increase women's participation in the formal economy, as well as the returns to their participation.

Learn from the Past, Prepare for the Future: Impacts of Education and Experience on Disaster Preparedness in the Philippines and Thailand

- World Development---2017---Roman Hoffmann, Raya Muttarak

This study aims at understanding the role of education in promoting disaster preparedness. Strengthening resilience to climate-related hazards is an urgent target of Goal 13 of the Sustainable Development Goals. Preparing for a disaster such as stockpiling of emergency supplies or having a family evacuation plan can substantially minimize loss and damages from natural hazards. However, the levels of household disaster pre-

paredness are often low even in disaster-prone areas. Focusing on determinants of personal disaster preparedness, this paper investigates: (1) pathways through which education enhances preparedness; and (2) the interplay between education and experience in shaping preparedness actions. Data analysis is based on face-to-face surveys of adults aged ≥ 15 years in Thailand (N=1,310) and the Philippines (N=889, female only). Controlling for socio-demographic and contextual characteristics, we find that formal education raises the propensity to prepare against disasters. Using the KHB method to further decompose the education effects, we find that the effect of education on disaster preparedness is mainly mediated through social capital and disaster risk perception in Thailand whereas there is no evidence that education is mediated through observable channels in the Philippines. This suggests that the underlying mechanisms explaining the education effects are highly context-specific. Controlling for the interplay between education and disaster experience, we show that education raises disaster preparedness only for those households that have not been affected by a disaster in the past. Education improves abstract reasoning and anticipation skills such that the better educated undertake preventive measures without needing to first experience the harmful event and then learn later. In line with recent efforts of various UN agencies in promoting education for sustainable development, this study provides a solid empirical evidence showing positive externalities of education in disaster risk reduction.

Does the Development Discourse Learn from History?

- World Development---2017---Albert Sanghoon Park

What is the nature and extent of historical awareness in the development discourse? Does the development discourse learn from history, including its own? Set in the contexts of aging development institutions and a changing geopolitical climate, this paper provides one account through a historiographical survey of 136 journal articles across 10 leading development journals.

It uncovers a substantial body of works, which offer descriptive histories, derivative lessons, and historiographical critiques. Altogether, they evidence two modes in which the development discourse attempts to learn from history. The first lies in the proactive use of external histories as empirical evidence for a variety of development issues. This is the predominant mode exhibited in the survey. A second mode lies in the use of internal histories of the development discourse, itself. Here, the survey finds a number of noteworthy but largely disparate efforts. This suggests a relative dearth in historiographical self-consciousness for a narrow but influential segment of the development discourse. A number of consequences are considered, ultimately responding to the legitimacy, efficacy, and sustainability of development action. In sum, our survey finds that the mainstream development journal discourse is adept at learning from external histories, but not necessarily from its own. Evidence, however, suggests that it can. A case is made for why it must.

Vulnerability to Drought and Food Price Shocks: Evidence from Ethiopia

- World Development---2017---Ruth Hill, Catherine Porter

While the measurement and determinants of poverty have been widely studied, vulnerability, or the threat of future poverty, has been more difficult to investigate due to data paucity. We combine nationally representative household data with objective drought and price information to quantify and investigate causes of vulnerability to poverty in Ethiopia. Previous estimates have relied on self-reported shocks and variation in outcomes within a survey, which is inadequate for shocks such as weather and prices that vary more across time than space. We used historical distributions of climate and price shocks in each district to simulate the probable distribution of future consumption for individual households and use these quantify vulnerability to poverty. We find that many Ethiopians are unable to protect their consumption against lack of rainfall and sudden increases in food prices. A moderate drought causes a 9% reduction in consumption for

many rural households and recent high inflation has caused a 14% reduction in the consumption of uneducated households in urban areas. We also find that the vulnerability of rural households is considerably higher than that of urban households, despite realized poverty rates being fairly similar. This reflects the fact that the household survey in 2011 was conducted during a year of good rainfall but rapid food price inflation. The results highlight the need for caution in using a snapshot of poverty to target programs, as underlying rates of vulnerability can be quite different from the poverty rate captured at one point in time. The results also suggest that significant welfare gains can be made from risk management in both rural and urban areas.

Hunger and the Experience of Being Well: Absolute and Relative Concerns

- World Development---2017---Mariano Rojas,Jorge Guardiola

The lessening of hunger is central to the development agenda; however, there is little research on how it ends up impacting on people's experience of being well. Research on this impact is crucial for the design of hunger alleviation programs as well as for the measurement and understanding of hunger. It is also important to understand people's motivation and reaction to interventions. This paper studies the impact of hunger on four different experiences of being well: evaluative, positive affects, negative affects, and sensory. The paper distinguishes between absolute and relative effects of hunger on people's well-being. Information from the Gallup World Poll 2006 for 88 countries in the world is used to quantitatively study the well-being relevance of hunger. It is found that hunger is highly detrimental to people's well-being, which provides a justification for making substantial efforts to alleviate it. In addition, relative effects are important in the evaluative and negative-affect experiences; which means that hunger alleviation programs do not only impact positively on the well-being of those benefiting from the programs but also negatively on the well-being of those who—out of different reasons—are left behind. Thus, counting success on the number of people who are getting out

of hunger does not provide the complete well-being picture, because those who are left behind may also be negatively affected by these programs. In consequence, in order to enhance their well-being impact it is important for hunger alleviation programs to be broadly inclusive, aiming not to leave anybody behind.

Tax Incentives and Job Creation in the Tourism Sector of Brazil's SUDENE Area

- World Development---2017---Grégoire Gar-sous,David Corderi,Mercedes Velasco,Andrea Colombo

In recent decades, a significant number of developing countries have implemented fiscal incentives programs for the tourism industry as part of their regional development policies. The main objective of these programs is to increase local investment and employment, as tourism activities are labor intensive. Little evidence is available, however, to assess the effect of these policies on job creation in emerging markets. In this paper, we analyze a program of fiscal incentives introduced by the Brazilian federal government in the SUDENE area in 2002 and in which tourism firms were eligible to participate. Through a difference-in-difference estimation, we compare the change in the logarithm of local employment in the SUDENE municipalities before and after 2002 to the change in the same outcome in a group of municipalities that were not affected by the program. Although our empirical analysis does not measure the efficiency of a similar fiscal policy, it is the first one in the literature to show its effectiveness. It provides evidence that the fiscal incentives led to a substantial increase in tourism employment in the SUDENE area. We find that, over the period 2002–09, municipal tourism employment was on average 30% higher than in the absence of the intervention. This result is robust and is not the consequence of either displacement effects or job destruction in neighboring municipalities that had not been targeted by the tax incentives. We finally discuss some limitations of our analysis that might open avenues for future research in the field.

The Development Benefits of Maternity Leave

- World Development---2017---Kathleen M. Fallon, Alissa Mazar, Liam Swiss

Within developing countries, studies addressing the effects of maternity benefits on fertility, infant/child health, and women's labor force participation are limited and provide contradictory findings. Yet, knowledge regarding the implementation of maternity provisions is essential, as such policies could significantly improve women and children's well-being. We add to this literature using fixed effects panel regression from 1999 to 2012 across 121 developing countries to explore whether different types of maternity leave policies affect infant/child mortality rates, fertility, and women's labor force participation, and whether those effects are shaped by disparities in GDP per Capita and Secondary School Enrollment. Our findings demonstrate: (1) both infant and child mortality rates are expected to decline in countries that institute any leave policy, policies that last 12 weeks or longer, and policies that increase in duration and payment (as a percentage of total annual salary), (2) fertility is expected to decline in countries that have higher weekly paid compensation, (3) maternity leave provisions decrease fertility and infant/child mortality rates most in countries with lower GDP per capita and countries with middle-range secondary enrollment rates, and (4) labor force participation does not increase. Our results suggest that policy makers must consider the duration, compensation, and goals (addressing fertility versus mortality rates) of a policy alongside a country's economic development and secondary school enrollment when determining which maternity leave provisions to apply within developing-country contexts.

Neighborhood Associations and the Urban Poor: India's Slum Development Committees

- World Development---2017---Adam Michael Auerbach

How do slum dwellers organize and demand development from the state? The politics of urban slums has primarily been examined through the lens of clientelism.

In contrast, associational activity has gone relatively understudied in these spaces, reserved instead as a focus of inquiry for middle-class neighborhoods. Drawing on twenty months of fieldwork and an original survey of 1,925 residents across 80 settlements in the north Indian cities of Jaipur, Rajasthan and Bhopal, Madhya Pradesh, I find that local associations are prevalent features of political life in India's slums. These associations—colloquially referred to as *katchi basti vikas samitiyaan*, or slum development committees—afford residents a degree of organizational formality in otherwise informal spaces. They provide a medium for making individual and collective claims on the state. While patron-client networks do pervade slums, this study demonstrates that vertical ties co-exist with horizontal associations, producing a multi-dimensional space in which residents mitigate risk and demand development.

Inequality and Charity

- World Development---2017---Giuseppe Mastro-matteo, Francesco Flaviano Russo

We study empirically the relationship between inequality and active charity participation. Increased inequality can trigger feelings of empathy and compassion, thereby increasing altruism, and it can enhance the warm-glow feeling associated with giving. However inequality can also increase social distance and, therefore, social segregation, decreasing the participation to charities because of a weaker identification with the needy. Our empirical analysis features individual data on charity participation from the World Values Survey, merged with country-level information on inequality from the World Bank Development Indicators. We find that income inequality is positively associated with the probability to actively participate in charitable organizations, even after controlling for economic, sociological, demographics, cultural, and religious factors. We also find that women, religious people, and more educated individuals have a higher probability to actively participate in charities. Since charitable organizations mostly perform redistributive tasks, we also checked whether the generosity of the welfare state

crowds out the participation in them, but we found no evidence of this relationship.

Language, Mixed Communes, and Infrastructure: Sources of Inequality and Ethnic Minorities in Vietnam

- World Development---2017---Hoa Nguyen,Tom Kompas,Trevor Breusch,Michael Ward

This paper re-examines the sources of inequality in Vietnam, a transitional economy with large reductions in poverty from recent and dramatic economic growth, but vastly unequal gains across ethnic groups. Using a decomposition approach to disentangle factor endowments and returns by ethnic group, we draw four key conclusions. First, removing language barriers would significantly reduce inequality among ethnic groups, narrowing the ethnic gap, and especially so through enhancing the gains earned by minorities from education. Second, variations in returns to education exist in favor of the majority in mixed communes, suggesting that either the special needs of minority children have not been adequately addressed in the classroom, or unequal treatment in favor of the majority exists in the labor market. Third, in contrast to recent literature, there is no difference in the benefits drawn from enhanced infrastructure at the commune level across ethnic groups. Finally, we find little evidence to support the established views that the ethnic gap is attributed largely to differences in the returns to endowments. Overall, our research highlights the importance of considering language barriers and the availability of infrastructure for ethnic inequality.

Comparing Health Outcomes Across Scheduled Tribes and Castes in India

- World Development---2017---Bipasha Maity

The Scheduled Tribes and Castes (STs and SCs) are the two most disadvantaged social groups in India. Previous studies have usually grouped the STs and SCs together as one disadvantaged group and have compared their educational and occupational mobility with the higher castes. We instead seek to compare

health outcomes of the STs with not only the upper castes but also especially the SCs. We find that STs consistently perform poorly even relative to the SCs in terms of knowledge and usage of modern contraceptives, antenatal and postnatal healthcare, incidence of anemia and child immunization. However, female infant mortality is significantly higher among SCs than among STs, with no significant difference in male infant mortality between these groups. We find that ST women enjoy high social status and thus are unlikely to face impediments in accessing healthcare due to social norms that restrict women's autonomy. Oaxaca-Blinder decomposition methodology reveals that the health disparity between the STs and SCs for some key outcomes cannot be fully explained by differences in attributes between them. Suggestive evidence indicates that the health disparity can be likely attributed to the potentially greater marginalization that STs face even relative to SCs when accessing healthcare. This indicates the necessity to study STs in isolation from SCs so that policy can be designed to specifically target and mitigate health inequalities prevalent even among the most disadvantaged social groups.

Shared agency: The dominant spouse's impact on education expenditure

- World Development---2017---Antonia Fernandez,Uma Kambhampati

In this paper, we consider whether it is the gender of the decision maker or the extent of agency that they wield that is crucial to increasing household welfare. This is an important question as development policy is often formed on the basis that placing resources in the hands of women results in greater household welfare. Indonesia provides the ideal opportunity to study this issue because it is home to ethnic groups with very different gender norms from male dominance (the patrilineal Batak) to female dominance (the matrilineal Minangkabau). Using IFLS data for three rounds, we consider the impact of decision-making by the dominant spouse on household expenditure on education. We find that, in Indonesia, when the dominant spouse (male or female) has sole control of decision-making,

there is an overall negative impact on education expenditure. This leads us to argue that it is more important to consider the issue of spousal dominance, than to wholly focus on gender.

Explaining Ethiopia's Growth Acceleration—The Role of Infrastructure and Macroeconomic Policy

- World Development---2017---Lars Christian Moller,Konstantin Wacker

Ethiopia has experienced an impressive growth acceleration over the past decade. This was achieved on the back of an economic strategy emphasizing public infrastructure investment supported by heterodox macro-financial policies. This paper identifies the drivers of Ethiopia's recent growth episode and examines the extent to which they were typical or unique. It combines country-specific information with the results of a cross-country panel regression model. We find that Ethiopia's growth is explained well by factors correlating with growth in a broad range of countries in recent decades, including public infrastructure investment, restrained government consumption, and a conducive external environment. On the other hand, we argue that the policy mix that supported very high levels of public investment in Ethiopia was, to some extent, unique. Interestingly, macroeconomic imbalances due to this heterodox policy mix only moderately held back growth which helps explain why Ethiopia was able to grow so fast in spite of their presence: their negative effects were quantitatively much less important than the positive growth drivers they helped to achieve. The results suggest that “getting infrastructure right” may outweigh moderate shortcoming in the macro framework at early stages of development. We further relate this country-specific finding to the recent growth literature.

Local Food Prices and International Price Transmission

- World Development---2017---Eddy Bekkers,Martina Brockmeier,Joseph Francois,Fan Yang

World food prices spiked in the periods 2007–8 and 2010–11. The impact of these spikes in world food prices on local food prices and thus on local consumers is determined by the food price pass through. Pass through is defined as the extent to which changes in world food prices lead to changes in local food prices. We examine the determinants of variation in food price pass through from global to local consumer prices in a global sample of 147 countries, using FAO data on world food prices and ILO data on food prices for consumers. While market integration matters, our study finds that income per capita is the dominant factor explaining cross-country variation in pass through of food prices. We estimate an elasticity of about 0.3 of pass through with respect to income per capita. This means far greater price transmission of food price shocks at the commodity level to final consumers in low-income countries than in high-income countries. The implication is that future swings in world food prices will in particular jeopardize food security in poor countries. Trade policy measures of market integration also affect the pass through significantly, whereas infrastructure and geography measures play no significant role.

Happiness and Health in China: The Paradox of Progress

- World Development---2017---Carol Graham,Shaojie Zhou,Junyi Zhang

Life satisfaction in China declined dramatically precisely at the time of its unprecedented economic growth and poverty reduction. We posit that a “progress paradox” is among the possible channels explaining these contrasting trends. Using data from the Chinese Livelihood Survey, we explore the role of reported physical and psychological health. The standard correlates of life satisfaction—such as age, income, and health—hold. In addition, we find that those with insufficient rest and leisure are significantly less satisfied. Urban, educated respondents are more likely to report depression, while rural and uneducated respondents are more satisfied with their lives and are less likely to report poor mental health. We also find that insufficient rest, stress, and low life satisfaction have a strong correla-

tion with mental health problems. Given the gains in growth and poverty reduction in China, it is time to consider policies that focus on quality of life and mental illness.

Raising Consumption Through India's National Rural Employment Guarantee Scheme

- World Development---2017---Nayana Bose

The Indian National Rural Employment Guarantee Scheme (NREGS) is one of the world's largest public works programs aimed at reducing poverty. NREGS guarantees up to a hundred days of employment in public works to rural households that demand work under the program. This is one of the first papers to analyze the impact of NREGS on household well-being by focusing on household consumption using national-level data. By focusing on consumption, I am able to assess whether and how household use the program to improve their living standards. I exploit the cross-district rollout of the program to analyze the causal effect on household consumption. Using the Consumption Expenditure Survey data from the National Sample Survey Organization, I conduct a difference-in-difference analysis where the treatment group consists of households in 184 early implementation districts and the control group consists of households in 209 late implementation districts. I find that the program significantly increased household per capita consumption between 6.5% and 10%. For the marginalized caste group, the program increased consumption by around 12%. Therefore, historical and ongoing discrimination along with other barriers to entry have not prevented this group from benefiting from the program. I further assess the impact on household budget allocation by focusing on various consumption categories. I find that households move toward the higher caloric and more nutritional items, like protein. Finally, for households with children there was significantly greater spending on "child goods" like milk, while in households without children spending on alcohol increased.

Insurance Function of Livestock: Farmer's Coping Capacity with Regional Droughts in South-Western Madagascar

- World Development---2017---Hendrik Hanke, Jan Barkmann

In semi-arid areas, pastoralism is attributed to an insurance function for smallholder farmers relying otherwise on rain-fed agriculture. In southwestern Madagascar, zebu cattle are the most prominent herded animal, and the heads a household owns is a strong indicator of both prestige and social status. Given the extreme socio-cultural value of zebu cattle in Malagasy culture, however, many authors question the economic rationale of zebu accumulation. Consequently, improved zebu herding has been widely ignored as a suitable target for development interventions. Empirical micro-level data on the role of livestock herding in terms of household economics is missing, though. With this contribution, we close this knowledge gap by analyzing the economic importance of zebu herding against (i) the general role of livestock husbandry and (ii) non-cattle-related livelihood and coping strategies to safeguard smallholders against crop failures.

Sons of the Soil Conflict in Africa: Institutional Determinants of Ethnic Conflict Over Land

- World Development---2017---Catherine Boone

Can the political science literature on sons-of-the-soil (SoS) conflict and civil war explain patterns of ethnic conflict over land in sub-Saharan Africa? Sons-of-the-soil terminology, developed with reference to conflicts in South Asia, has been used to describe some of Africa's most violent or enduring conflicts, including those in eastern DRC, northern Uganda, the Casamance Region of Senegal, and southwestern Cote d'Ivoire. Is Africa becoming more like South Asia, where land scarcity has often fueled conflicts between indigenous land owners and in-migrants? This paper argues that political science theories that focus on rural migration and land scarcity alone to explain outbreaks of SoS conflict in Asia fall short in Africa because they are underdetermining. The paper proposes a model of structure and

variation in land tenure institutions in sub-Saharan Africa, and argues that these factors are critical in explaining the presence or absence of SoS conflict over land. This conceptualization of the problem highlights the strong role of the state in structuring relations of land use and access, and suggests that the character of local state-backed land institutions goes far in accounting for the presence or absence, scale, location, and triggering of large-scale SoS land conflict in zones of smallholder agriculture. A meta-study of 24 subnational cases of land conflict (1990–2014), drawn from secondary and primary sources and field observations, generates case-based support for the argument. The study suggests that omission of land-tenure institution variables enfeebles earlier political science theory, and may inadvertently lead policy makers and practitioners to the erroneous conclusion that in rural Africa, primordial groups compete for land in an anarchic state of nature.

Decoupling Standards from Practice: The Impact of In-House Certifications on Coffee Farms' Environmental and Social Conduct

- World Development---2017---Elisa Giuliani, Luciano Ciravegna, Andrea Vezzulli, Bernard Kilian

In this paper we investigate whether coffee farms that have been granted in-house socio-environmental certification from a global buyer, display better social and environmental conduct compared to non-certified farms. We perform an econometric analysis using data from an original cross-country survey covering 575 farms in various regions of Brazil, Colombia, Costa Rica, Guatemala, and Mexico. We find that farms that have been granted in-house certification demonstrate better environmental but not better social conduct than non-certified farms. We find also that the positive relationship between in-house certification and environmental conduct is stronger if the farm sells to a cooperative, and if it is located in an institutionally weak country. Finally, we find that the institutional strength of the farm's home country has a positive influence on its social conduct. We discuss how our

analysis contributes to the literature on the social and environmental impacts of certifications, and to scholarship in global value chains' social and environmental upgrading.

Community Forest Management: An Assessment and Explanation of its Performance Through QCA

- World Development---2017---Bas Arts, Jessica de Koning

Community Forest Management (CFM)—ranging from community-based to co-management regimes—has become an influential approach in the management of forests around the world in the last couple of decades. In response to some of the adverse effects of state forestry and commercial timber production, CFM claims to improve local livelihoods and conserve forests. Many international organizations, donors, NGOs, and governments therefore advocate CFM. However, a vast body of literature reveals that the overall results are mixed. This paper contributes to this literature in two ways. By building upon neo-institutionalism in CFM studies, the paper uses a practice-based approach as a theoretical lens to better understand how and why CFM institutions are successful or not. In addition, the paper applies a Qualitative Comparative Analysis (QCA) methodology to conduct a systematic cross-case comparison, while allowing for some generalization. By analyzing a decade of CFM research at the Forest and Nature Conservation Policy (FNP) group from Wageningen University in the Netherlands, this paper compares and synthesizes ten CFM cases from Africa, Asia, and Latin America. It concludes that: (1) CFM does indeed present mixed results; (2) CFM performs similarly on social and ecological parameters; (3) overall, community-based organizations are strongly engaged in CFM; (4) such strong engagement though is not sufficient for CFM to perform; and (5) in particular, the presence of a “Community of Practice” that links local people to external forest professionals for mutual learning, based on respect and trust, makes a positive difference in terms of livelihoods and forest conditions.

Blending Top-Down Federalism with Bottom-Up Engagement to Reduce Inequality in Ethiopia

- World Development---2017---Kaiser Khan, Jean-Paul Faguet, Alemayehu Ambel

Donors increasingly fund interventions to counteract inequality in developing countries, where they fear it can foment instability and undermine nation-building efforts. To succeed, aid relies on the principle of upward accountability to donors. But federalism shifts the accountability of subnational officials downward to regional and local voters. What happens when aid agencies fund anti-inequality programs in federal countries? Does federalism undermine aid? Does aid undermine federalism? Or can the political and fiscal relations that define a federal system resolve the contradiction internally? We explore this paradox via the Promotion of Basic Services program in Ethiopia, the largest donor-financed investment program in the world. Using an original panel database comprising the universe of Ethiopian woredas (districts), the study finds that horizontal (geographic) inequality decreased substantially. Donor-financed block grants to woredas increased the availability of primary education and health care services in the bottom 20% of woredas. Weaker evidence from household surveys suggests that vertical inequality across wealth groups (within woredas) also declined, implying that individuals from the poorest households benefit disproportionately from increasing access to, and utilization of, such services. The evidence suggests that by combining strong upward accountability over public investment with enhanced citizen engagement on local issues, Ethiopia's federal system resolves the instrumental dissonance posed by aid-funded programs to combat inequality in a federation.

Participatory Budgeting and the Poor: Tracing Bias in a Multi-Staged Process in Solo, Indonesia

- World Development---2017---Tara Grillos

This paper examines a participatory budgeting process in the city of Surakarta (Solo), Indonesia. Using newly digitized records of the infrastructure spending

results from three distinct phases of the process (proposal, prioritization, and implementation), I assess the degree to which the resulting geographical distribution of spending allocations targets the poor. I find a poverty-related bias in the distribution of infrastructure projects funded by the program. While results vary across neighborhoods, on average, sub-units with more poor people receive a smaller percentage of funding than would correspond to their share of the general population. Furthermore, although the implementation stage exhibits significant divergence from the decisions made during the more public proposal and prioritization processes, the small group of elected officials in charge of implementation are not to blame for the bias. I find no evidence that deviations from decisions made during public meetings are based on something other than legitimate technical considerations. Instead, the bias originates in the proposal stage, with the poorest sub-units less likely to submit proposals in the first place. I conclude that the literature would benefit from more studies that look at differences across stages of decision-making within a particular process. Whereas contextual differences across settings may be difficult to change over the short-run, identifying procedural differences and points of vulnerability across a single process can help to diagnose problems which have the potential to actually be resolved by policy-makers.

The Effectiveness of Payments for Environmental Services

- World Development---2017---Jan Börner, Kathy Baylis, Esteve Corbera, Driss Ezzine-de-Blas, Jordi Honey-Rosés, U. Martin Persson, Sven Wunder

We adopt a theory-based approach to synthesize research on the effectiveness of payments for environmental services in achieving environmental objectives and socio-economic co-benefits in varying contexts. Our theory of change builds on established conceptual models of impact pathways and highlights the role of (1) contextual dimensions (e.g., political, institutional, and socio-economic conditions, spatial heterogeneity in environmental service values and provision costs, and interactions with pre-existing policies), and (2)

scheme design (e.g., payment type and level, contract length, targeting, and differentiation of payments) in determining environmental and socio-economic outcomes. To shed light on the overall effectiveness of payment schemes, and its determinants, we review counterfactual-based empirical evaluations, comparative analyses of case-studies, and meta-analyses. Our review suggests that program effectiveness often lags behind the expectations of early theorists. However, we also find that theory has advanced sufficiently to identify common reasons for why payment schemes fail or succeed. Moreover, payment schemes are often rolled out along with other policy instruments in so-called policy mixes. Advances in theory and evaluation research are needed to improve our understanding of how such policy mixes interact with the targeted social-ecological systems.

Bilateral Donors and the Age of the National Interest: What Prospects for Challenge by Development Agencies?

- World Development---2017---Nilima Gulrajani

Foreign aid agencies represent and champion global development priorities within a donor nation. Increasingly however, these agencies sit within donor governments that are strongly committed to upholding the national interest through their development commitments. This paper is concerned with how bilateral aid agencies manage this tension and how they might continue to serve the altruistic aims of development. The main research question asks if autonomy—or a combination of autonomies—can improve a development agency's ability to defend the humanitarian imperative of development against normative pressures privileging the national interest? By drawing on theories of autonomy within public management literatures, it is possible to identify points of leverage for development agencies where spaces for autonomous preferences and actions remain, as well as sources of limitation where such opportunities are considerably reduced. Six types of autonomy are examined across three nations widely perceived as strong performers as donors—Norway, the UK, and Sweden. The paper suggests that while struc-

tural autonomy is critical for preserving humanitarian motivations, there are also unexplored opportunities within other autonomous spheres. A multi-dimensional examination of autonomy highlights the varying capacity that development agencies have to resist pressures to strongly nationalize the global development project.

Can Gender-Targeted Employment Interventions Help Enhance Community Participation? Evidence from Urban Togo

- World Development---2017---Anita Breuer,Edward Asiedu

The Participatory Development (PD) approach aims at improving the quality of governance by empowering local populations. Particularly for Sub-Saharan Africa (SSA), PD is regarded an opportunity to help shift from unjustified centralization to more decentralized forms of governance. Yet, PD projects are frequently fraught with undesired effects of elite capture which critics ascribe to insufficient appreciation of local context. Our study adopts a sequential quantitative–qualitative mixed method approach to broaden the empirical foundation needed for context sensitive project design. By exploring the effects of gender and employment on community participation we contribute to narrowing two research gaps: First, political science research on female participation in SSA has mostly focused on participation in national-level processes. Second, while development economics literature has devoted much attention on effects of female employment on intra-household bargaining, it has so far omitted the question what this means for the empowerment of women beyond the household, that is in the public life of their communities. Analyzing original survey data of over 1,300 respondents, collected across four urban municipalities in Togo, we find that unemployment negatively impacts community participation. Specifically, we show that this effect is mainly driven by female unemployment and establish self-efficacy driven by norm perception as the causal link between female employment and participation. Complementing our quantitative findings with data from 98 qualitative interviews, we show that employment constitutes an

important psychological resource that enables women to overcome multiple discrimination barriers to community participation. However, this effect is stronger for women in a formal employment situation than for those working in less formalized settings. We conclude that gender-targeted employment interventions can help to increase community participation. We recommend that such efforts should not fixate on the creation of female job opportunities but also seek to strengthen the role of female informal workers in local political processes.

The Effects of Natural Resources on Urbanization, Concentration, and Living Standards in Africa

- World Development---2017---Christian Hubert Ebeke,Sabine Mireille Ntsama

This paper examines the effects of natural resource abundance on urbanization and living standards in Africa. Our central hypothesis is that the exploitation of natural resources in a context of poor governance quality creates the conditions for rapid urbanization and urban concentration, and ultimately lowers living standards in primal cities. Using a large panel of African countries, our results show that an increase in the share of natural resources leads to a rapid increase in urbanization and urban concentration, even after taking into account endogeneity issues, or after using more exogenous measures of resource dependency. The paper also establishes a negative association between the resource abundance, the quality of life in large cities and the degree of informality via the increase in urbanization rate and urban concentration. Importantly, we have established that these results mostly hold in the context of bad governance. More specifically, the resource-led urbanization and concentration booms take place mainly in countries characterized by poor governance records. Furthermore, poor governance quality is associated with a more detrimental effect of urbanization and urban concentration on the quality of life in African cities. These results suggest that ongoing transformations experienced by these countries call for complementary policies to ensure a more balanced and efficient urbanization process.

Toward Technology-Sensitive Catching-Up Policies: Insights from Renewable Energy in China

- World Development---2017---Christian Binz,Jorrit Gosens,Teis Hansen,Ulrich Elmer Hansen

The voluminous literature on industrial catching-up in Southeast Asian countries has regularly argued that successful catching-up largely depended on a committed state, which orchestrated industry development with a relatively uniform set of policies, including R&D support, subsidies, trade restrictions, and local content requirements. In contrast, recent contributions from the technology lifecycle literature have argued that policies should be tailored to differing technological characteristics in industries for mass-produced standardized goods, complex engineered products, and—as we argue—complex product systems (CoPS). In this paper, we extend this argument by introducing a set of separate policy mixes for each industry type, which appears most capable of providing the key resources required for catching-up: knowledge, market access, financial investment and technology legitimacy. This framework is used to analyze catching-up patterns in China’ s wind, solar PV, and biomass power plant industries, drawing mainly on policy documents and 106 interviews with key industry actors.

International Migration, Workers’ Remittances and Permanent Income Hypothesis

- World Development---2017---Sokchea Lim,Hem C. Basnet

Studies that examine the long-run impact of remittances on economic growth in West Africa and the Caribbean show that remittances are not growth enhancing. Money has been used toward consumption rather than investment. Because migrants from these regions are mostly permanent immigrants who settle in the host countries, we ask if there is a difference for South Asia where migrant workers are flooding for short-term, temporary contracts in the Middle Eastern countries. The permanent income hypothesis states

that a permanent increase in income raises current consumption while transitory income increase is saved or smoothed over a life time. We argue that the transitory income remitted by short-term migrants is invested to generate future income when they return. We examine a panel data of five South Asian countries—Bangladesh, India, Nepal, Pakistan, and Sri-Lanka—for a period from 1975 to 2011. Using panel cointegration and Pooled Mean Group (PMG) estimation of dynamic heterogeneous panels, we show that there is a long-run significant impact of workers' remittances on income while the impact on consumption is not significant. A one-percent increase in remittance receipt per person raises per-capita income by approximately 0.23%. The results are robust across different tests.

The Impact of a Computer-based Adult Literacy Program on Literacy and Numeracy: Evidence from India

- World Development---2017---Ashwini Deshpande, Alain Desrochers, Christopher Ksoll, Abu Shonchay

With over 700 million illiterate adults worldwide, governments in many developing countries have implemented adult literacy programs. Typically these programs have low rates of success partly because the quality of teaching is heterogeneous. Standardization of teaching provided by computer-aided instruction might be a solution. However, there is little rigorous evidence of the effectiveness of computer-based adult literacy programs in delivering high-quality literacy and numeracy in the developing world. To fill this void in the literature, we study the impact of a computer-based adult literacy program, Tara Akshar Plus, on the literacy and numeracy skills of previously illiterate adult women in the north Indian state of Uttar Pradesh. Through a randomized control trial, we measure learning outcomes with individual-level literacy and numeracy tests and find statistically significant positive impacts of this computer-aided program on literacy and numeracy outcomes of women who undergo the TARA Akshar Plus program—relative to the control group. The effects are statistically significant

but small in magnitude for women who were entirely illiterate prior to the program. The learning impacts are substantially larger for learners who knew at least a handful of letters at the beginning of the program. We compare the improvement in learning to that of another adult literacy and numeracy program. We conclude that TARA Akshar Plus is the more effective of the two, but the literacy and numeracy level achieved are not large enough to make many entirely illiterate learners become functionally literate.

Growing-up Unfortunate: War and Human Capital in Ethiopia

- World Development---2017---Samuel G. Weldeegzie

It is well-documented that early-life outcomes can have lasting impacts during adulthood. This paper investigates two of the main potential channels—childhood health and schooling outcomes—through which the Eritrean–Ethiopian war may have long-term economic impacts. Using unique child-level panel data from Ethiopia, identification is based on a difference-in-difference approach, using two points in time at which older and younger children have the same average age and controlling for observable household and child-level time-variant characteristics. The paper contributes to an empirical literature that relies predominantly on cross-sectional comparisons of child cohorts born before and after the war in war-affected and unaffected regions. The results show that war-exposed children have a one-third of a standard deviation lower height-for-age z-score and a 12-percentage point higher incidence of childhood stunting. In addition, exposed children are less likely to be enrolled in school, complete fewer grades (given enrollment), and are more likely to exhibit reading problems (given enrollment). While analyzing the exact mechanisms is challenging, suggestive evidence indicates that child health reduces child education, in particular the probability of child enrollment at school. These are disconcerting findings, as early-life outcomes can have lasting impacts during adulthood. Future research that focuses on mechanisms through which war affects children may improve

the design of appropriate policies that aim to target and support children confronted with war.

The ENSO Effect and Asymmetries in Wheat Price Dynamics

- World Development---2017---David Ubilava

Climate has historically played a critical role in the development of nations, primarily due to its intrinsic linkage with agricultural production and prices. This study examines one such relationship between the better known and most talked about climate anomaly, El Niño Southern Oscillation (ENSO), and the international prices of wheat, one of the most produced and consumed grain cereals in the world. The ENSO–price relationship, moreover, is assumed to be characterized by nonlinear dynamics, because of the known asymmetric nature of ENSO cycles, as well as that of wheat prices. This study applies a vector smooth transition autoregressive (VSTAR) modeling framework to monthly spot prices of wheat from the United States, the European Union, Australia, Canada, and Argentina, as well as the sea surface temperature anomalies from the Nino3.4 region, which serves as a proxy for the ENSO variable. Results show that, overall, wheat prices tend to increase after La Niña events, and decrease after El Niño events. The regime-dependent dynamics are apparent with more amplified price responses after La Niña shocks, and with more persistent price responses during the La Niña conditions. This is consistent with the economics of storage, wherein shocks related to expected supply and demand are known to have a more pronounced effect in a low-inventory regime. Findings of this study have strong implications for development economics, as they point to an additional channel of adversity due to the ENSO-related climate shocks. Moreover, the ENSO-induced price fluctuations are likely to affect the dynamics of international food and cash programs during extreme episodes of this climate anomaly.

Economic Institutions and Comparative Economic Development: A Post-Colonial Perspective

- World Development---2017---Daniel L. Bennett,Hugo J. Faria,James D. Gwartney,Daniel R. Morales

Existing literature suggests that either colonial settlement conditions or the identity of colonizer were influential in shaping the post-colonial institutional environment, which in turn has impacted long-run economic development. These two potential identification strategies have been treated as substitutes. We argue that the two factors should instead be treated as complementary and develop an alternative and unified IV approach that simultaneously accounts for both settlement conditions and colonizer identity to estimate the potential causal impact of a broad cluster of economic institutions on log real GDP per capita for a sample of former colonies. Using population density in 1500 as a proxy for settlement conditions, we find that the impact of settlement conditions on institutional development is much stronger among former British colonies than colonies of the other major European colonizers. Conditioning on several geographic factors and ethno-linguistic fractionalization, our baseline 2SLS estimates suggest that a standard deviation increase in economic institutions is associated with a three-fourth standard deviation increase in economic development. Our results are robust to a number of additional control variables, country subsample exclusions, and alternative measures of institutions, GDP, and colonizer classifications. We also find evidence that geography exerts both an indirect and direct effect on economic development.

Evidence from Lagos on Discrimination across Ethnic and Class Identities in Informal Trade

- World Development---2017---Shelby Grossman,Dan Honig

This paper investigates the determinants of price discrimination in the rice market in one neighborhood of Lagos, Nigeria. There has been little empirical study

of how ethnicity and class shape economic outcomes in informal market interactions. We conduct an audit experiment—one of the first audit experiments in Africa—seeking to address this gap. We experimentally manipulate class, with confederates presenting as different classes; this may be the first audit study to take this approach. This is also one of the first in-person audits to have multiple transactions for each buyer and seller, thus allowing for the use of buyer and seller fixed effects. We find little evidence that, all else equal, sharing an ethnicity on its own influences market treatment. Class, however, does have substantial effects, at least for non-coethnics. High-class non-coethnics receive higher prices per unit than low-class non-coethnics. Our findings suggest that the boundaries of group identity appear to be at least partially defined by class in the informal economy.

Are “New” Donors Challenging World Bank Conditionality?

- World Development---2017---Diego Hernandez

This paper investigates whether World Bank conditionality is affected by the presence of “new” donors by using panel data for 54 African countries over the 1980–2013 period. Empirical results indicate that the World Bank delivers loans with significantly fewer conditions to recipient countries which are assisted by China. In fact these receive 15% fewer conditions for every percentage-point increase in Chinese aid. Less stringent conditionality is also observed in better off borrowers that are in addition funded by Kuwait and the United Arab Emirates, but this effect vanishes after the start of the new millennium. In contrast, World Bank conditionality is rarely affected by aid inflows from DAC donors, and when it is, conditionality is revised upward. These findings suggest that new donors might be perceived as an attractive financial option to which the World Bank reacts by offering credits less restrictively in order to remain competitive in the loan-giving market and thereby cope with excesses in the supply of development resources.

The Political Economy of Primary Education: Lessons from Rwanda

- World Development---2017---Timothy P. Williams

When it comes to the state’s ability to deliver services to the poor, politics matter. This paper applies a political settlements framework to examine primary education quality in Rwanda. Formal education features prominently into the post-genocide government’s social and economic development project. Rwanda’s political elite have staked their claim in the development of the country, one which is relatively free from rent-seeking. But education quality remains surprisingly low. Enrollment has surged, but primary school dropout and repetition are high. Most children have not acquired age-appropriate literacy or numeracy skills. We sought to investigate why the education sector hasn’t done better in terms of improving quality than we might have expected. This paper draws from interviews and literature review to investigate how policy development and implementation shape the provision of quality education. Our study finds that education priorities were as much political as they were developmental. A lack of real opposition or push-back enabled the government to introduce profoundly transformative educational policies, such as switching the language of instruction from French to English. Often these decisions occurred outside the sector’s strategic planning processes. Performance-based incentives tended to focus on aspects of quality that are measurable, such as the construction of classrooms, rather than improving the capacity of the teaching workforce. We did not find evidence of an effective, sustained strategy to improve education quality. It is thus debatable to what extent Rwanda’s approach can be considered as inclusive development when quality for most children remains so low. This study makes an empirical contribution through evaluating how the education sector has been situated within Rwanda’s broader political settlement, what kinds of outcomes it has led to, and why. It also makes a theoretical contribution by understanding the nature of the relationship between the national political settlement and the education sector.

Do Economic Problems at Home Undermine Worker Safety Abroad?: A Panel Study, 1980–2009

- World Development---2017---Sijeong Lim,Aseem Prakash

Do economic downturns in the Global North undermine worker safety in the Global South? Literature suggests that bilateral trade linkages lead to the diffusion of “good” labor standards from importing countries of the Global North to exporting countries of the Global South. The crucial mechanism is the ability and willingness of importing firms to deploy their market leverage and ask for improved labor standards from their overseas suppliers. Yet, cost-cutting pressures emanating from economic downturns might lead the same importing firms to give lower priority to worker safety in their overseas supply chains. When importing firms demand price reductions, overseas suppliers might respond by reducing wages, ignoring safety regulations, and working their labor force for longer hours. The observable implication is that worker safety in the Global South may deteriorate during economic downturns in their export markets located in the Global North. We evaluate our hypothesis using a panel of 83 developing countries for the period during 1980–2009, and find that economic downturns in developed country markets are associated with significant increases in non-fatal occupational injury rates in developing countries. The injury-increasing effect is more pronounced in developing countries with weak workers’ rights protection.

Comparative Advantage in Demand and the Development of Rice Value Chains in West Africa

- World Development---2017---Matty Demont,Rose Fiamohe,A. Thierry Kinkpé

National rice development strategies in Africa are often supply-focused and implicitly assume that consumers will readily substitute imported for domestic rice. However, due to increasing import dependency, urban consumer preferences for rice have become biased toward Asian export quality standards, against

which African rice has difficulties to compete. Anecdotal evidence suggests that this import bias is higher in cities close to the port and remote from the geographical centers of cultural heritage where African rice was domesticated more than 3,000 years ago. We purposely select a sample of five West African urban markets which are supplied by both foreign and domestic rice value chains and which are located at varying distances from the nearest ports and centers of cultural heritage, and conduct framed field experiments based on auctions to analyze the drivers of urban demand for domestic rice with upgraded quality characteristics. We find that West African rice has increasing difficulties competing against imported rice on urban markets the more consumers appreciate characteristics of imported Asian rice, the closer to the port, and the further the geographical and genealogical distance from rice cultural heritage. These challenges provide crucial insights into value chain upgrading in policy makers’ struggle to achieve rice self-sufficiency in West Africa. Our findings suggest that the optimal portfolio of investment in value chain upgrading is a function of the targeted end-market and its distance from the port and rice cultural heritage. The closer the end-market is located toward the port, the more investment is needed in lifting demand of domestic rice through quality upgrading, branding, and promotion to enable it to compete against imported rice. Proximity to centers of cultural heritage, on the other hand, endows rice value chains with a “comparative advantage in demand,” requiring less investment in demand-lifting and leaving more room for supply-shifting investments.

The Impact of Regional and Institutional Factors on Labor Productive Performance—Evidence from the Township and Village Enterprise Sector in China

- World Development---2017---Lucy Zheng,Michael Batuo,David Shepherd

This paper investigates the impact of regional and institutional factors on labor productivity in China’s Township and Village Enterprise (TVE) sector, one of the pillar industries of the economy. Employing a

balanced provincial panel dataset, we find a significant variation in the factors determining regional labor productivity between the three macro-regions. The factors of capital investment intensity, foreign intensity, and export intensity behave differently with a significant regional diversity. Only human capital, the real wage, and firm size are identified as the common determinants across regions. A strong self-reinforcing effect has been found with a high degree of persistence in the behavior of, and hence slow or negligible convergence in labor productivity between regions. We find that the labor efficiency gains have been generated more from internal rather than external economies of scale across regions as well as the country as a whole. We also find that the government privatization reforms have had both a short run and increasingly long-term positive impact on the TVE labor productivity across the regions. This finding may indicate that institutional privatization can be an effective tool in promoting industrialization and labor productive performance in China as well as in other transitional economies.

Tracing the Causal Loops Through Local Perceptions of Rural Road Impacts in Ethiopia

- World Development---2017---Crelis F. Rammelt,Maggi W.H. Leung

To better grasp the interconnected range of socioeconomic impacts from the implementation of rural roads in northern Ethiopia, we have experimented with Causal Loop Diagrams (CLDs), a tool commonly used in systems dynamics, but generally under-used in development research. The expansion of the rural road network in Africa is praised for reducing spatial isolation, lowering transport cost, increasing access to markets, and bringing services closer to home. However, different segments of society will benefit differently from the establishment of a rural road. This difference may lead to dynamics that either exacerbate or reduce existing inequities, which forms the central question for this paper. As part of a broader study on the multiple (in)direct effects of rural roads on productive employment, we undertook oral testimonies in four municipalities to explore how people perceive

road impacts on livelihoods, mobility, and work. CLDs were then used to assemble those seemingly loose observations into a systematized view of the whole. The exercise reveals conflicting feedback processes that may dominate system at different times and drive the inequities between surplus food producers and laborer households up or down. The method used can be particularly useful for studying similar infrastructures that seemingly bring benefits to all, but may cause subtle, concealed or delayed effects, and ultimately surprising system behavior.

Estimating Smallholder Opportunity Costs of REDD+: A Pantropical Analysis from Households to Carbon and Back

- World Development---2017---Amy Ickowitz,Erin Sills,Claudio de Sassi

Compensating forest users for the opportunity costs of foregoing deforestation and degradation was one of the original distinguishing features of REDD+ (Reducing Emissions from Deforestation and Degradation). In the early days of REDD+, such costs for tropical smallholders were believed to be quite low, but this has increasingly been questioned. A decade after the concept was proposed, direct payments to forest stakeholders remain rare, while concerns about safeguarding livelihoods are increasing. Households facing restrictions on forest-based activities will have to be compensated, yet evidence on actual costs to households, their distribution, and implications for efficiency and equity is limited. We estimate smallholder opportunity costs of REDD+ in 17 sites in six countries across the tropics. We use household data collected from multiple sites in multiple countries using a uniform methodology. We find that opportunity costs per tCO₂ emissions from deforestation are less than the social costs of tCO₂ emissions (\$36) in 16 of the 17 sites; in only six of the sites, however, are opportunity costs lower than the 2015 voluntary market price for tCO₂ (\$3.30). While opportunity costs per tCO₂ are of interest from an efficiency perspective, it is opportunity costs per household that are relevant for safeguarding local peoples' income. We calculate opportunity costs per household

and examine how these costs differ for households of different income groups within each site. We find that poorer households face lower opportunity costs from deforestation and forest degradation in all sites. In a system of direct conditional payments with no transactions costs to households, poorer households would earn the highest rents from a system of flat payments. Our findings highlight that heterogeneity and asymmetrical distribution of opportunity costs within and between communities bear important consequences on both equity and efficiency of REDD+ initiatives.

Political Effects of Welfare Pluralism: Comparative Evidence from Argentina and Chile

- World Development---2017---Mikael Wigell

The 1990s saw new orientations in welfare policy radically alter the roles of the state, market, and civil society in welfare provision across the developing world. Most of the studies of this reform wave have looked at its socioeconomic consequences—e.g. on levels of poverty and inequality—paying less attention to its political consequences. This article looks at the effects of this transformation on state–society relations and the quality of democracy. It draws on a paired comparison of Argentina and Chile, utilizing qualitative data, to investigate the effects of “welfare pluralism” on state–society relations and participatory governance. It shows how the pluralist welfare reforms enacted in Argentina and Chile in the 1990s led to contrasting political outcomes and how this can be explained by their different regime institutions. In Argentina, regime institutions provided politicians with wide discretion in distributing social funds, resulting in a populist mode of social governance in which neo-clientelism served to politicize the linkages between the political elites and subaltern sectors. In Chile, by contrast, regime institutions provided politicians with little discretion in distributing social funds, resulting in a technocratic mode of social governance in which neo-pluralism served to depoliticize the linkages between the political elites and subaltern sectors. Both outcomes differ from assumptions that couple welfare pluralism with more participatory governance and poor

peoples’ empowerment. The findings illustrate how regime institutions may exercise a crucial impact on the political outcome of welfare reform.

Assets, Agency and Legitimacy: Towards a Relational Understanding of Gender Equality Policy and Practice

- World Development---2017---Nitya Rao

Gender equality policies seeking to give women assets, particularly land, have often failed to achieve their goals. Explained as a failure of implementation and adequate resourcing, the deeper problem lies in using a segmented rather than holistic analytical framework that treats both assets and women as discrete, individual objects, rather than socially embedded and networked. Land gives meaning to people’s lives, it is more than a source of material wealth; hence access to land is coveted, contested and negotiated in multiple ways by differently positioned people. Drawing on long-term primary research in India, as well as secondary research in China and Indonesia, in relation to women’s access to land, I unpack some of the complexities and contradictions in terms of both legal and social interpretations of legitimacy as well as women’s agency. Apart from having a large proportion of their population dependent on agriculture, the choice of countries is also useful in constructing typologies of governance systems and social relations at different institutional levels that shape women’s access to land, a prime one being inheritance. I demonstrate the need for an alternate, relational framework that is both dynamic and transcends binaries, unpacking the multidimensionality of women’s agency vis-a-vis assets, in diverse livelihood, environmental and governance contexts, if gender equality goals are to be met.

Cash for Women’s Empowerment? A Mixed-Methods Evaluation of the Government of Zambia’s Child Grant Program

- World Development---2017---Juan Bonilla,Rosa Castro Zarzur,Sudhanshu Handa,Claire Nowlin,Amber Peterman,Hannah Ring,David Seidenfeld

The empowerment of women, broadly defined, is an often-cited objective and benefit of social cash transfer programs in developing countries. Despite the promise and potential of cash transfers to empower women, the evidence supporting this outcome is mixed. In addition, there is little evidence from programs at scale in sub-Saharan Africa. We conducted a mixed-methods evaluation of the Government of Zambia's Child Grant Program, a poverty-targeted, unconditional transfer given to mothers or primary caregivers of young children aged zero to five. The quantitative component was a four-year longitudinal clustered-randomized control trial in three rural districts, and the qualitative component was a one-time data collection involving in-depth interviews with women and their partners stratified on marital status and program participation. Our study found that women in beneficiary households were making more sole or joint decisions (across five out of nine domains); however, impacts translated into relatively modest increases in the number of decision domains a woman is involved in, on average by 0.34 (or a 6% increase over a baseline mean of 5.3). Qualitatively, we found that changes in intrahousehold relationships were limited by entrenched gender norms, which indicate men as heads of household and primary decision makers. However, women's narratives showed the transfer increased financial empowerment as they were able to retain control over transfers for household investment and savings for emergencies. We highlight methodological challenges in using intrahousehold decision making as the primary indicator to measure empowerment. Results show potential for unconditional cash transfer programs to improve the financial and intrahousehold status of female beneficiaries, however it is likely additional design components are need for transformational change.

Contract-farming in Staple Food Chains: The Case of Rice in Benin

- World Development---2017---Miet Maertens,Katrien Vande Velde

In this paper, we analyze the impact of smallholder participation in a contract-farming scheme in the rice

sector in Benin. We use data from a cross-sectional farm-household survey and different propensity score matching estimations to reveal how participation in a contract-farming scheme affects smallholder rice production. We find that contract-farming results in expansion of the rice area, intensification of rice production, increased commercialization of rice, and higher farm-gate prices, and ultimately contributes to rice output growth and increased income. Our findings imply that contract-farming can contribute to upgrading the rice supply chain and the development of the rice sector in Benin. Promoting and supporting the spread of contract-farming schemes in the sector might be an effective way to contribute to reaching the government goals of expanding rice production to become self-sufficient and improving rice quality to compete with imported rice. While there is a large empirical literature on contract-farming in high-value and commodity export sectors, studies on contract-farming in staple food sectors are very scarce. Our results document that contract-farming for staple food crops can be sustainable and benefit smallholder farmers; which is against theoretical expectations that contracting for staple food crops is not feasible because of contract-enforcement problems that stem from a low value of produce, low storage and transport costs, and a larger number of buyers in the chain. Our study contributes to understanding the role that contract-farming might play in the much needed upgrading of domestic and staple food crop sectors in developing countries.

What Determines Access to Piped Water in Rural Areas? Evidence from Small-Scale Supply Systems in Rural Brazil

- World Development---2017---Julia Alexa Barde

This paper investigates whether small-scale water supply systems implemented and operated by water user associations increase access to piped water supply in rural Brazil by more than systems by local governments. Starting from 15% to 16% in the year 2000, access rates in rural areas with water user associations increased to 33.4% in 2010. In areas with local government supply systems, access rates only increased to 24.9%. Based

on data from Brazilian census and the national water and sanitation survey, the empirical analysis in this paper shows that the observed difference is effectively due to project-type choice. Additionally it points toward higher accountability as a potential reason for better results of community-based projects. In municipalities where social groups requested a new system before the local government started implementation and therefore public awareness for the project was higher, the increase in access rates is comparable to the increase in municipalities with water user association projects. The same is true if local media is present or political competition in local elections is higher.

Who Are the Global Top 1%?

- World Development---2017---Sudhir Anand,Paul Segal

This paper presents the first in-depth analysis of the changing composition of the global income rich and the rising representation of developing countries at the top of the global distribution. We construct global distributions of income during 1988–2012 based on both household surveys and the new top incomes data derived from tax records, which better capture the rich who are typically excluded from household surveys. We find that the representation of developing countries in the global top 1% declined until about 2002, but that since 2005 it has risen significantly. This coincides with a decline in global inequality since 2005, according to a range of measures. We compare our estimates of the country-composition and income levels of the global rich with a number of other sources—including Credit Suisse’s estimates of global wealth, the Forbes World Billionaires List, attendees of the World Economic Forum, and estimates of top executives’ salaries. To varying degrees, all show a rise in the representation of the developing world in the ranks of the global elite.

Oil Palm Boom, Contract Farming, and Rural Economic Development: Village-Level Evidence from Indonesia

- World Development---2017---Marcel Gatto,Meike Wollni,Rosyani Asnawi,Matin Qaim

Contracts between companies and local communities have been used in Indonesia for over 20 years to involve smallholder farmers in the emerging palm oil industry. Impacts of these contracts have not been analyzed systematically. Here, data from a village survey, spanning a time period from 1992 to 2012, are used to evaluate effects on rural economic development. Panel regression models with village fixed effects show that contracts have significantly contributed to wealth accumulation. Contracts signed before 1999 were more beneficial than contracts signed afterward, which is due to more public sector support and infrastructure investments during the earlier period. Contracts have contributed to decreasing inter-village inequality, not only because poorer villages were more likely to adopt a contract, but also because they benefited more from contract adoption than richer ones. The results suggest that well-designed contracts can be important for smallholder farmers to benefit from the oil palm boom. The village-level approach has clear advantages to evaluate direct and indirect economic effects, but it also has drawbacks in terms of analyzing environmental effects and issues of intra-village inequality. More research with various approaches is needed to better understand the multifaceted implications of oil palm contracts for sustainable rural development.

Measuring and Explaining Cross-Country Immigration Policies

- World Development---2017---Glenn Rayp,Ilse Ruyssen,Samuel Standaert

The intensified international migration pressures of the recent decades prompted many developed countries to revise their immigration regulations and increase border controls. However, the development of these reforms as well as their effectiveness in actually managing immigration flows remain poorly understood. The main reason is that migration regulations are hard to quantify, which has prevented the construction of a universal measure of migration policy. To fill this gap in the literature, we construct an indicator of the restrictiveness of immigration entry policy across countries as well as a more comprehensive indicator of migra-

tion policy that also accounts for staying requirements and regulations to foster integration. Specifically, we estimate a Bayesian-state space model to combine all publicly available data sources that are informative on migration policy. This methodology allows us to account for measurement errors in the underlying indicators and increases data availability without imputations or other ad hoc manipulations. The indexes that we obtain are then used to disentangle the factors determining the toughness of migration regulations. Our empirical framework accounts for cross-country correlation in migration policies and combines elements from the median voter and interest group approach. We find strong evidence of spatial correlation in particular in entry restrictiveness, yet substantially less in overall immigration policy. This suggests that there still remains a substantive national margin in immigration policies, in particular in the less visible segments such as staying conditions and integration rights. We also find indications of a global trend of increasing restrictiveness in migration entry policy after the financial crisis of 2007–08.

Racing to the Bottom or to the Top? Decentralization, Revenue Pressures, and Governance Reform in China

- World Development---2017---Denise van der Kamp,Peter Lorentzen,Daniel Mattingly

China's decentralization has been praised for promoting inter-jurisdictional competition that incentivizes local officials to promote economic development. The downside of decentralization is that it enables these same local authorities to slow or block implementation of centrally mandated governance reforms, especially when these may negatively affect local development goals. We suggest that China's fiscal system and promotion system have created mismatched incentives that encourage cash-strapped local authorities to disregard central governance reforms. Specifically, we show that cities with weaker revenue bases were slower to implement new, centrally mandated environmental transparency regulations. Additional evidence points to a bifurcation in development strategies. In fiscally

strong cities, increased foreign investment leads to greater compliance. In fiscally weak cities, foreign investment is associated with decreased disclosure, suggesting they aim to promote local development by becoming pollution havens. Similarly, high levels of pollution induce fiscally strong cities to increase pollution disclosures while the opposite holds in fiscally weak cities. These findings imply that mismatched decentralization policies can undermine other important governance reforms, even ones that might be expected to be complementary to decentralizing initiatives.

Distributional Effects of Growth and Public Expenditures in Africa: Estimates for Tanzania and Rwanda

- World Development---2017---Miguel Almaraz,Maximo Torero

In this paper we explore the effects of fiscal policies and growth on measures of household welfare across the distribution of expenditures for two African countries: Rwanda and Tanzania. We explore the effect of government expenditures on expenditure growth in each quintile of the expenditure distribution and the effect of growth for each group. We find that the benefits of growth are concentrated among the better-off sectors of the population in these two countries (perhaps to the detriment of the poorer sectors) by looking at the effects within a country and across different groups of households and administrative entities. We exploit variation in expenditures and growth across and within regions of each country to estimate the elasticities of expenditure with respect to fiscal expenditure and mean expenditure growth at different points of the expenditure distribution, using household survey data and government expenditure data at the district level. We find that, overall, mean expenditure growth benefits the top expenditure groups. The welfare spillovers are mostly present for top 20% of the expenditure distribution, with the middle of the distribution in Tanzania responding slightly to these spillovers. Public/social expenditures do not appear to affect inequality considerably, but do tend to work toward decreasing inequality. However, mean expen-

diture growth is related to increases in inequality in the sense that the richest sectors of the population benefit the most from growth. We find that the growth elasticity of expenditure is only above one for the top quintile in both countries. In Tanzania, a 1% increase in average household expenditure is related to a 1.96% expenditure growth in the top quintile and 0.43% in the third quintile. In Rwanda, a 1% increase in average household expenditure is related to a 1.93% increase in household expenditure in the top 20% of the distribution.

Return Migration and Economic Outcomes in the Conflict Context

- World Development---2017---Sonja Fransen, Isabel Ruiz, Carlos Vargas-Silva

Knowledge about the economic implications of refugee return is essential in order to develop adequate policies in the post-conflict period. In this paper we explore differences in economic outcomes between return migrant households and non-migrant households using panel data from Burundi, a country which experienced large-scale conflict-led emigration and massive post-war refugee return. We use proximity to the border for identification purposes. The results indicate that returnee households have significantly lower levels of livestock, which is the main form of capital accumulation in Burundi. Returnee households also report lower values of subjective economic well-being relative to other households. The gap between returnee and non-migrant households is driven by more recent returnees, defined as those that returned less than 10 years ago. Our search for channels suggests that returnees are more likely to engage in economic activities that are generally correlated with lower levels of livestock. One possible explanation for this dynamic relates to the legal restrictions on economic activities faced by returnees while in displacement, which resulted in high levels of inactivity abroad and a potential loss/deterioration of skills.

Resources and Intimate Partner Violence in Sub-Saharan Africa

- World Development---2017---Sara Cools, Andreas Kotsadam

Combining DHS data for 580,000 women from 30 different countries in Sub-Saharan Africa, we analyze how both the incidence and the acceptance of intimate partner violence vary across time and space, in a region with record high levels of violence against women. We review the existing literature regarding the impact of resources on intimate partner violence, extracting testable and often conflicting hypotheses at the micro and macro level, and on the interaction across levels. We propose to extend existing theory to take into account attitudes at the community level. In the empirical analysis, we find no evidence that resources protect against abuse at the individual level, although resources are associated with lower acceptance. We find that resource inequality, both within the household and at the aggregate level, is associated with more abuse. Finally, we find that employed women face greater risk of abuse in communities with relatively higher acceptance of wife-beating.

What's So Spatial about Diversification in Nigeria?

- World Development---2017---Paul Corral Rodas, Natalia Radchenko

Many households in developing countries allocate their productive assets among various income generating activities in order to develop a portfolio of income from occupations with different degrees of risk, expected returns and seasonal and liquidity constraints. The push and pull factors influencing diversification decisions of households are widely discussed in the literature; however, no study to date has taken into account spatial interdependence of household decisions in spite of various channels of neighborhood effects such as information flow, learning from others, social networks and agglomeration economies. This paper fills in the gap by incorporating spatial dependence in the choice model of diversification using a spatial auto-regressive

probit model and an advanced Bayesian strategy to its estimation.

Promoting Democracy in Fragile States: Field Experimental Evidence from Liberia

- World Development---2017---Eric Mvukiyehe,Cyrus Samii

We use a cluster-randomized field experiment to study two strategies to promote free democratic expression among rural voters in Liberia's 2011 general election. The context is one of a fragile state in which destructive legacies of Liberia's 1989–2003 civil war continue to dominate people's lives. A nine-month civic education intervention administered by Liberian civil society organization partners provided training on election procedures and a forum for monthly discussion of governance issues. A nine-month security committee intervention administered in partnership with the United Nations peacekeeping mission in Liberia provided a forum for villagers and international peacekeepers to discuss security threats and develop violence early warning and reaction procedures, with the aim of improving citizens' perceptions of security during the election. We evaluate these programs' effects on actual voter behavior in addition to surveyed attitudes. We find that civic education increased enthusiasm for electoral participation, produced a coordinated shift from parochial to national candidates, and increased willingness to report on manipulation. A program combining the two interventions had similar effects. The security committees produced a modest reduction in parochial voting. The policy implications are that third-party actors can play a productive role in helping to overcome barriers to information, voter coordination, and security.

Do Different Implementing Partnerships Lead to Different Project Outcomes? Evidence from the World Bank Project-Level Evaluation Data

- World Development---2017---Wonkyu Shin,Youngwan Kim,Hyuk-Sang Sohn

Since the adoption of the 2030 Agenda for Sustainable Development and Sustainable Development Goals (SDGs) by the UN General Assembly in September 2015, interest in building effective development partnerships has grown in both the international development discipline and practitioner community. Responding to this trend, many scholars and policy-makers highlight participatory development cooperation among state actors and non-state actors as a means of achieving comprehensive development goals. Despite this emphasis, however, only a handful of empirical studies have examined whether such partnerships have any meaningful relationship with project outcomes.

Ethnic Diversity and Poverty

- World Development---2017---Sefa Awaworyi Churchill,Russell Smyth

We examine the relationship between ethnic diversity and poverty for a cross-sectional sample of developing countries. We measure diversity using indices of ethnic and linguistic fractionalization, and measure poverty using the multidimensional poverty index (MPI), multidimensional poverty headcount (MPH), intensity of deprivation, poverty gap, and poverty headcount ratio. We find that ethnic and linguistic fractionalization contributes to poverty levels. Specifically, after controlling for endogeneity, we find that a standard deviation increase in ethnic fractionalization is associated with a 0.32-, 0.44- and 0.53-standard deviation increase in the MPI, MPH and the intensity of deprivation, respectively. Moreover, a standard deviation increase in ethnic fractionalization is associated with between a 0.34- and 0.63-standard deviation increase in the population living below \$1.90 and \$3.10, the poverty gap at \$1.90 and \$3.10 a day and the headcount ratio at \$1.90 and \$3.10 a day. Similar results are also observed for linguistic fractionalization with standardized coefficients between 0.53 and 0.93. We find that our results are robust to alternative ways to measure poverty and ethnic diversity including ethnic polarization as well as alternative approaches to address endogeneity.

Children' s Diets, Nutrition Knowledge, and Access to Markets

- World Development---2017---Kalle Hirvonen,John Hoddinott,Bart Minten,David Stifel

Chronic undernutrition in Ethiopia is widespread and many children consume highly monotonous diets. To improve feeding practices in Ethiopia, a strong focus in nutrition programing has been placed on improving the nutrition knowledge of caregivers. In this paper, we study the impact of caregivers' nutrition knowledge and its complementarity with market access. To test whether the effect of nutrition knowledge on children' s dietary diversity depends on market access, we use survey data from an area with a large variation in transportation costs over a relatively short distance. This allows us to carefully assess the impact of nutrition knowledge with varying access to markets, but still within similar agro-climatic conditions. Using an Instrumental Variable approach, we find that better nutrition knowledge leads to considerable improvements in children' s dietary diversity, but only in areas with relatively good market access. Our findings suggest that policymakers and program implementers need to ensure that efforts to improve nutrition knowledge are complemented by efforts to improve access to food.

Irrigation as a Historical Determinant of Social Capital in India? A Large-Scale Survey Analysis

- World Development---2017---Tillmann von Car-nap

It is widely understood that the same policy interventions can have different outcomes depending on the social structures they are implemented in. Much less clear though is what fundamentally determines communities' social capital, or the way individuals in a society interact. This study analyzes how irrigation practices, a key feature of agricultural organization in India, affect different indicators of social capital. To this end, an informative household survey is combined with detailed historical agricultural statistics on irrigation and grain cultivation. The depth of the datasets allows for fine-grained analysis of effects of different

kinds of irrigation on groups with varying degrees of involvement in the agricultural production process. I show a significant negative influence of specific types of irrigation on the prevalence of conflict and an increased likelihood for attendance of public meetings, yet it is not possible to establish a broad and consistent relationship between agricultural indicators and social capital, which contradicts previous research. Furthermore, specific groups with varying incentive structures based on their land-holding status and agricultural engagement appear to be affected by different kinds of irrigation. The results underline the need for a multidimensional analysis of both social capital and agricultural organization, as well as their interaction. I do not find evidence supporting the rice theory of culture.

Economic Life in Refugee Camps

- World Development---2017---Mohamad Alloush,J. Edward Taylor,Anubhab Gupta,Ruben Irvin Rojas Valdes,Ernesto Gonzalez-Estrada

We analyze economic life in three Congolese refugee camps in Rwanda and the interactions between refugees and local host-country economies within a 10-km radius around each camp. Refugees in one of the three camps received food aid in kind, while in the other two camps they were given cash via cell phones provided by the UN World Food Programme. We find that refugee economies arise inside each camp, and the structure of these economies reflects the economic context around the camps. Despite undergoing forced migration and often living in destitute conditions, refugees actively interact with host country economies. Interactions with the host country result in a divergence of refugee households' income from the assistance they receive. A shift from in-kind to cash aid appears to increase refugee welfare while strengthening market linkages between camp and host economies. This finding is potentially important for refugee policies as well as for other types of development assistance, as donors find themselves under pressure to shift from in-kind to cash aid.

Natural Disaster, Poverty, and Development: An Introduction

- World Development---2017---Yasuyuki Sawada,Yoshito Takasaki

This paper introduces the special issue, “Natural Disaster, Poverty, and Development.” We examine the macro-level nexus between natural disasters and poverty, discuss prospects for formal insurance against disasters, and review the micro-development literature on informal insurance against risk. We develop a conceptual framework for microeconomic analyses on the disaster–poverty nexus, highlighting asset loss/recovery and asset-dependent private coping, disaster aid and its link with private mechanisms, and broad/persistent impacts of disasters and coping responses. We synthesize the main findings of the nine articles, revealing the critical importance of the complementarity among markets, governments, and communities for successful pro-poor disaster policies.

Do Natural Disasters Affect the Poor Disproportionately? Price Change and Welfare Impact in the Aftermath of Typhoon Milenyo in the Rural Philippines

- World Development---2017---Yoko Sakai,Jonna P. Estudillo,Nobuhiko Fuwa,Yuki Higuchi,Yasuyuki Sawada

This paper illustrates the sharp contrast in welfare impacts between the rich and the poor caused by typhoon Milenyo in a Philippine village. We find that fish prices dropped sharply due to the damage caused to fish pens near the village, leading to positive net welfare gains among the wealthy. In contrast, the poor do not consume much fish and thus did not gain from the sharp decline in prices. Finally, consumption reallocation played an important role as an ex post risk-coping measure, albeit only among the wealthy, who are relatively well-protected against typhoons.

Self-Production, Friction, and Risk Sharing against Disasters: Evidence from a Developing Country

- World Development---2017---Yasuyuki Sawada,Hiroyuki Nakata,Tomoaki Kotera

This paper uses a unique household data set collected in Vietnam to empirically test the necessary conditions for an extended version of the consumption risk-sharing hypothesis. The test explicitly incorporates self-production and uses natural disasters such as avian influenza, droughts, and floods to identify the effectiveness of market and non-market risk-sharing mechanisms. With these additional treatments, full risk sharing within each commune cannot be rejected, which suggests the presence of omitted variable and endogeneity biases in existing studies that reject full risk sharing. We also find that credit constraints have a significant impact, although limited commitment is not necessarily serious.

Benefiting From Disaster? Public and Private Responses to the Wenchuan Earthquake

- World Development---2017---Albert Park,Sangui Wang

We provide the first household survey-based evidence on the impact of the 2008 Wenchuan earthquake on the welfare of rural households. Asset and income losses were substantial, especially in seriously affected areas. Our main finding is that there was an overwhelming government response to the disaster. Subsidies provided to households in 2008 were so large that mean income per capita was 17.5% higher in 2008 than in 2007 and the poverty rate actually declined from 34% to 19%. Using distance from the epicenter as an instrument for earthquake damage, we find a strong positive statistical relationship between lost value of housing and other assets due to the earthquake and increases in income per capita and government transfers received, and much weaker responsiveness of private transfers, wage labor supply, and borrowing.

Household-Level Recovery after Floods in a Tribal and Conflict-Ridden Society

- World Development---2017---Takashi Kurosaki

Based on a panel survey conducted in Khyber Pakhtunkhwa, Pakistan, this study analyzes the extent to which households recovered from damage due to floods that hit the country in 2010. With regard to the initial recovery of productive assets, households that experienced heavier damage to their assets had recovered to a lesser extent. After one year, recovery had continued, but households whose houses were damaged by the floods experienced a deceleration in the recovery speed. The recovery dynamics suggests the importance of the interaction of productive assets and unproductive, non-liquidatable assets in conflict-ridden situations.

Post-disaster Informal Risk Sharing Against Illness

- World Development---2017---Yoshito Takasaki

Using original household survey data collected in rural Fiji, this paper demonstrates how informal risk-sharing institutions upon which poor people heavily rely in times of illness are vulnerable to natural disasters. Household private cash and in-kind transfers do not serve as insurance against illness in the relief phase; they do so only after pooled resources are recovered in the reconstruction phase (i.e., resource effect). Risk-sharing arrangements are dependent on the history of labor-time transfers corresponding to housing damage (i.e., reciprocity effect): only disaster non-victims are insured against illness, because victims have already received labor help for their rehabilitation from non-victims.

Do Natural Disasters Decrease the Gender Gap in Schooling?

- World Development---2017---Yoshito Takasaki

Rapidly decreasing gender gaps in schooling in some developing countries can be partly explained by a gendered division of child farm labor as a coping response

to natural disasters. This paper makes a case for this conjecture by analyzing original household survey data from rural Fiji. Boys, not girls, contribute to farming only among cyclone victims with dwelling damage, independent of housing-aid receipt. Boys' school enrollment is significantly lower than girls' only among victims who did not receive aid early enough. Boys with no elder brother and an educated father are particularly vulnerable in their progression to higher level schools.

Trust, Risk, and Time Preferences After a Natural Disaster: Experimental Evidence from Thailand

- World Development---2017---Alessandra Cas-sar, Andrew Healy, Carl von Kessler

Natural disasters constitute a persistent threat to economic welfare in many places, particularly in developing countries. Not only can disasters transform living circumstances, but we provide evidence here that they can lead to important changes in individual preferences. In a series of experiments that we conducted in rural Thailand, we find that the 2004 tsunami led to substantial long-lasting increases in risk aversion, prosocial behavior, and impatience. We use GIS data and survey responses to identify disaster impact, showing that both community-level and individual-level experiences appear to affect preferences in theoretically plausible ways. Our findings have important implications for public policy efforts to address natural disasters.

The 1960 Tsunami in Hawaii: Long-Term Consequences of a Coastal Disaster

- World Development---2017---John Lynham, Ilan Noy, Jonathan Page

On May 23, 1960, a devastating tsunami struck the city of Hilo on the island of Hawaii. This tsunami provides a unique natural experiment as the tsunami was unexpected, and the other Hawaiian Islands, which were not hit by the tsunami, provide an ideal control group that enables us to precisely identify what happened to the economy of Hilo. We use a synthetic control methodology (Abadie, Diamond, & Hainmueller, 2010), and

find that fifteen years after the event, unemployment was still 32% higher and population was still 9% lower than it would have been had the tsunami not occurred.

Welfare Impacts of Index Insurance in the Presence of a Poverty Trap

- World Development---2017---Sommarat Chantarat, Andrew G. Mude, Christopher Barrett, Calum Turvey

This paper evaluates the welfare impacts of an index-based livestock insurance designed to compensate for satellite-based predicted livestock mortality in northern Kenya, where previous work has established the presence of poverty traps. We simulate household wealth dynamics based on rich panel and experimental data. The bifurcated livestock dynamics associated with the poverty trap gives rise to insurance valuation that is highly nonlinear in herd size. Estimated willingness to pay among vulnerable groups who most need insurance is, on average, lower than commercially viable rates. Targeted premium subsidization nonetheless appears to offer more cost-effective poverty reduction than need-based direct transfers.

The Demand for Microinsurance: A Literature Review

- World Development---2017---Jean-Philippe Platteau, Ombeline De Bock, Wouter Gelade

Microinsurance has recently received much attention as a promising tool to protect poor individuals from important shocks. Yet, voluntary demand from people has been low, shedding doubt on the viability of microinsurance as a useful risk-management tool. To better understand this puzzle, this paper reviews both the theoretical and empirical literature on the demand for insurance. While people's lack of understanding of insurance does seem to limit the demand for it, several more fundamental factors, such as price, quality, limited trust in the insurer, and liquidity constraints also seem to have an important role in explaining the puzzle.

Disaster, Aid, and Preferences: The Long-run Impact of the Tsunami on Giving in Sri Lanka

- World Development---2017---Leonardo Becchetti, Stefano Castriota, Pierluigi Conzo

Do natural disasters produce effects on preferences of victims in the long run? We test the impact of the tsunami shock on generosity of a sample of Sri Lankan affected/unaffected microfinance borrowers seven years after the event.

The Impact of Rural Electric Access on Deforestation Rates

- World Development---2017---Andrew M. Tanner, Alison L. Johnston

Overpopulation and economic industrialization are two common explanations for deforestation. Political ecology, however, highlights that good governance and effective land management at the local level can offset the impact of population growth and development on environmental degradation. In this paper, we provide an innovative argument derived from political ecology to explain deforestation, but rather than pursuing a “bottom up” approach to governance, we take a “top down” approach. We argue that the state can ease deforestation rates by weaning rural populations off of the consumption of biomass for their energy needs by expanding rural electrification access. Using a panel analysis of 158 countries for the years 1990, 2000, and 2010, we find that not only does rural electrification cause deforestation rates to decrease, but also that it is more robust in explaining deforestation than population growth or development. Our study provides two innovations to political ecology: it highlights that the state can help, rather than hinder, local populations with managing their local environments in a more sustainable way by providing them with (public goods-based) energy alternatives, and; it supplements political ecology's qualitative focus on environmental degradation with a generalized quantitative analysis of state-based initiatives on deforestation. Our results suggest that current global initiatives addressing deforestation—specifically the Reduction of Emissions

from Deforestation and Forest Degradation (REDD+) agenda of the United Nations' Framework Convention on Climate Change—should not only assist local land managers, but also work with the state to ensure universal access to electricity.

Do Democracies Provide Better Education? Revisiting the Democracy–Human Capital Link

- World Development---2017---Sirianne Dahlum, Carl Henrik Knutsen

We investigate whether democracy enhances the skills and knowledge of citizens through improving education quality. This, in turn, could have ramifications for other development outcomes such as economic growth. We offer the first systematic cross-national study on democracy and education quality. Democracy is widely regarded as superior to autocracy in terms of providing access to education, and several studies find that democracy enhances educational enrollment and years of schooling. Yet, we do not know whether democracies provide better education. We argue that democracies should not too readily be expected to outperform autocracies on education quality. First, it is inherently difficult to implement quality-enhancing education reforms, even for well-intentioned (democratic and autocratic) governments with ample resources. Second, education quality is less visible to voters than, e.g., expanding education enrollment, making quality-enhancing policies a less attractive option for office-seeking democratic politicians. We employ a recent dataset comparing international student tests for 128 countries, from 1965 onward. While democracies typically provide “more” education than autocracies, we find no systematic evidence that democracies offer better education. The result is very robust and holds in both cross-section and panel specifications. The null-relationship is not explained simply by democracies providing education access to more (and different types of) children than autocracies, and it appears both in rich and poor and in low- and high-capacity states. We also present relevant nuances: for instance, autocracies display more variation in education quality outcomes than democracies, and we find some evidence that democracy may

be associated, more specifically, with better reading skills. In sum, this study provides new insights to the democracy and education literature, where extant studies often report strong links between democracy and various education outcomes not directly related to education quality, and informs literatures linking democracy to development outcomes such as growth via effects on human capital.

Impacts of Migration and Remittances on Ethnic Income Inequality in Rural China

- World Development---2017---Anthony Howell

Migration is often viewed as the best option for poor rural households to exit out of poverty, although the distributional effects of migrants' remittances tend to be ambiguous in the literature. Given that increasing income inequality is a major concern and policy issue, this paper examines the impacts of migration and migrants' remittances on income inequality in China's rural minority areas using recent proprietary household data. Treating migrants' remittances as a potential substitute for income, the results reveal that migration significantly boosts income for all ethnic groups, although the returns to ethnic minority households tend to be less than for Han households. Decomposition analyses further reveal that migration increases inequality between ethnic groups despite reducing spatial inequality. These countervailing effects imply that the continual transfer of rural–urban migrants will likely lead to spatial convergence despite reinforcing ethnic inequalities in rural minority areas. Importantly, the percentage contribution of ethnic inequality to total inequality is larger than that of spatial inequality across sampled rural locations, thus highlighting the fact that the ethnic dimension is an important, yet often overlooked component of inequality in China.

The Paradox of Plenty: A Meta-Analysis

- World Development---2017---Magali Dauvin, David Guerreiro

Since Sachs and Warner's seminal article in 1995, numerous studies have addressed the link between nat-

ural resources and economic growth. Although the “resource curse” effect was commonly accepted at first, many articles have challenged its existence, and the results found in the literature are ambiguous. In this paper, we aim to quantitatively review this literature in order to (i) identify the sources of heterogeneity and (ii) assess the impact of natural resources on economic growth. A meta-analysis is performed on 69 empirical studies on the resource curse, totaling 1,419 estimates. Our findings show that (i) only developing countries suffer from the resource curse although it is soft; (ii) the way natural resources are taken into account is crucial to understand the heterogeneity found in the literature; (iii) the negative impact of the volatility of the terms-of-trade on growth should be qualified. An additional MRA performed on indirect effects size also indicate that when institutions are at their best level, the resource curse disappears and may be turned into a blessing.

Changes Over Time in Multidimensional Poverty: Methodology and Results for 34 Countries

- World Development---2017---Sabina Alkire, José Manuel Roche, Ana Vaz

This paper sets out a systemic account of intertemporal changes in multidimensional poverty using the Alkire–Foster Adjusted Headcount Ratio and its consistent sub-indices. It uses three techniques to assess the pro-poorness of multidimensional poverty reduction. The analysis of changes in multidimensional poverty draws on the global Multidimensional Poverty Index (MPI) and related destitution measure in 34 countries and 338 sub-national regions, covering 2.5 billion people, for which there is a recent MPI estimation and comparable Demographic and Health Survey (DHS) dataset across time. First, it assesses overall changes in poverty and its incidence and intensity, and compares this with changes in \$1.90 poverty. Next, utilizing the property of subgroup decomposability, it examines changes in the MPI and its consistent sub-indices over time across urban–rural regions, sub-national regions and ethnic groups. The decomposition analysis identifies relevant national patterns, including those in which

the pace of poverty reduction is higher for the poorest subgroups. Finally, the paper analyzes the dynamics of a strict subset of the poor, who are identified as “destitute” using a more extreme deprivation cutoff vector, and studies relative rates of reduction of destitution and poverty by country and region. This extensive empirical analysis illustrates how to assess the extent and patterns of reduction of multidimensional poverty, as well as whether it is inclusive or whether some people or groups are left behind. Naturally, some further research questions emerge.

Formal and Informal Interests of Donors to Allocate Aid: Spending Patterns of USAID, GIZ, and EU Forest Development Policy in Bangladesh

- World Development---2017---Md Saifur Rahman, Lukas Giessen

Whether aid serves the development needs of a recipient country rather than the interests of donors has been a topic of much debate and research in the field of development studies. Donor agencies have interests, as does any political actor, and bureaucratic politics theory states that any bureaucracy has a dual interest, consisting of delivering on its formal mandate as well as informally increasing its power by maximizing budgets, staff, and fields for political responsibility. This study aims to conceptualize the formal and informal interests of bilateral foreign donor bureaucracies in allocating aid, using Bangladesh forest development aid by USAID, GIZ, and the EU as a case study. Quantitative analysis of documents on actual spending in the context of forest development projects and qualitative analysis from detailed interviews with development aid experts are employed. Important informal interests of donor agencies were observed as follows: (1) drawing on consultants as well as products and services from the donor’s country; (2) expanding favorable markets for the donor’s economy; (3) increasing the donor’s geopolitical as well as policy influence in recipient countries; (4) obtaining information that is independent from the recipient government; and (5) shaping good governance as a prerequisite for investment from

donor countries. Of the three donor organizations, USAID was found to have allocated extensive aid to two activities—consultancy, and collaboration and networking—that advance USAID’s informal economic and political interests. GIZ allocated major aid to recipient developmental interventions; it also advanced its informal economic and political interests (albeit to a smaller extent). The EU allocated the largest amount of aid to developmental interventions, though its informal economic and political interests were also served, even if only to a limited extent. This study concludes with key points regarding informal interests of donor bureaucracies as well as on future research fields.

Regional Perspectives on the Multidimensional Poverty Index

- World Development---2017---Atika Pasha

This paper analyzes the consequences of an alternative weighting scheme for the Multidimensional Poverty Index (MPI), using a data-driven approach, as opposed to the currently employed equal weighting scheme. This weighting scheme has been under strong scrutiny since the MPI’s inception, given the sensitivity of country rankings to different weights and indicator choices. Therefore, the current study employs Multiple Correspondence Analysis (MCA) for weighting of the indicators and investigates its impact on the scores and relative ranking of 28 countries. The results show that equal weighting of the three dimensions cannot be statistically justified. Moreover, the statistical weights differ systematically across countries, implying differences in deprivations across regions, although household poverty rankings are highly correlated between normative and statistical weights. Given the high correlation between all indicators employed within the MPI, a large overlap is found in the information, implying that there might not actually be so much multidimensionality within the dimensions of the MPI.

The Social Implications of Technology Diffusion: Uncovering the Unintended Consequences of People’s Health-Related Mobile Phone Use in Rural India and China

- World Development---2017---Marco J. Haenss-gen,Proochista Ariana

After three decades of mobile phone diffusion, thousands of mobile-phone-based health projects worldwide (“mHealth”), and hundreds of thousands of smartphone health applications, fundamental questions about the effect of phone diffusion on people’s health-care behavior continue to remain unanswered. This study investigated whether, in the absence of specific mHealth interventions, people make different health-care decisions if they use mobile phones during an illness. Following mainstream narratives, we hypothesized that phone use during an illness (a) increases and (b) accelerates healthcare access.

Grain Price and Volatility Transmission from International to Domestic Markets in Developing Countries

- World Development---2017---Francisco Ceballos,Manuel Hernandez,Nicholas Minot,Miguel Robles

Understanding the sources of domestic food price volatility in developing countries and the extent to which it is transmitted from international to domestic markets is critical to help design better global, regional, and domestic policies to cope with excessive food price volatility and to protect the most vulnerable groups. This paper examines short-term price and volatility transmission from major grain commodities to 41 domestic food products across 27 countries in Africa, Latin America, and South Asia. We follow a multivariate GARCH approach to model the dynamics of monthly price return volatility in international and domestic markets. The period of analysis is 2000 through 2013. In terms of price transmission, we only observe significant interactions from international to domestic markets in few cases. To calculate volatility

spillovers, we simulate a shock equivalent to a 1% increase in the conditional volatility of price returns in the international market and evaluate its effect on the conditional volatility of price returns in the domestic market. The transmission of volatility is statistically significant in just one-quarter of the maize markets tested, more than half of rice markets tested, and all wheat markets tested. Volatility transmission seems to be more common when trade (imports or exports) are large relatively to domestic requirements.

Women's Political Empowerment: A New Global Index, 1900–2012

- World Development---2017---Aksel Sundström, Pamela Paxton, Yi-Ting Wang, Staffan I. Lindberg

The political empowerment of women is a societal process crucial to development and progress. The V-Dem women's political empowerment index (WPEI) provides information about women's civil liberties, civil society participation, and political participation globally. Spanning from 1900 to 2012, three dimensions of empowerment, and over 170 countries, it is among the most comprehensive measures of women's empowerment available. This paper presents a conceptualization of women's political empowerment and provides an overview of the construction of the index and operationalization of its three sub-dimensions: Women's civil liberties, civil society participation, and political participation. Compared to other indices measuring women's empowerment, such as the GDI, the GEM, the GII, and the CIRI data on human rights, the V-Dem index allows more precise measurement and is superior in temporal scope and coverage of countries of the Global South. The paper demonstrates the benefits of this new index and its sub-dimensions through several empirical illustrations.

Critical Capacity Development: An Action Research Approach in Coastal Brazil

- World Development---2017---Erika Bockstael

Capacity development is a development approach and

a methodology with origins in colonization that has yet to be decolonized. The underlying assumption for the most part is that there are deficiencies in the abilities of the group in question, and does not question the possibility that the system or structure may be dysfunctional. The ongoing design and implementation of international protected area management systems in general, and the one described in this paper, continue to be based on a foundational assumption of a lack of community capacity for governance of the resources on which they depend, the “deficit” model. Emerging from the context of a community in Trindade, Brazil, the goal of the present project was to support members of a community-based organization in capacity development endeavors for needs they identified. Although the implementation of a series of courses is not a novel approach to capacity development, the commitment to critical pedagogy, the clarity of capacity development of what and for whom that was based on an assumption of capacity, defining the capacities needed and the purpose, and being guided by theory, were perhaps the more novel approaches used in this action research project. The goal of capacity development as attempted in the present research project was not to develop skills so that people may fit into an unjust structure or for ease of social control, but to support the enhancement of skills and knowledge to challenge the existing state of affairs. Instead of the insistence on Indigenous Peoples becoming willing partners in flawed governance systems, much work is needed to continue to address these significant flaws and failings, and to critically challenge the status quo.

Weather Shocks and Agricultural Commercialization in Colonial Tropical Africa: Did Cash Crops Alleviate Social Distress?

- World Development---2017---Kostadis Papaioannou, Michiel de Haas

A rapidly growing body of research examines the ways in which climatic variability influences economic and societal outcomes. This study investigates how weather shocks triggered social distress in British colonial Africa. Further, it intervenes in a long-standing and unsettled

debate concerning the effects of agricultural commercialization on the abilities of rural communities to cope with exogenous shocks. We collect qualitative evidence from annual administrative records to explore the mechanisms linking weather extremes to harvest failures and social distress. We also conduct econometric testing on a novel panel dataset of 143 administrative districts across west, south-central, and east Africa in the Interwar Era (1920–39). Our findings are twofold. First, we find robust evidence that rainfall anomalies (both drought and excessive precipitation) are associated with spikes in imprisonment (our proxy for social distress). We argue that the key causal pathway is the loss of agricultural income, which results in higher imprisonment for theft, unrest, debt, and tax default. Second, we find that the impact of weather shocks on distress is partially mitigated by the cultivation of export crops. Our findings suggest that, even in the British colonial context, smallholder export crop cultivation led to higher private incomes as well as greater public investment. Our findings speak to a topic of considerable urgency today as the process of global climate change accelerates, generating more severe and unpredictable climatic extremes. An increased understanding and identification of adaptive and mitigating factors would assist in targeting policy interventions and designing adaptive institutions to support vulnerable rural societies.

Least-Developed Countries in a World of Global Value Chains: Are WTO Trade Negotiations Helping?

- World Development---2017---Daniel Flentø,Stefano Ponte

Nimble trade and industrial policy is essential for Least-Developed Countries (LDCs) to thrive in a world of global value chains (GVCs). “Adaptive states” in LDCs need to create and exploit policy space in national decision-making, build specific production capabilities to participate and meaningfully capture value in GVCs, and handle policy stretches arising from factors and actors they cannot control. In this article, we show that the outcomes of recent multilateral trade ne-

gotiations will facilitate these processes only partially. The World Trade Organization’s (WTO) Bali and Nairobi Ministerial Declarations have been commonly portrayed as relative victories for developing countries, but they have not provided sufficient steps forward for LDCs. While the WTO Trade Facilitation Agreement can help integration into GVCs by enabling freer imports and exports, supportive industrial policies are also needed to guide investment in the direction that allows for flexible specialization and domestic value addition—these options are severely limited in the current WTO regime. The legally binding commitments made in Nairobi on rules of origin are also a positive step, but must be linked to the yet unmet duty-free and quota-free commitments. We conclude by arguing that a future agenda for LDCs should focus on supply-side constraints, as well as on allowing nimble industrial and trade policies that can facilitate meaningful participation in some GVCs—and non-participation in others that are more detrimental to broad-based development.

Characterizing social networks and their effects on income diversification in rural Kerala, India

- World Development---2017---Judit Johny,Bruno Wichmann,Brent M. Swallow

Income diversification continues to be a key strategy for poor rural households, including those that are progressively developing and those operating under increasing distress. The ability of a household to diversify has been shown to depend upon its demographic and economic characteristics and its physical and social context. This paper considers the effects of intra-village social networks on household income diversification in one of the poorest and most ethnically diverse areas of the Indian state of Kerala. Using techniques adapted from spatial econometrics, we find that social connections within a village magnify the impacts of household characteristics such as education and number of adults by a factor of 3.6 times. Models with alternative measures of network centrality (degree and eigenvector) indicate that the number of network connections that a household has is more important than the centrality of those connections. Finally, we use social contact

information to calculate assortative mixing based on caste. The results suggest social stratification in these villages, with higher levels of stratification associated with lower levels of income diversification.

Pathways to Better Project Delivery: The Link Between Capacity Factors and Urban Infrastructure Projects in India

- World Development---2017---Yehyun An,Michael J. Garvin,Ralph P. Hall

This study focuses on the concept of capacity development (CD) that has been accepted widely in the international development community, but has not been investigated extensively by empirical studies in academic research. While empirical evidence is essential to understanding causality between capacity and project outcomes, past CD research primarily focuses on case studies. Using fuzzy-set Qualitative Comparative Analysis, this research analyzes 126 urban infrastructure projects in India that were funded by a national urban renewal program to find which combinations of capacity factors at the enabling environment, organizational, and individual level led to successful or unsuccessful project delivery. The results identify six pathways to success and three pathways to failure and reveal the complex causality between capacity factors and project delivery. This study moves beyond theoretical discussions found in existing CD literature by providing an example of how CD can be studied in the context of a real-world development program, and contributes to our understanding of how capacity is interconnected with project delivery.

Property Tax Revenues and Multidimensional Poverty Reduction in Colombia: A Spatial Approach

- World Development---2017---Juan Ramírez,Yadira Díaz,Juan Bedoya

Fiscal decentralization as an instrument to reduce poverty is an open debate that still takes place with little and contradictory empirical evidence regarding whether or not it has served the poor. This paper

focuses on analyzing the impact of municipalities' per capita property tax revenues on multidimensional poverty in the Colombian case. This locally raised tax is used as an indicator of the state capacity that municipalities exercise when fiscal decentralization takes place. To estimate its impact on poverty, we control for the possible endogeneity biases that might affect this relationship while taking into account that multidimensional poverty exhibits strong spatial correlation among Colombian municipalities. We find statistically significant results that demonstrate a causal and diminishing effect of property tax revenues on the poverty headcount ratio and gap. We also find that this effect has substantial spillovers across municipalities. The findings of the paper highlight the need to strengthen subnational revenue systems through policy designs to increase locally raised revenues. We simulate four different counterfactual scenarios to evaluate the potential effect of alternative policy designs on multidimensional poverty. The results of these policy scenarios demonstrate that spatially differentiated policy schemes have greater effectiveness in reducing multidimensional poverty than geographically mute designs.

Effectiveness of Active Labor Market Tools in Conditional Cash Transfers Programs: Evidence for Argentina

- World Development---2017---Elva López Mourelo,Verónica Escudero

This paper examines the impact of the program Seguro de Capacitación y Empleo (SCE) implemented to provide support in skills upgrading, job seeking, and job placement to eligible beneficiaries of the Argentinian conditional cash transfer program Plan Jefes. The SCE is an example of a growing trend observed in Latin America, where labor activation components have been increasingly included into cash transfers programs to support beneficiaries in finding more stable income opportunities. Despite this growing trend, not enough is known regarding the effectiveness of these components, especially on job quality. In this context, this paper sheds light on whether the provision of a comprehensive

package of active labor market measures contributes to a successful labor market integration of cash transfers beneficiaries. Taking advantage of the panel structure of the Permanent Household Survey and exploiting the time variation in the assignment of the program as identification strategy, we apply difference-in-difference estimators to measure the impact on a number of labor market indicators. We find that the program affects positively the job quality of participants by increasing the probability of having a formal job and raising hourly wages. Moreover, the intervention is associated with a lower probability of having a low-paid job and working an excessive number of hours. These effects are, however, not homogeneous across all groups of participants. While the program is more successful among the younger beneficiaries, it does not contribute to an improvement in the labor market conditions of female beneficiaries, who in fact are the majority of SCE participants. Our results suggest that reducing dependency on monetary transfers through programs, such as the SCE, that are rich in activation components is beneficial for participants' labor market trajectories and therefore, it constitutes a satisfactory exit strategy to more universal cash transfer programs.

How Important is Parental Education for Child Nutrition?

- World Development---2017---Harold Alderman,Derek Headey

Existing evidence on the impacts of parental education on child nutrition is plagued by both internal and external validity concerns. In this paper we try to address these concerns through a novel econometric analysis of 376,992 preschool children from 56 developing countries. We compare a naïve least square model to specifications that include cluster fixed effects and cohort-based educational rankings to reduce biases from omitted variables before gauging sensitivity to sub-samples and exploring potential explanations of education-nutrition linkages. We find that the estimated nutritional returns to parental education are: (a) substantially reduced in models that include fixed effects and cohort rankings; (b) larger for mothers

than for fathers; (c) generally increasing, and minimal for primary education; (d) increasing with household wealth; (e) larger in countries/regions with higher burdens of undernutrition; (f) larger in countries/regions with higher schooling quality; and (g) highly variable across country sub-samples. These results imply substantial uncertainty and variability in the returns to education, but results from the more stringent models imply that even the achievement of very ambitious education targets would only lead to modest reductions in stunting rates in high-burden countries. We speculate that education might have more impact on the nutritional status of the next generation if school curricula focused on directly improving health and nutritional knowledge of future parents.

Modeling Preference and Willingness to Pay for Drought Tolerance (DT) in Maize in Rural Zimbabwe

- World Development---2017---Girma Kassie,Awudu Abdulai,William H. Greene,Bekele Shiferaw,Tsedeke Abate,Amsal Tarekegne,Chloe Sutcliffe

Maize plays a leading role in the food security of millions in southern Africa, yet it is highly vulnerable to the moisture stress brought about by the erratic rainfall patterns that characterize weather systems in the area. Developing and making drought-tolerant maize varieties available to farmers in the region has thus long been a key goal on the regional development agenda. Farm-level adoption of these varieties, however, depends on local perceptions of the value they add, along with willingness to pay (WTP) for it. Focusing on Zimbabwe, this research aimed at estimating the implicit prices farmers are willing to pay for drought tolerance in maize compared to other preferred traits. Using a choice experiment framework, we generated 12,600 observations from a random sample of 1,400 households in communal areas within 14 districts of Zimbabwe. Taste parameters and heterogeneities were estimated using the generalized multinomial logit model (G-MNL). The results reveal drought tolerance, grain yield, covered cob tip, cob size, and semi-flint texture to be the most

preferred traits by farm households in Zimbabwe. The WTP estimates show that farmers are willing to pay a premium for drought tolerance equal to 2.56, 7, 3.2, and 5 times higher than for an additional ton of yield per acre, bigger cob size, larger grain size, and covered cob tip, respectively. We suggest designing and implementing innovative ways of promoting DT maize along with awareness-raising activities to enhance contextual understandings of drought and drought risk to speed adoption of new DT maize varieties by risk-prone farming communities. Given the high level of rural literacy and the high rate of adoption of improved maize, trait-based promotion and marketing of varieties constitutes the right strategy.

Qualitative and Quantitative Evidence on the True Local Welfare Costs of Forest Conservation in Madagascar: Are Discrete Choice Experiments a Valid *ex ante* Tool?

- World Development---2017---O. Sarobidy Rakotonarivo, Jette B. Jacobsen, Helle O. Larsen, Julia P.G. Jones, Martin R. Nielsen, Bruno S. Ramamonjisoa, Rina H. Mandimbiniaina, Neal Hockley

Protected areas may impose local welfare costs through the enforcement of use restrictions. Predicting their welfare impacts before their establishment could help with the design of compensation schemes. Discrete choice experiments (DCEs) are increasingly used for *ex ante* evaluations but their validity is largely untested in low-income settings. Using a case study of a new REDD+ (Reducing Emissions from Deforestation and forest Degradation) project in eastern Madagascar, we explore the validity of DCEs in two ways: (i) whether the estimates of welfare costs derived from DCE are affected by respondents' prior experience of conservation (ii) whether DCE results have high theoretical and content validity. We surveyed households who have varying degrees of experience of restrictions to swidden agriculture. We also qualitatively debriefed a sub-sample of respondents to better understand their thought processes. Latent class analysis shows that DCE outcomes vary with conservation experience. Households more experienced with forest protection

are less willing to trade-off rights to clear forest for swidden agriculture with any compensatory interventions whereas less experienced households highly favor support for alternative agricultural techniques and a secure right to clear one hectare of forest. Although the results show apparent non-attendance to some attributes (e.g., cash payments), qualitative debriefings suggest that respondents in fact do expect relatively low or no utility from the given attributes and hence have theoretically valid preferences. Similarly, the DCE has generally high content validity. Although DCE can elicit current preferences in this context, using *ex ante* DCE to estimate the welfare costs of such a long-term intervention requires caution. We conclude that it is difficult to robustly estimate compensation in advance of an intervention, there is therefore a need to rethink conservation approaches, and the feasibility of achieving fair compensations for conservation-imposed restrictions.

Ecological Restoration and Livelihood: Contribution of Planted Mangroves as Nursery and Habitat for Artisanal and Commercial Fishery

- World Development---2017---Saudamini Das

Restoration of degraded and depleted mangrove habitats and planting of mangroves over coastal mudflats is happening at many places, but there are few studies that evaluate the flow of ecosystem services from these regenerated ecosystems. The state of Gujarat in Western India has planted thousands of hectares of mangroves over the coastal mudflats and, today, the state's mangrove cover is nearly double that in the 1930s. However, these mangroves have limiting features: for example, these are mostly single-species, *Avicenna marina*, and are sparse, and lack freshwater supply. Mangroves provide multiple ecosystem services including nursery and habitat services for fish fry that enhances fish growth. This study evaluates the regenerated forests' contribution to the fishery sector of Gujarat, both inshore, and offshore, using the difference-in-differences technique, and panel regression estimates. Commercial catch data from secondary sources and primary survey diary on the daily catch

of artisanal fishermen are used in the analysis. The results show that the planted mangroves have significantly increased the catch of mangrove-dependent fish in both sectors, and that young planted strands contribute nearly one-fourth of the contribution of natural strands. Despite the limiting features, the contribution of the planted mangroves' nursery ground and habitat service to the fishery sector of Gujarat state is valued at INR36.04 billion (USD0.57 billion) annually.

Urban Governance and the Politics of Climate change

- World Development---2017---Vanessa Castán Broto

Cities and urban areas are increasingly recognized as strategic arenas for climate change action. Processes of urban governance addressing climate change reconfigure the politics of climate change. Practitioners and scholars may be interested in the transformation of urban governance that follows global advances in climate change and urban policy. They may specifically be interested in how the urban governance of climate change is achieved and with what consequences for international development. This review evaluates the deep changes in urban governance that follow attempts to address climate change and how, in turn, attempts to govern climate change in urban areas reconfigure discourses informing the politics of climate change. The review shows that efforts to institutionalize climate change governance in urban areas reflect the conditions of specific contexts; that cities and sub-national entities have gained traction in international climate policy through heterogeneous forms of network governance; that governing climate change in urban areas relates to the production and deployment of new climate rationalities, or governmentalities; and that governing experiences in cities are reconfiguring discourses of climate change governance toward an increasing emphasis on experimentation as a means to deal with the open ended processes of governing urban areas.

Money Flows, Water Trickles: Understanding Patterns of Decentralized Water Provision in Tanzania

- World Development---2017---Ruth D. Carlitz

Over the past three decades, an increasing number of low- and middle-income countries have decentralized water provision to the local government level, and have sought to more thoroughly involve users in service delivery. Such reforms reflect the twin goals of encouraging greater responsiveness to local needs and promoting sustainability. This study illustrates how the aims of decentralization can be undermined in the absence of robust democratic competition, and how governments interpret “demand” by voters in such settings. Focusing on the Tanzanian water sector, the paper first traces the distribution of money for water from the central government to the district level. Next, I consider how district governments use these funds to distribute water infrastructure within their jurisdictions, using geo-referenced data on all 75,000 water points serving rural Tanzanians. I find that the central government's allocation of money to districts is fairly unresponsive to local needs. However, the pattern of distribution cannot primarily be explained by politics, with the exception of consistent favoritism of the Minister for Water's home district. Political favoritism is more pronounced at the local level. Within districts, the distribution of new water infrastructure is skewed to favor localities with higher demonstrated levels of support for the ruling party. In addition, wealthier and better-connected communities—those with the resources to more effectively express their demands—are significantly more likely to benefit from new construction. This suggests that “demand-responsive” approaches to water provision can entrench regressive patterns of distribution.

Ethnic Integration and Development in China

- World Development---2017---Enze Han, Christopher Paik

This paper pursues an inquiry into the relationship between ethnicity and development in the largest au-

thoritarian country in the contemporary world, the People's Republic of China. It engages the theoretical literature on ethnic diversity and development in general, but also pays special attention to political economy logics unique to authoritarian systems. Focusing on the western part of China over a decade since the launch of China's Western Development Program (xibu da kaifa) in 2000, this paper utilizes the data from two censuses (2000 and 2010) together with nighttime streetlight imagery data to analyze the overall relationship between ethnicity and development provision. It also analyzes changes in such a relationship during this period. The paper finds that ethnic minority concentration negatively correlates with economic development in both the years 2000 and 2010 across the western provinces. It also finds that counties in non-autonomous provinces, which are historically more integrated with the rest of China than autonomous provinces, have a positive and systematic correlation between changes in ethnic minority concentration and changes in development during the 10-year period. The counties in autonomous provinces, on the other hand, show the opposite trend. Using three case studies of Tibet, Inner Mongolia, and Xinjiang, the paper concludes that although there is in general a tendency for ethnic minority concentrated areas to be less developed, ultimately which groups prosper more or less depends upon specific economic development and which political control logics the Chinese state implements.

Soil Properties, Crop Yield, and Economics Under Integrated Crop Management Practices in Karnataka, Southern India

- World Development---2017---Suhas P. Wani,K.H. Anantha,Kaushal K. Garg

Considering the importance of sustainable production practices with greater resource use efficiency, a study was conducted during 2009–12 to understand the soil properties, crop yield, and economics as affected by the integrated crop management (ICM) practices under the Bhoochetana (soil rejuvenation) program in Karnataka, India. Results from 3776 crop-cutting studies on different crops (cereals, pulses, and oilseeds) revealed

that there is a vast spatial variability in case of various soil nutrients across different taluks of Karnataka. Balanced fertilizer application, both in rainfed and irrigated areas, directly influenced crop yields. Yields of cereals, legumes, and oilseeds were 3590, 1400, and 2230kg/ha with improved management practices as compared to 2650, 1030, and 1650kg/ha with conventional farming practices, respectively. Average net income estimated from conventional farming was Rs. 26,290/ha, while it was Rs. 35,540/ha from improved management practices, which indicated that ICM practices resulted in an additional 35% income. The oilseeds performed better in terms of achieving higher net income and benefit–cost ratio while the cereals and legumes also have shown significant improvement in yield compared to the yields from conventional farming practices. The detailed findings on soil properties, yields of crops, and economics suggested that there is a vast potential for crop productivity improvement through ICM practices across different soil types and rainfall zones of Karnataka, India.

Using National Statistics to Increase Transparency of Large Land Acquisition: Evidence from Ethiopia

- World Development---2017---Daniel Ayalew Ali,Klaus Deininger,Anthony Harris

Almost a decade after the rise in land demand triggered by the 2007/08 commodity price boom, most potential target countries still lack access to relevant information on a routine basis. This has reduced their ability to effectively regulate, monitor, and attract responsible investors rather than speculators in their effort to increase agricultural productivity and have benefits accrue to the host communities. The example of Ethiopia shows how building on existing data collection efforts allows to address this challenge and help formulate policies that guide the path forward. Using the 2013/14 nationally representative smallholder and commercial farm surveys, we find that (i) for most crops commercial farms' yields are higher than smallholders', with a peak in the 10–20-ha bracket; (ii) commercial farms create few permanent jobs (with just

one permanent job per 20ha) and use only 55% of the land transferred to them; and (iii) after a peak in 2008, formation of new commercial farms is down to the pre-2007 levels. These findings imply that having reliable data on commercial farms, collected on regular intervals, could generate feedback loops for policy formulation and also provide vital information to assess and take regulatory actions aimed at improving the performance and attracting higher levels of investment to the sector.

Linking Economic Complexity, Institutions, and Income Inequality

- World Development---2017---Dominik Hartmann,Miguel R. Guevara,Cristian Jara-Figueroa,Manuel Aristarán,Cesar Hidalgo

A country's mix of products predicts its subsequent pattern of diversification and economic growth. But does this product mix also predict income inequality? Here we combine methods from econometrics, network science, and economic complexity to show that countries exporting complex products—as measured by the Economic Complexity Index—have lower levels of income inequality than countries exporting simpler products. Using multivariate regression analysis, we show that economic complexity is a significant and negative predictor of income inequality and that this relationship is robust to controlling for aggregate measures of income, institutions, export concentration, and human capital. Moreover, we introduce a measure that associates a product to a level of income inequality equal to the average GINI of the countries exporting that product (weighted by the share the product represents in that country's export basket). We use this measure together with the network of related products—or product space—to illustrate how the development of new products is associated with changes in income inequality. These findings show that economic complexity captures information about an economy's level of development that is relevant to the ways an economy generates and distributes its income. Moreover, these findings suggest that a country's productive structure may limit its range of income inequality. Finally, we

make our results available through an online resource that allows for its users to visualize the structural transformation of over 150 countries and their associated changes in income inequality during 1963–2008.

Enabling Mini-Grid Development in Rural India

- World Development---2017---Stephen D. Comello,Stefan J. Reichelstein,Anshuman Sahoo,Tobias S. Schmidt

Rural electrification rates in India lag behind government goals, in part due to the inability of distribution companies (discoms) to fund central grid expansion. In the absence of central grid electrification, mini-grids offer significant potential for an immediate pathway toward rural electrification and the attendant gains in economic growth and productivity. Yet private investment in mini-grids has been virtually absent in India. Using a comprehensive life-cycle cost analysis, we find that mini-grids based on solar PV power and storage are more economical than incumbent energy services available to households without central grid connection.

Does Local Development Influence Outmigration Decisions? Evidence from Indonesia

- World Development---2017---Smriti Tiwari

This paper takes advantage of the exogenous phasing of the district-level elections in Indonesia to establish an unbiased causal impact of local economic development conditions on outmigration decisions. Does the change in service delivery due to decentralization affect the internal migration, a phenomenon not new to Indonesia and driven by the historic uneven development across the archipelago? Furthermore, because the services are no longer centered in Java and Bali, will the migration to these historically popular provinces change? If yes, to what extent? This discussion is of central importance not only in the Indonesian context – where rising population pressures in Java and Bali provinces are the government's ultimate challenge – but also in the development literature, where empirical research on such questions is made impossible by the lack of

appropriate data and context. Two different datasets, the Indonesian Family Life Survey and the Indonesian Census, are used to conduct the analyses. They provide consistent results. A household in a district that went through election is 19% less likely to be a migrant-sending household. This is true particularly for districts that are in Java and Bali. A household in a district in Java and Bali that went through election is 27% less likely to be a migrant-sending household.

Understanding and Resolving Conflict Between Local Communities and Conservation Authorities in Colombia

- World Development---2017---K. De Pourcq,E. Thomas,B. Arts,A. Vranckx,T. Léon-Sicard,P. Van Damme

Conflicts between indigenous and local communities, on the one hand, and national protected area administrations on the other are pervasive. A better understanding of these park-people conflicts would assist in suitable policy changes to constructively address them while concurrently pursuing conservation and livelihood goals. We interviewed 601 people living inside or along the borders of fifteen Colombian NPAs to identify five main categories of park-people conflicts. Based on interviews with 128 community leaders and 76 institutional-level respondents -mainly park officers- we discuss the five principal factors underlying the identified conflicts and present a conflict framework relating the dominant sources to the most prominent conflict manifestations. Finally, we detail five strategies toward conflict prevention. While simultaneous interventions at multiple levels would be ideal or preferred, our analysis suggests that the incidence of park-people conflicts in Colombia can be substantially lowered through (i) making the environmental legislative body more socially inclusive; and (ii) adequately empowering NPA administrations. We expect our findings to be valuable for managing conflict contexts in protected areas in other tropical countries. Further research is necessary to determine the most effective interventions for both conflict resolution and meeting conservation goals.

Vulnerability to Cumulative Hazards: Coping with the Coffee Leaf Rust Outbreak, Drought, and Food Insecurity in Nicaragua

- World Development---2017---Christopher M. Bacon,William A. Sundstrom,Iris T. Stewart,David Beezer

Recurrent food insecurity in the highlands of Central America has been exacerbated by the recent convergence of a coffee leaf rust outbreak that began defoliating crops in 2011 and a drought that started in 2014. In the context of these multiple challenges, this paper explores how seasonal hunger is related to smallholder organizational affiliation, farm and farmer characteristics, and post-hazard household-level coping strategies. The study integrates qualitative research, hydro-climatic data analysis, and a survey of 368 households completed in 2014. A number of household capacities correlate significantly with shorter periods of seasonal hunger: households with larger farms, with off-farm employment, and that produce more than half of their food, maintain more fruit trees, and harvest more coffee reported fewer lean months. We find evidence consistent with path dependence in how households cope with a sequence of environmental hazards, as the reported use of less preferred coping responses to past events (e.g., Hurricane Mitch and the 2009 drought) tended to correlate with their continued use after subsequent hazards. A comparison of coping responses of households affiliated with a farmer-to-farmer institution promoting subsistence-oriented production with those affiliated with cooperatives prioritizing sustainable coffee exports shows that farmer institutions were not strongly correlated with the number of lean months or coping mechanisms.

Inequality Between and Within Skill Groups: The Curious Case of India

- World Development---2017---Manisha Goel

Wage inequality has risen in India over the past three decades. A similar phenomenon has been documented widely for other developing countries. However, unlike in other countries, which saw widening wage structures

both between and within skill groups, I show that inequality in India increased between groups but fell within them over the period 1983–2005. Returns to education increased with the wages of college graduates rising relative to high school graduates who, in turn, earned increasingly more than less educated workers. But workers within education groups witnessed lower wage dispersion over time. Defining demographic groups more narrowly, by additionally including characteristics such as experience, gender, industry, and state, among others, regression results show that inequality increased between them while simultaneously declining within them, as indicated by a compression of the residual wage inequality. Decomposition analysis attributes the decline in wage dispersion within groups to falling returns to unobservable characteristics. This, previously undocumented, divergent trend in inequality between and within skill groups in India cannot be explained by the three main arguments in the extant literature for why developing countries have witnessed a rise in wage inequality in recent decades following trade liberalization—greater imports of skill-complementary technology, offshoring, and reallocation of skilled labor toward exporting firms. I provide several pieces of suggestive evidence to argue that reduction in labor market frictions and growth in offshored tasks from developed countries that are routine in content, but performed by high-skilled workers, can lead to the divergent trends in inequality between and within groups. Compositional changes in the labor force do not account for the inequality patterns witnessed in India.

The Role of Accountants in Indian Self-Help Groups: A Trade-off between Financial and Non-Financial Benefits

- World Development---2017---Lore Vandewalle

Self-Help Groups (SHGs) create a platform that allows women to meet on a weekly basis to save and to take loans if needed. Strict records of all saving and lending are important, both to avoid conflicts in the group and to obtain access to bank loans. Accounting is either done by a group member (internal accountant), or by another villager (external accountant). Using

first-hand data on SHGs in Northern India, this paper studies whether economic and non-financial returns differ depending on whether SHGs meet as independent entities or with external involvement. Economic theory suggests that repeated interaction between individuals can help build social capital. The presence of an external accountant hampers this process. Indeed, repeated interaction is more likely to create non-financial benefits in the form of mutual assistance and collective action when the accountant is a group member. However, these benefits come at a cost, as SHGs with internal accountants distribute financial benefits more unequally and the accountants themselves receive larger shares than the other members of the groups. The analysis shows that the larger shares cannot be explained as a compensation for a better financial performance, but that some form of elite capture occurs. However, other group members implicitly agree on the unequal distribution. Indeed, members are not more likely to leave groups, possibly because the loss in financial benefits is outweighed by the gain in non-financial benefits.

Exploring “The Remote” and “The Rural” : Open Defecation and Latrine Use in Uttarakhand, India

- World Development---2017---O'Reilly, Kathleen, Richa Dhanju, Abhineety Goel

Open defecation is a major global health problem. The number of open defecators in India dwarfs that of other states, and most live in rural places. Open defecation is often approached as a problem scaled at the site of the individual, who makes a choice not to build and/or use a toilet. Attempts to end rural open defecation by targeting individuals, like social marketing or behavior change approaches, often ignore the structural inequalities that shape rural residents' everyday lives. Our study explores the question, “What is the role of remoteness in sustaining open defecation in rural India?” We deploy the concept of remoteness as an analytical tool that can capture everyday practices of open defecation as a function of physical and social distance. Using ethnographic methods, we interviewed and observed 70 participants in four villages in Ut-

tarakhand, India over a three-month period in 2013. We find that remoteness in general, and its lived nuances, form a context for prevalent open defecation. Structural inequalities across space will need to be addressed to make latrine building and usage viable in remote places.

Transforming or Reproducing Conventional Socioeconomic Relations? Introducing a Regulationist Framework for the Assessment of Fairtrade

- World Development---2017---Juan Ignacio Staricco

The certification-based Fair Trade initiative is usually described as an alternative form of organizing production, trade and consumption with the goal of advancing the situation of marginalized producers and workers. While much of the Fair Trade literature has analyzed the system's direct impacts on its beneficiaries, some strands have sought to determine its transformative potential vis-à-vis capitalist social relations. In an attempt to contribute to the latter debate, this paper introduces an analytical framework for the assessment of Fairtrade built on the basis of the French Regulation Approach. This perspective, which focuses on the specific ways in which Fairtrade structures and institutionalizes socioeconomic relations, seeks to examine this system from a holistic perspective, privileging the analysis of the qualitative changes it produces in economic institutions and structures. This article presents the main assumptions and concepts developed by the Regulation Approach and proposes a case-based research design that uses them to analyze how transformative Fairtrade proves to be and the impacts it produces on specific economic sectors. This methodological exposition is illustrated with examples from the case of Fairtrade wine produced in Argentina and consumed in the United Kingdom.

Oil Palm Adoption, Household Welfare, and Nutrition Among Smallholder Farmers in Indonesia

- World Development---2017---Michael Euler,Vijesh Krishna,Stefan Schwarze,Hermanto Siregar,Matin Qaim

Oil palm is one of the most rapidly expanding crops throughout the humid tropics. In Indonesia, the expansion is largely driven by smallholder farmers. While recent research has studied effects for the environment and climate change, socioeconomic impacts in the small farm sector have hardly been analyzed. Here, we address this research gap by analyzing effects of oil palm adoption on farm household living standards and nutrition in Sumatra. Using survey data and econometric models, we estimate average impacts, impact pathways, and impact heterogeneity. Results show that oil palm adoption improves household living standards and nutrition. Mean impacts on food and non-food expenditures, as well as on calorie consumption and dietary quality, are all positive and significant. A sizeable part of the total effects is attributable to oil palm adopters expanding their farm size rather than realizing higher profits per hectare. Oil palm has lower labor requirements than alternative crops (especially rubber), so that adopting farmers are able to manage larger land areas. Labor saved through switching from rubber to oil palm is also used to increase off-farm incomes. Impact heterogeneity is analyzed with quantile regressions. We find positive effects of oil palm adoption across the entire expenditure distribution. However, the absolute gains in total expenditures and non-food expenditures are larger for the better-off, suggesting that oil palm may contribute to rising inequality.

Fiscal Federalism at Work? Central Responses to Internal Migration in India

- World Development---2017---Rikhil Bhavnani,Bethany Lacina

Internal migration is thought to have substantial benefits for migrants and for the development of migrant-sending and migrant-receiving areas. In order to facil-

itate such migration, central governments may need to use fiscal transfers to ensure services to migrants, address infrastructure shortfalls, and ameliorate labor market displacement of natives. In fact, an extensive, mostly normative “fiscal federalism” literature has argued that central governments ought to use transfers to reduce interjurisdictional externalities such as those due to population displacements. We extend this literature empirically by examining the degree to which exogenous, longterm migration prompts the redirection of central fiscal resources in India. Following the literature on distributive politics, we argue that transfers in decentralized systems addressing the costs of population movements are influenced by partisan politics. Using monsoon shocks to migration, we show that increases in migration are met with greater central transfers but that these flows are at least 50% greater if the state-level executive is in the Prime Minister’s political party. Consistent with the theory, the influence of politics is greatest on parts of the budget subject to greater executive control. This politicization may explain why Indian states maintain barriers to internal migration despite the development costs of doing so.

Improving Population and Poverty Estimates with Citizen Surveys: Evidence from East Africa

- World Development---2017---Roy Carr-Hill

The paper sets out to explore the possibility that citizen-led surveys provide a better coverage of populations and specifically of hard-to-reach poorer areas than the international standardized household surveys which are the basis for many of the estimates used in assessing progress toward meeting the MDGs and will be for the SDGs. This hypothesis is based on the argument that, the local volunteer enumerators of citizen-led surveys are likely to be more sensitive to the specificities of local population distribution and (recent) changes than those centrally trained; and may be more effective at reaching hard-to reach groups such as those nomadic groups and those in urban slums.

Mind the Gap: Analyzing the Impact of Data Gap in Millennium Development Goals’ (MDGs) Indicators on the Progress toward MDGs

- World Development---2017---Arun Jacob

This paper analyzes the impact of data gap in Millennium Development Goals’ (MDGs) performance indicators on actual performance success of MDGs. Performance success, within the MDG framework, is quantified using six different ways proposed in the existing literature, including both absolute and relative performance and deviation from historical transition paths of MDG indicators. The empirical analysis clearly shows that the data gap in performance measurement is a significant predictor of poor MDG performance in terms of any of the six progress measures. Larger the data gap or weaker the performance measurement system, lesser is the probability of MDG performance success. The empirical methodology used in the paper combines a Heckman correction and instrumental variable estimation strategies to simultaneously account for potential endogeneity of the key data gap variable and bias due to sample selection. This result holds true even after controlling for overall national statistical capacity and a variety of socioeconomic factors. The paper underlines the need to strengthen the performance measurement system attached to the 2030 agenda for sustainable development and the associated Sustainable Development Goals (SDGs). This paper is the first attempt at empirically evaluating the value of data in the context of international development goals and gives empirical evidence for the need to harness the “data revolution” for sustainable development.

What Drives China’s New Agricultural Subsidies?

- World Development---2017---Rigoberto Lopez,Xi He,Eleonora De Falcis

China’s agricultural policy has undergone a fundamental transformation in the four decades since the introduction of market reforms in 1978 and now involves a wide array of policy instruments that range from

output and input subsidies to public infrastructure expenditures. This article analyzes the political-economic determinants of China's agricultural subsidy changes using producer subsidy equivalents (PSEs) drawn from annual data from 1984 to 2015 on 16 agricultural commodity sectors that include multiple policy instruments. Empirical results indicate that national factors, such as high rates of economic growth and a lower share of agriculture in the economy, have been the primary drivers of increases in PSEs, and that larger, more geographically concentrated agricultural sectors are more likely to be subsidized at a higher PSE rate. Finally, China's joining the World Trade Organization in December 2001 led to significant increases in PSEs that were not already explained by internal national or commodity-specific factors. In essence, China's agricultural subsidy programs and levels increasingly resemble those of developed countries, primarily as a result of economic transformation and the ability to structure agricultural policies within the WTO rules. Moreover, this article predicts that agricultural subsidies will trend slightly upward in the next decade and that the strongest opportunities to export to China will be in animal products or grains that are utilized for feed or processed foods, where the levels of subsidies are predicted to increase but remain lower than for traditional food crops.

The Importance of Manufacturing in Economic Development: Has This Changed?

- World Development---2017---Nobuya Haraguchi, Charles Fang Chin Cheng, Eveline Smeets

Manufacturing has traditionally played a key role in the economic development of developing countries. In recent years, it has been argued that the importance of manufacturing has diminished over the last 20–25 years, resulting in premature deindustrialization or non-industrialization in developing countries. This study explores whether the low levels of industrialization in developing countries are attributable to long-term changes in opportunities available to the sector around the globe. The study's findings show that the

manufacturing sector's value added and employment contribution to world GDP and employment, respectively, have not changed significantly since 1970. The declining manufacturing value added and manufacturing employment share in many developing countries has not been caused by changes in the sector's development potential but has instead resulted from a shift of manufacturing activities to a relatively small number of populous countries, thus resulting in a concentration of manufacturing activities in specific developing countries. As was the case in the last millennium, industrialization has continued to play a key role in the growth of developing countries, which have sustained rapid and long-term growth for the last 25 years. Achieving economic development by following the path of industrialization will likely remain important for low-income countries because they are able to take advantage of their backwardness relative to those countries which have already experienced rapid industrialization with a disproportionately large share of manufacturing activities, and could soon enter a mature stage of industrialization.

Unconditional Cash Transfers in China: Who Benefits from the Rural Minimum Living Standard Guarantee (Dibao) Program?

- World Development---2017---Jennifer Golan, Terry Sicular, Nithin Umapathi

This paper analyzes China's rural minimum living standard guarantee (dibao) program, one of the largest minimum income cash transfer schemes in the world, and examines possible changes to the program design. Despite its size and central position in China's current poverty reduction strategy, little is known about the rural dibao program's performance and targeting effectiveness. Our analysis uses annual household survey data from the China Household Income Project matched with published administrative data for the years 2007–09. We find that the program provides sufficient income to poor beneficiaries but does not substantially reduce the overall level of poverty. Conventional targeting analysis reveals large inclusionary and exclusionary targeting errors; propensity score tar-

getting analysis yields smaller but still large targeting errors. Simulations of possible changes to the program design reveal that expanding coverage can potentially yield greater poverty reduction than increasing transfer amounts. Replacing locally diverse dibao lines and transfer amounts with a nationally uniform dibao threshold and transfer could in theory reduce poverty further, but the potential gains are modest without improvements in targeting. This paper makes several contributions. To our knowledge this is the first household-level empirical analysis of China's dibao program in rural areas, so the findings provide new, policy-relevant information. Moreover, the literature has not settled the question of whether such programs should be centralized or decentralized. We show that in practice the potential gains of centralizing the eligibility rule and transfer amount are conditional on the efficiency of targeting. By varying the program's key design parameters our analysis also yields insights into alternative policy recommendations to improve the program performance.

Property Rights Regimes and Natural Resources: A Conceptual Analysis Revisited

- World Development---2017---Thomas Sikor,Jun He,Guillaume Lestrelin

More than two decades ago, Schlager and Ostrom (1992) developed 'a conceptual schema for arraying property-rights regimes that distinguishes among diverse bundles of rights'. The conceptual framework has profoundly influenced research on natural resource governance, common property, and community resource management. However, currently natural resource governance has changed dramatically, challenging the applicability of the conceptual schema. There are now many more social actors involved in resource management than the local communities at the focus of original analysis. Additionally, resource management increasingly provides access to various kinds of benefits from outside the immediate context, including indirect benefits such as payments for environmental services and results-based payments for REDD+. These changes demand addition of new property rights

to the original framework. This paper updates the conceptual schema in reaction to changes in natural resource governance, proposing three specific modifications on the focus of use rights, control rights and authoritative rights to come up with a framework that distinguishes eight types of property rights. We apply the framework to three purposefully selected governance interventions in China and Laos that include the provision of indirect benefits in addition to the direct benefits derived by local people from natural resources. The empirical application shows how contemporary governance changes may not lead to local people's outright dispossession, since they continue to possess direct use rights to natural resources. However, local people may be excluded from control and authoritative rights, which are exercised exclusively by state agencies and international actors. The latter make available indirect benefits to local people, which may or may not translate into use rights in the sense of policy-based entitlements. The empirical insights suggest the possibility of a wider trend of 'compensated exclusions' in natural resource governance.

Social Capital and Its Contingent Value in Poverty Reduction: Evidence from Western China

- World Development---2017---Yanlong Zhang,Xiaoyu Zhou,Wei Lei

Previous literature suggests that social capital at the individual and community levels can contribute significantly to poverty reduction. In this paper we empirically investigate the relationship between social capital and households' probability of living under poverty. We used a large-scale cross-sectional survey in western Chinese provinces to explore the impact of households' social capital on four different poverty measures. Our results indicate that in addition to the structural and relational properties of households' social networks, the types of resources embedded in these networks such as business ties, political ties, and appropriable social organizations can contribute significantly to poverty reduction. Moreover, since our study is situated in China's emerging economy context, we can thus further explore how variations in macrolevel institutions

affect the usefulness of various social resources in reducing poverty. We discovered that the quality of local institutions as measured by local residents' trust toward the institutions can modulate the effectiveness of political ties and appropriable social organizations, such that the impacts of political ties and appropriable social organizations tend to diminish in communities with higher level of institutional trust than they are in communities with lower level of institutional trust, while business ties turn out to be effective in alleviating poverty in both high- and low-trust communities.

Borrowing Money, Exchanging Relationships: Making Microfinance Fit into Local Lives in Kumaon, India

- World Development---2017---Rachael Goodman

Why don't microfinance clients use programs the way development planners and funders expect? Why do clients change how microfinance projects function in unanticipated ways? Previous scholarship on microfinance has overlooked the relevance of already existing borrowing practices and norms to how people engage with and use microfinance. Over 18 months of ethnographic fieldwork in the Kumaon region of eastern Uttarakhand state in northern India, I found that Kumaonis altered the microfinance program of a local NGO to make it fit with their already existing borrowing practices, which were intimately tied to their livelihood strategies. Kumaoni livelihoods were based on exchange relationships with family, friends, and neighbors through which they could secure the means for physical and financial survival, as well as social and emotional survival. These relationships were governed by a moral economy that obligated exchange partners to properly assist one another, and ensured balance between partners and across multiple social ties. Rather than abandoning their exchange relationships, Kumaonis and local fieldworkers, who also relied on these ties, altered microfinance so that it fit with this moral economy and became another node in the already existing networks of assistance. If they had not been able to alter projects, Kumaonis would likely have stopped participating, as other groups in similar

circumstances around the globe have done. Although the microfinance program was a success in the eyes of beneficiaries, senior staff members and donors remained unaware of why projects changed on the ground. To ensure that development programs can be made relevant to people's lives and cultural values, development practitioners must relinquish control over the minutiae of development and allow local-level workers to negotiate the details of projects with participants.

Biopolitics Gone to Shit? State Narratives versus Everyday Realities of Water and Sanitation in the Mekong Delta

- World Development---2017---Panagioti Kotsila, V. Subramanian Saravanan

This article examines the discourses, politics, and everyday practices shaping the implementation of water supply and sanitation (WSS) development programs in Vietnam. Biopolitics is used as a theoretical framework to demonstrate how these programs can constitute tools of governance and forms of domination, independent of their success or failure. We explain why, in the case of Can Tho City in the Mekong Delta, access to sustainable WSS remains highly unequal and problematic. We draw on qualitative and quantitative social and health data collected during a ten-month fieldwork period. Our study identifies false narratives of WSS success based on portrayals of rurality and poverty as backward and miasmatic; misleading reporting tactics of local cadres; and misplaced faith in technical indicators. These success narratives legitimize the Vietnamese state as a triumphant bearer of "high modernity" while obscuring the needs and desires of those at risk of disease. We argue that interrogating power/knowledge imbalances on both micro and macro scales can help unravel the nature of persisting problems in WSS coverage. A focus on power/knowledge helps to dispel notions that improving WSS facilities is enough to prevent diarrhea. A health-promoting WSS sector, we conclude, needs to be context-specific, embracing local culture and having social equity at its core.

Participatory Uses of Geospatial Technologies to Leverage Multiple Knowledge Systems within Development Contexts: A Case Study from the Peruvian Amazon

- World Development---2017---Jason Young,Michael Gilmore

Participatory approaches have proven effective at producing more inclusive and democratic forms of development, in which marginalized groups are given increased recognition. However, these approaches can also reinforce social hierarchies and political exclusion if they are not developed and implemented carefully. In particular, participatory approaches can be problematic if they too simplistically conceptualize democratic engagement as the folding of individuals into pre-existing governance structures. Utilizing a combination of feminist and postcolonial theories, this paper argues that practitioners of participatory methods must extend their thinking to the ways in which their projects foster engagement across multiple social and epistemological perspectives.

Who are the World' s Food Insecure? New Evidence from the Food and Agriculture Organization' s Food Insecurity Experience Scale

- World Development---2017---Michael D. Smith,Matthew Rabbitt,Alisha Coleman-Jensen

Until recently there was lacking a common food security measure and the necessary data to study the individual-level determinants of food insecurity around the world. In 2014, the Food and Agriculture Organization' s Voices of the Hungry project developed an experiential measure of food insecurity, the Food Insecurity Experience Scale (FIES), translated it into 200 languages, and contracted Gallup, Inc. for collection of data through the Gallup World Poll. This is the first paper that identifies and examines the common determinants of food insecurity in 134 countries using this cross-country comparable experiential measure of food insecurity. We also investigate whether and to

what extent the common determinants of food insecurity identified in a global model differ across rankings of economic development. Using a series of multilevel linear probability models, we find that the five characteristics associated with the largest increase in the likelihood of experiencing food insecurity around the world are: having low levels of education, weak social networks, less social capital, low household income, and being unemployed. We also find significant heterogeneity in the determinants of food insecurity over development rankings. This study is an important first step in utilizing the new FIES to document risk factors of food insecurity around the globe.

Escaping and Falling into Poverty in India Today

- World Development---2017---Amit Thorat,Reeve Vanneman,Sonalde Desai,Amaresh Dubey

The study examines the dynamic nature of movements into and out of poverty over a period when poverty has fallen substantially in India. The analysis identifies people who escaped poverty and those who fell into it over the period 2005–12. Using panel data from the India Human Development Survey for 2005 and 2012, we find that the risks of marginalized communities such as Dalits and Adivasis of falling into or remaining in poverty were higher than those for more privileged groups. Some, but not all of these higher risks are explained by educational, financial, and social disadvantages of these groups in 2005. Results from a logistic regression show that some factors that help people escape poverty differ from those that push people into it and that the strength of their effects varies.

The Impact of Payments for Environmental Services on Communal Lands: An Analysis of the Factors Driving Household Land-Use Behavior in Ecuador

- World Development---2017---Tanya Hayes,Felipe Murtinho,Hendrik Wolff

This article examines how Payments for Environmental Services (PES) influence household land-use behavior

in the context of common-property lands. PES programs have been increasingly applied to communities who collectively manage their lands. While a number of authors have expressed concerns about the ability of said programs to generate additional environmental benefits and the potential for PES to counter community resource management arrangements, few empirical studies have explicitly examined PES in the context of communal resource management. Here, we take advantage of the gradual rollout of an Ecuadorian PES program to compare land-use behavior on collective lands in participant communities to households in communities that are waiting to participate. The goals of the analysis are to (a) identify if the PES program has produced changes in land-use, (b) assess the degree to which household characteristics and communal governance conditions drive land-use behavior, and (c) explore the interplay between PES and communal resource management institutions. Data were gathered from a cross-sectional survey of 399 households located in 11 communities. We use difference-in-differences to estimate the average effect of PES program participation on household behavior. Logit models, coupled with qualitative analysis, unpack how communal governance characteristics influence land-use behavior and the interplay between communal governance conditions and PES. We find that PES reduced the number of households grazing livestock on collective lands by 12%, however, household and communal governance factors are also instrumental in determining land-use decisions. Our results provide empirical insights into the debate over PES in collective resource management and illustrate how PES and communal resource management institutions can build upon each other to attain desired household conservation behavior.

When Does Economic Growth Improve Life Satisfaction? Multilevel Analysis of the Roles of Social Trust and Income Inequality in 46 Countries, 1981–2012

- World Development---2017---Malgorzata Mikucka, Francesco Sarracino, Joshua K. Dubrow

Governments across the world seek to promote a bet-

ter life for their citizens, but thus far scholars have provided contradictory advice. While some argue that economic growth leads to higher subjective well-being, and others argue that it does not, we are the first to specify two conditions that make economic growth compatible with subjective well-being over time: increasing social trust and declining income inequality. Our methodological contribution is to combine micro- and macro-level data from a large sample of developing, transition, and developed countries and to explicitly distinguish the cross-country differences from the changes over time. We perform a multilevel analysis of harmonized data composed of the World Values Survey, the European Values Study, and macro-level indicators of economic growth and income inequality for 46 countries, observed from 1981 to 2012. Our results show that in the long run economic growth improves subjective well-being when social trust does not decline and, in richer countries, when income inequality reduces. These results are compatible with the recommendation that, to pursue durable improvements in people's subjective well-being, policy-makers should adopt a "promote, protect and reduce" policy agenda: promote economic growth, protect and promote social trust, and reduce income inequality.

The Tragedy of the Grabbed Commons: Coercion and Dispossession in the Global Land Rush

- World Development---2017---Dell' Angelo, Jampel, D' Odorico, Paolo, Maria Cristina Rulli, Philippe Marchand

Rural populations around the world rely on small-scale farming and other uses of land and natural resources, which are often governed by customary, traditional, and indigenous systems of common property. In recent years, large-scale land acquisitions have drastically expanded; it is unclear whether the commons are a preferential target of these acquisitions. Here we argue that the contemporary global "land rush" could be happening at the expense of common-property systems around the world. While there is evidence that common-property systems have developed traditional institutions of resource governance that make them

robust with respect to endogenous forces (e.g., uses by community members), it is less clear how vulnerable these arrangements are to exogenous drivers of globalization and expansion of transnational land investments. In common-property systems, farmers and local users may be unable to defend their customary rights and successfully compete with external actors. We define the notion of “commons grabbing” and report on an exploratory study that applied meta-analytical methods, drawing from the recent literature on large-scale land acquisitions and land grabbing. Informed by political economy and political ecology approaches, we coded selected cases on the basis of acquisition mechanisms, claims and property rights, changes in production system, and coercive dynamics, and explored the interactions between the different variables using association tests and qualitative comparative analysis. We found that the majority of the cases included in this analysis (44 of 56) could be examples of commons grabbing.

Why Have Improved Cook-Stove Initiatives in India Failed?

- World Development---2017---Meena Khandelwal, Matthew E. Hill, Paul Greenough, Jerry Anthony, Misha Quill, Marc Linderman, H.S. Udaykumar

An estimated 2.7 billion people cook meals on biomass-fueled brick, stone, and clay stoves. Scarcity of wood and negative impacts on health and environment have motivated efforts to design and distribute “improved” cook-stoves in developing countries. In India, adoption is limited despite massive promotion over many decades. Existing research suggests that many rural women in India do not want improved stoves, and those who do face obstacles to adoption. We step back from the many good case studies to examine the broader story of improved cook-stoves (ICs) in India. We do so by bringing together technical research of applied science and narrative critique of social science. Rather than assuming a priori that traditional stoves require replacement, we ask why Indian cook-stoves been a magnet for so much attention, why adoptions rates have

remained low, and what lessons might be learned from a broad, multi-disciplinary perspective. Our approach is critical and reflexive, given our own involvement in IC efforts, and puts gender at the center. Our “big picture” review shows that the Indian chulha, for all its problems, is a remarkably successful technology which also satisfies several important household needs. Hence, targeting this device for obsolescence has profound implications that cannot be reduced to energy consumption or environmental hazards. Rural women do not prioritize ICs, but addressing their priorities requires either capital-intensive investment or challenging powerful institutions. In contrast, IC interventions are relatively cheap, decentralized, mechanical and seemingly apolitical, hence their popularity in development programs. Our review of chulha research leads us to reject both the optimism of development planners who frame such problems as technical and the antagonistic pessimism of their critics. Searching for a middle ground requires stepping back from the dogma of efforts to improve biomass cook-stoves.

Citizens’ Preferences and the Portfolio of Public Goods: Evidence from Nigeria

- World Development---2017---Jonas B. Bunte, Alisha A. Kim

Developing countries have undertaken decentralization reforms to increase the efficiency of public goods’ provisioning. By tailoring the goods to the preferences of smaller groups, the reforms aim to ensure that the resulting supply of public goods matches local demands. We analyze if local politicians tasked with supplying public goods in a developing country respond to citizens’ preferences. We ask two questions: First, faced with demands for increased spending on a particular type of public good, will politicians increase the overall spending on public goods or keep it constant while reallocating resources between different public goods? Second, if politicians reallocate resources rather than increase overall spending, which public good will receive additional funds at the expense of another good? We examine these questions using sub-national spending and preference data in Nigerian districts. Our

empirical strategy accounts for interdependency between spending areas as increased spending in one area can be offset by decreasing expenditures elsewhere. We find that local politicians reallocate resources across education, health, infrastructure, and agricultural support to match the preference profile of citizens across these goods but do not increase overall spending for public goods.

Temporary Jobs, Institutions, and Wage Inequality within Education Groups in Central-Eastern Europe

- World Development---2017---Cristiano Perugini,Fabrizio Pompei

In this paper we investigate the drivers of wage inequality within education groups in Central-Eastern European Countries by employing EU-SILC microdata before (2007) and after (2012) the crisis. Our main focus is on the variability of temporary/permanent workers wage gap and on the role of institutions (labor market deregulation, union density, and wage coordination) in shaping the gap across education groups and along the wage distribution. Results, obtained by means of OLS and quantile regression methods, confirm that holding a temporary position corresponds to a statistically significant negative wage gap with respect to permanent jobs, especially for low-paid jobs and tertiary educated workers. The impact of institutional settings on the wage gap varies remarkably across education groups and wage levels, and strongly depends on the macroeconomic conditions.

What Constrains Financial Inclusion for Women? Evidence from Indian Micro data

- World Development---2017---Saibal Ghosh,D. Vinod

The role and relevance of gender in financial inclusion has been an evolving area of research in recent times. Although there are several cross-country studies on this aspect, few within-country studies have addressed this issue in a comprehensive manner. In this context, exploiting disaggregated household-level data for

India, we analyze the interface between gender and finance. More specifically, we examine whether gender matters for financial inclusion and if so, what are the possible factors that influence this relationship. Our findings suggest significant disparity in both the access to as well as the use of finance by gender. On average, female-headed households are 8% less likely to access formal finance and 6% more likely to access informal finance as compared to households that are headed by males, after taking into account other relevant household and state-level characteristics that are important in explaining financial access by households. Similar evidence carries over to the use of finance: households headed by female use 20% less cash loans as compared to male-headed households. Subsequently, we investigate the possible channels which impede financial inclusion for female-headed households. Our analysis highlights that for female-headed households, education and wages are more relevant in explaining the access to finance whereas political and social factors are much more germane in explaining the use of finance.

What has Driven Deforestation in Developing Countries Since the 2000s? Evidence from New Remote-Sensing Data

- World Development---2017---Antoine Leblois,Olivier Damette,Julien Wolfersberger

Using newly-released and globally available high-resolution remote sensing data on forest loss, we update the assessment of the cross-country determinants of deforestation in developing countries.

Learning from Success: How Rwanda Achieved the Millennium Development Goals for Health

- World Development---2017---Pamela Abbott,Roger Sapsford,Agnes Binagwaho

Although it is one of the poorest countries in the world, devastated by the 1994 Genocide against the Tutsi and heavily aid-dependent, Rwanda has achieved most of its Millennium Development targets for health. This article discusses how it managed this, when many countries in Sub-Saharan Africa failed to achieve theirs, and

assesses the sustainability of its solutions. Determined government policies involving investment in health and education and their energetic implementation with the support of development partners are identified as ultimately responsible for this success in improving the lives of ordinary Rwandans. The major mechanisms for implementation have been the provision of relatively local health centers, payment of health providers by results, setting up an affordable health insurance scheme (with support for those most in poverty) and the appointment of volunteer Community Health Workers who are unpaid but are encouraged and supported to form cooperatives for their own and their families' support. The effectiveness of this level of community involvement suggests that the "Sustainable Development Goals" which replace the MDGs may also be attainable. A marked reduction in Official Development Assistance because of the success would be counterproductive, however, probably putting the cost of medical and preventative supplies beyond the reach of the average Rwandan citizen.

Farm Decision Making and Gender: Results from a Randomized Experiment in Ecuador

- World Development---2017---Jeffrey Alwang, Catherine Larochelle, Victor Barrera

Substantial resources have been devoted to mitigating the asset gender gap in developing country agriculture. Efforts have been taken to understand the role of women in decision making and in farm operations. Recommendations for best practices in eliciting information on women's roles have emphasized the importance of sex-disaggregated data collection and analysis. Collection of sex-disaggregated data is not straightforward and careful attention to context is needed. In Ecuador's highlands, chemical use in agriculture is widespread, and outreach and training programs to reduce this use are essential. These programs should target the appropriate decision makers.

Can Rights of Nature Make Development More Sustainable? Why Some Ecuadorian lawsuits Succeed and Others Fail

- World Development---2017---Craig M. Kauffman, Pamela L. Martin

In 2008, Ecuador became the world's first country to include rights of Nature (RoN) in its constitution. The constitution presents RoN as a tool for building a new form of sustainable development based on the Andean Indigenous concept *sumak kawsay* (buen vivir in Spanish), which is rooted in the idea of living in harmony with Nature. While much is written on the ethical arguments regarding RoN (and *buen vivir*), few studies analyze how RoN might be implemented. We fill this gap by explaining why some efforts to apply Ecuador's RoN laws succeeded while others failed. We compare 13 RoN lawsuits using an original framework for analyzing the pathways and strategies RoN advocates (and their opponents) use to build (and counter) momentum behind judicial processes meant to buttress the enforcement of contested RoN norms. The case descriptions and analysis draw on primary documents and in-depth interviews conducted during 2014–15. Through process tracing, we identified key structural conditions and strategic decisions shaping the outcomes in each case. Our findings as of 2016 reveal unexpected pathways of influence involving a symbiotic process among civil society, state agencies, and the courts. Surprisingly, civil society pressure was the least successful pathway, as activists lost high-profile lawsuits. Nevertheless, they facilitated judicial momentum by working on less-politicized local cases and training lower-level judges. Instrumental use of RoN laws by the state produced unintended consequences, including establishing precedent and educating judges. Knowledgeable judges are unilaterally applying RoN in their sentencing, even when neither claimants nor defendants allege RoN violations. Ecuador's cases demonstrate how "weak" RoN laws can strengthen, providing important insight into the global contestation over sustainable development and the strategies and legal tools being used to advance a post-neoliberal development agenda rooted in harmony with nature.

Missing(ness) in Action: Selectivity Bias in GPS-Based Land Area Measurements

- World Development---2017---Talip Kilic,Alberto Zezza,Calogero Carletto,Sara Savastano

Land area is essential to analyses undertaken by agricultural economists. While handheld GPS-based area measurement has become a practical alternative to farmers' error-prone area assessments in household surveys across the developing world, non-ignorable shares of GPS-based area measures are often missing in public datasets. Using nationally-representative household survey data from Tanzania and Uganda, we demonstrate that the missing GPS-based plot areas constitute a non-random subset of the unit-record data, but that the missing data can be reliably simulated by multiple imputation, and that the effects of the imputation on key agricultural statistics are non-trivial. As GPS-based land areas could inform an extensive array of statistical and economic applications, we focus on one of many policy-relevant applications of the method while underscoring the importance of completed data analysis and highlighting the practicalities of operationalizing the approach to answer similar research questions. The application of the method in the estimation of the inverse scale-land productivity relationship confirms and strengthens the presence of such relationship in Tanzania and Uganda. The study demonstrates the usefulness of judiciously reconstructed GPS-based areas in alleviating concerns over potential measurement error in farmer-reported areas, and with regard to systematic bias in plot selection for GPS-based area measurement.

Coffee Certification and Forest Quality: Evidence from a Wild Coffee Forest in Ethiopia

- World Development---2017---Ryo Takahashi,Yasuyuki Todo

Shade coffee certification programs that aim to conserve the forest and to prevent forest degradation have attracted an increasing amount of attention. However, such programs' impact on forest degradation remains unclear because of the absence of empirical evidence.

In addition, there is heated debate about whether certification programs create an incentive for producers to expand their coffee-growing areas, which may accelerate forest degradation in the surrounding natural forest. This study, which was conducted in Ethiopia, aimed to evaluate the impact of a shade coffee certification program on forest degradation. Additionally, to provide empirical evidence for the debate, we examined the spillover effects of certification to surrounding forest areas and used remote sensing data of 2005 and 2010 to classify forest areas based on their density. We applied matching methods, such as the propensity score matching with different algorithms, to compare forest coffee areas with and without the certification. We found that the certified forest coffee areas slightly increased in forest density. By contrast, we observed drastic forest degradation in the forest coffee areas without certification. We checked the sensitivity of our results and found that our results are robust to potential hidden bias. Furthermore, our empirical results revealed that the natural forest areas within a 100-m radius from the forest coffee boundary area exhibited significantly reduced forest degradation compared with forest areas under similar environmental conditions but that such positive and significant impact diminished after 100-m distance. These results indicate that the certification program is effective in alleviating forest degradation in the certified area and in the surrounding natural forest.

The Legal Environment and Incentives for Change in Property Rights Institutions

- World Development---2017---Natasha Hamilton-Hart

Land conflicts in many parts of the world indicate pressures for change in the property rights institutions governing land acquisition and land use. Whether or not institutional change occurs depends on the incentives and capacities of political actors. This article argues that the legal environment is one factor influencing incentives for institutional change. Three case studies of land governance in Southeast Asia's palm oil industry illustrate three types of legal environment

—rule-by-law legalism, legal pluralism and lawlessness, or routinized illegality. The cases show that the legal environment shapes modes of resistance to property reallocations in the palm oil industry. Rule-by-law legalism supports legalized modes of resistance through the court system. In contrast, legal pluralism and lawlessness favor the use of political strategies to contest property reallocations. The mode of resistance in turn determines whether actors acquiring property have incentives to gain legal cover, or whether investing in political resources is more rewarding. Although the effectiveness of resistance is largely determined by the distribution of political resources, the mode of resistance helps explain whether there is demand for property rights institutions that offer generalized legal certainty in property protection. Path-dependence arising from the legal environment therefore influences the direction of institutional change.

How Does Gender Affect Sustainable Intensification of Cereal Production in the West African Sahel? Evidence from Burkina Faso

- World Development---2017---Véronique Thériault, Melinda Smale, Hamza Haider

Better understanding of gender differences in the adoption of agricultural intensification strategies is crucial for designing effective policies to close the gender gap while sustainably enhancing farm productivity. We examine gender differences in adoption rates, likelihood and determinants of adopting strategy sets that enhance yields, protect crops, and restore soils in the West African Sahel, based on analysis of cereal production in Burkina Faso. Applying a multivariate probit model to a nationally representative household panel, we exploit the individual plot as unit of analysis and control for plot manager characteristics along with other covariates. Reflecting the socio-cultural context of farming combined with the economic attributes of inputs, we find that female managers of individual cereal fields are less likely than their male counterparts to adopt yield-enhancing and soil-restoring strategies, although no differential is apparent for yield-protecting strategies. More broadly, gender-disaggregated regres-

sions demonstrate that adoption determinants differ by gender. Plot manager characteristics, including age, marital status, and access to credit or extension services do influence adoption decisions. Furthermore, household resources influence the probability of adopting intensification strategy sets differently by gender of the plot manager. Variables expressing the availability of household labor strongly influence the adoption of soil-restoring strategies by female plot managers. By contrast, household resources such as extent of livestock owned, value of non-farm income, and area planted to cotton affect the adoption choices of male plot managers. Rectifying the male bias in extension services along with improving access to credit, income, and equipment to female plot managers could contribute to sustainable agricultural intensification.

The Role of Microfinance in Household Livelihood Adaptation in Satkhira District, Southwest Bangladesh

- World Development---2017---Adrian Fenton, Jouni Paavola, Anne Tallontire

There is increasing interest in the potential of microfinance to foster climate change adaptation. However, existing literature over-relies upon theoretical arguments rather than empirical evidence, and until now the emphasis has been on potential positive linkages. We address these weaknesses by empirically examining the role of microfinance in adaptation, drawing from household-level quantitative and qualitative data gathered from Satkhira District, Southwest Bangladesh. We find evidence that microfinance facilitates coping by reducing sensitivity to environmental and climate hazards. Credit is especially important because its availability is uncorrelated with the occurrence of flooding, unlike many other traditional coping responses. We also find evidence that microfinance facilitates adaptation by helping households to overcome financial barriers of adopting adaptation options which reduce exposure or sensitivity. However, credit limits are likely to restrict its role to incremental adaptations, which may not meaningfully reduce vulnerability. Transformational adaptations at times required access to bank

credit which the poorest cannot access. This restricts their ability to effectively adapt and are penalized financially by having to obtain loans to cope. We also find evidence that microfinance can lead to maladaptation when used in non-profit generating activities as income streams are not produced to help repay associated costs. Almost a fifth of all loans were obtained for repaying existing loans. Thus microfinance may undermine longer term adaptive capacity.

Local Politics of Forest Governance: Why NGO Support Can Reduce Local Government Responsiveness

- World Development---2017---Nathan J. Cook, Glenn D. Wright, Krister P. Andersson

Concerned with the challenges of sustainable development, policy makers and scholars often urge non-governmental organizations to increase their efforts to support governance of natural resources in developing countries. How does funding from external NGOs influence the responsiveness of local government policy to the sector-specific needs and policy preferences of local citizens? Using a unique longitudinal dataset from surveys of local governance actors in 200 municipalities in Bolivia and Guatemala, we explore these questions in the context of local natural resource policy. We find preliminary support for the hypothesis that external NGOs gain disproportionate influence over local policy processes in forestry by donating to local governments, and that this influence “crowds out” the influence of local grassroots actors, leading to less responsive local governance as rated by councils of local citizens. However, political pressure on local government officials from organized local groups in the forestry sector counteracts this negative relationship. Although NGOs can contribute to technical capacity for local governments and are generally seen as supportive of decentralized and participatory governance, our findings suggest that NGOs exert political pressure on local governments in pursuit of their own policy goals, and that NGO support may sometimes steer local governments away from responding to the specific livelihood needs of local resource users. More generally, our findings underscore

the importance of local political contexts in moderating the effects of NGO interventions.

The World Bank Improving Environmental and Natural Resource Policies: Power, Deregulation, and Privatization in (Post-Soviet) Armenia

- World Development---2017---Sarah L. Burns, Max Krott, Hovik Sayadyan, Lukas Giessen

Over the past decades, development projects by international organizations like the World Bank use concepts such as “joint forest management”, “community-based natural resource management”, and “participatory conservation” as integrated approaches to poverty alleviation and conservation. These Integrated Conservation and Development Projects primarily promote the intensification of natural resource production. Currently, a research program on the pathways and politics through which international organizations influence related domestic policy and cause changes is being developed. The aim of this study is to analyze the influence the World Bank had on environmental and natural resources policies aiming at poverty alleviation in Armenia. We use Armenia for analyzing how this neoliberal approach of the World Bank echoes in a post-Soviet system. Empirically, we use a qualitative case-study design building on content analysis of key policy documents from World Bank interventions and subsequent domestic policy changes. Our results show that the World Bank interventions in Armenia, formally aiming to reduce rural poverty by means of improving natural resources management, de facto promoted policy and administrative changes. These changes, however, largely benefit transnational private companies, while at the same time restricting the access of poor local users to natural resources. By employing a discourse of illegal logging and by framing local actors as the main drivers of deforestation, the World Bank achieved considerable deregulation of the forest sector. This in turn promoted privatization of the forestland as well as a reform of the state forest administration. We conclude that interventions by international organizations, such as the World Bank, may formally claim to enhance the common good e.g.

through strengthening ecological goals in natural resources management. Informally, however, quite the opposite might happen: Neoliberal privatization and deregulation will further weaken state actors and their capacities, while at the same time strongly and quickly incentivizing the increase in extractive natural resource production, as observed with increased timber harvests and exports.

Water Governance—An Historical Perspective on Current Debates

- World Development---2017---P. Woodhouse,M. Muller

Since the UN water conference at Mar del Plata in 1977, there have been international debates about how water governance could and should respond to the challenges of sustainable development. New global institutions were established to promote universal norms of governance based on the 1992 “Dublin Principles” and its version of “Integrated Water Resource Management” (IWRM). Many of these prescriptions were contested, not least because of their advocacy of market-based approaches to address what were posed as challenges of scarcity and environmental sustainability.

The Rush for Land in an Urbanizing World: From Land Grabbing Toward Developing Safe, Resilient, and Sustainable Cities and Landscapes

- World Development---2017---Annelies Zoomers,Femke van Noorloos,Kei Otsuki,Griet Steel,Guus van Westen

This article aims to contribute to current discussions about “making cities inclusive, safe, resilient, and sustainable” (SDG 11) by linking debates that are currently taking place in separate containers: debates on the “global land rush” and the “new urban agenda” . It highlights some important processes that are overlooked in these debates and advances a new, socially inclusive urbanization agenda that addresses emerging urban land grabs. The global land rush debate has ignored not only the fact that large-scale

land investments take place in a context of rapid urbanization, but also that these investments are often triggered by urban demand, whereas discussions on the new urban agenda prepared for the latest United Nations Conference on Housing and Sustainable Urban Development (Habitat III) are typically city-biased, and pay little attention to the role of increasing cross-border investment in land and the transformation of the countryside. Using cases from areas where the global land rush and urbanization are simultaneously intensifying in the global South, we identify four areas that should be prioritized in current debates, namely the impacts of land investments on intra-city dynamics, peri-urban dynamics, and the emergence of new cities and new infrastructure corridors.

The Impact of Growth in Small Commercial Farm Productivity on Rural Poverty Reduction

- World Development---2017---John W. Mellor,Sohail J. Malik

Our core thesis is that in both low- and middle-income countries, rapid growth in agricultural production and income among small commercial farmers is the dominant means of reducing rural poverty. This effect is generated from increased expenditures from smaller commercial farmers on the poor, labor-intensive, non-tradable, rural non-farm sector, thereby increasing incomes for the rural non-farm population and reducing poverty levels.

How Large Are Global Fossil Fuel Subsidies?

- World Development---2017---David Coady,Ian Parry,Louis Sears,Baoping Shang

This paper estimates fossil fuel subsidies and the economic and environmental benefits from reforming them, focusing mostly on a broad notion of subsidies arising when consumer prices are below supply costs plus environmental costs and general consumption taxes.

Community-Driven Development and Social Capital: Evidence from Morocco

- World Development---2017---Tu Chi Nguyen, Matthias Rieger

Community-driven development rests on the principle of development aid through community participation, which is expected to promote pro-social behavior. This paper studies the impact of such a program in Morocco on social capital as measured by economic field experiments. We played a public goods game to measure how much people care about others in the community, an investment game to proxy interpersonal trust, as well as a dictator game to measure altruism. Our empirical strategy exploits an administrative rule stipulating that the program be rolled out only in rural communities with a poverty rate of 30% and above. Focusing on communities close to this cut-off and using a regression discontinuity design, we find that the program increases contributions in public goods games. Conversely, the program has no impact on altruism and reduces interpersonal trust. We examine possible mechanisms underlying the observed impacts by combining the behavioral data with survey information and administrative records on project spending and selection. Overall our results suggest that a shift from a centralized to a more localized decision-making process may enhance people's sense of responsibility toward their community, but not all forms of social capital are positively affected in the process.

Who Governs Socially-Oriented Voluntary Sustainability Standards? Not the Producers of Certified Products

- World Development---2017---Elizabeth A. Bennett

Voluntary Sustainability Standards-Setting Organizations (VSSOs) create standards to improve the social and/or environmental impacts of globalized production networks. VSSOs are often assumed to have multi-stakeholder governance structures that include the producers of certified products (e.g., farmers, artisans, and workers). This article argues that including

producers in governance is desirable. However, analysis of 33 VSSOs' constitutions shows two-thirds do not even imply intention to include producers. At most, 25% ensure producers have votes/seats and 18% give producers veto power. The discussion examines what is lost when VSSOs do not bring traditionally marginalized voices to global economic governance.

The Importance of Interplay Between Leadership and Social Capital in Shaping Outcomes of Rights-Based Fisheries Governance

- World Development---2017---Beatrice Crona, Stefan Gelcich, Örjan Bodin

As concerns about anthropogenically driven marine resource decline continue, rights-based approaches to fisheries governance have gained attention. Territorial User Rights (TURF) is one example increasingly promoted to enhancing sustainability of small-scale fisheries. Despite rising global interest empirical inquiry into the factors contributing to TURF outcomes remains limited and focus has centered on the ecological and fisheries outcomes, largely neglecting documentation of social consequences and social determinants of success.

Spice Price Spikes: Simulating Impacts of Saffron Price Volatility in a Gendered Local Economy-Wide Model

- World Development---2017---Mateusz Filip-ski, Abdellah Aboudrare, Travis Lybbert, J. Edward Taylor

Access to international markets provides smallholders with unprecedented opportunities, but also exposes them to world market whims. We use a local economy-wide impact evaluation (LEWIE) model to analyze how the recent global saffron-price variability affected Morocco's Taliouine-Taznakht region, a specialized agro-export economy with a stark gender division of labor. Prices of saffron increased by 71% per year over the 2007–09 period before falling quickly back to their trend. Our modeling approach allows us to simulate such shocks and evaluate impacts not only on

producers but also on the local economies around them. In our simulations, positive price-shocks and increases in productivity both cause large reallocations of labor resources, particularly for female workers at harvest time. We use Monte-Carlo simulations to evaluate how saffron-price variance affects the economy. Female wage income is especially sensitive to global price variability: a 100% increase in saffron-price variance leads to 133% increase in female wage income variance, but only 36% for males. Accounting for general-equilibrium effects is critical for understanding the ramifications of exposure to export price volatility in poor economies.

Reclaiming the Authority to Plan: How the Legacy of Structural Adjustment Affected Bolivia' s Effort to Recentralize Nutrition Planning

- World Development---2017---Lesli Hoey

Thirty years after structural adjustment led to the widespread decentralization of developing country governments, signs are emerging of a slow return to centralized state authority. What is not apparent is how, and how well, national governments can implement actions after reclaiming the authority to plan. I answer this question through a case study of recentralization—Bolivia' s Zero Malnutrition Program (ZM). My data come from ongoing fieldwork I conducted in Bolivia since the launch of the ZM program in 2007, but focus on additional, in-depth fieldwork I carried out over a period of 13 months during the program' s fourth and fifth year of implementation. Data collection methods included semi-structured interviews, participant observation, document review, and secondary data analysis at local, regional, and national levels of the program. I argue that national planners may find it difficult to avoid replicating the fragmented planning model recentralization is often working against. In the Bolivia case, when ZM planners were given the rare opportunity to lead national-level health reform, they believed the fastest way to act was to rely primarily on short-term consultants. This allowed for fast action on the ground, but at the cost of constant staff rotation and loss of momentum, training gaps, turf wars, and

eventually, a loss of accountability and credibility for the program overall. How ZM staff at different levels of the program overcame these added challenges, however, is perhaps the most important story. Through participatory planning, a negotiated implementation approach, the re-skilling of mid-level managers, and the work of emerging “street-level champions” , I show how ZM planners and staff eventually began to restore public sector capacity. These findings contribute to the dearth of research on public sector implementation, particularly as it relates to developing countries and the growing initiatives aiming to effectively re-build national planning capacity.

Implications of Non-Farm Work to Vulnerability to Food Poverty-Recent Evidence From Northern Ghana

- World Development---2017---Yacob A. Zereye-sus, Weldensie T. Embaye, Francis Tsiboe, Vincent Amanor-Boadu

Using survey data from northern Ghana, this study seeks to establish the impact of participation in non-farm work on the vulnerability of resource poor households to food poverty. Vulnerability to food poverty is assessed based on expected future food expenditure of households. The potential endogeneity problem associated with participation in non-farm work by households is overcome using a novel instrumental variable approach. Analysis of the determinants of expected future food expenditure is done using a standard Feasible Generalized Least Squares (FGLS) method. Demographic and socioeconomic variables, location variables, and household facilities are included in the model as control variables. Our study finds that participation in non-farm work significantly increased the future expected food consumption, thereby alleviating the vulnerability of households to food poverty. Our study also confirms that current food poverty and future food poverty, i.e., vulnerability to food poverty, are not independent from each other. Non-farm work plays a crucial role in providing the means to overcome the risk of food poverty in these resource poor households. Policies that promote off-farm income generating ac-

tivities, such as small businesses and self-employment, as well as the creation and support of businesses that absorb extra labor from the farm, should be encouraged in the study region. Because households in the study region are exposed to above average levels of hunger and food poverty, the study recommends the government of Ghana and development partners to take measures that enhance the resilience of these resource poor households.

Evaluating the Performance of Alternative Municipal Water Tariff Designs: Quantifying the Tradeoffs between Equity, Economic Efficiency, and Cost Recovery

- World Development---2017---Celine Nauges,Dale Whittington

The design of municipal water tariffs requires balancing multiple criteria such as financial self-sufficiency for the service provider, equity among customers, and economic efficiency for society. A modeling framework is developed for analyzing how alternative municipal water tariff designs affect these three criteria. It is then applied to a hypothetical community in which a municipal water utility provides metered, piped water, and wastewater services to 5,000 households. We analyze how the shift from a uniform volumetric tariff to different increasing block tariff (IBT) designs affects households' water use and water bills, and how these changes in turn affect measures of equity and economic efficiency for two different financial self-sufficiency targets. We calculate how changes in assumptions about (1) the correlation between household income and water use, and (2) households' response to average or marginal prices affect the tariffs' performance in terms of these three criteria. The results show that IBTs perform poorly in terms of targeting subsidies to low-income households regardless of the magnitude of financial subsidies that a utility receives from high-level government. When cost recovery is low, the distribution of subsidies under IBTs is even worse if the correlation between water use and household income is high. IBTs introduce price distortions that induce economic efficiency losses, but we show

that these welfare losses are relatively small, especially when households respond to average prices.

The Consequences of Child Market Work on the Growth of Human Capital

- World Development---2017---Armand Sim,Daniel Suryadarma,Asep Suryahadi

The paper measures the effect of child market work on the long-term growth of human capital, focusing on the output of the human capital production: mathematics skills, cognitive skills, pulmonary function, and educational attainment. Our full sample is drawn from a rich longitudinal dataset Indonesia Family Life Survey (IFLS). We address endogeneity of child market work using provincial legislated minimum wage as the instrument. Our instrumental variable estimation shows that child labor negatively affects mathematics skills and pulmonary function, but not cognitive skills and educational attainment. We find heterogeneities in type of work. Those who work outside of family business have lower educational attainment than those working for family business.

Rainfall Shocks and the Gender Wage Gap: Evidence from Indian Agriculture

- World Development---2017---Kanika Mahajan

In the context of climate change and its effect on poverty, previous studies have shown that productivity shocks in agriculture, such as rainfall variability, affect wages adversely. None of the studies, however, consider the heterogeneity in the impact of these shocks on agricultural wages by gender, a feature which has been studied for demand shocks in urban labor markets for developed countries. Using National Sample Survey data for India from 1993 to 2007, a district-level panel dataset is created to examine how a rainfall shock affects the gender wage gap. The study shows that both female and male wages are positively related to rainfall shocks. Hence, future studies must study the impact of labor market shocks in rural areas on both female and male wages separately. It also finds that the female-to-male wage ratio is significantly

positively associated with a rainfall shock in regions where rainfed rice is cultivated, i.e., low (high) rainfall reduces (increases) the female-to-male ratio. The study demonstrates that this result is due to a positive association of demand for female labor with rainfall in these rainfed rice-growing regions. This finding is consistent with the greater marginal value of female labor in rice cultivation, which is also a crop highly sensitive to rainfall variability under rainfed conditions. The paper concludes that the effect of a rainfall shock on the gender wage gap depends upon the gender roles underlying the technology of production, which varies across cropping systems.

Intergenerational Education Effects of Early Marriage in Sub-Saharan Africa

- World Development---2017---Marcos Delprato, Kwame Akyeampong, Máiréad Dunne

This paper analyzes the evolution of the effects on educational inequality of early marriage by looking at the impact of whether women had married young on their children's schooling outcomes for 25–32 countries (Demographic and Health Surveys) in 2000 and 2010 for Sub-Saharan Africa. We also explore indirect pathways—mother's education, health, and empowerment as well as community channels—operating from early marriage to child schooling and assess the presence of negative externalities for non-early married mothers and their children on education transmission in communities with large rates of child marriage. In our econometric analysis we employ OLS, matching, instrumental variables, and pseudo-panel for a better understanding of changes over time. Our results show that early marriage is still a significant source of inequality, though its impact has decreased across time: girls born to early married mothers are between 6% and 11% more likely to never been to school and 1.6% and 1.7% to enter late, and 3.3% and 5.1% less likely to complete primary school, whereas boys are between 5.2% and 8.8% more likely to never been to school and 1% and 1.9% to enter late, and 2.3% and 5.5% less likely to complete primary school. Second, child marriage increases gender inequality within household

s with girls losing an additional 0.07 years of schooling as compared to boys if born to early married mothers. Third, our estimates show that mother's education and health mediate some of the effect of early marriage and that the large prevalence of child marriage in a community also impairs educational transmission for non-early married mothers. Fourth, empowering of young wives can weaken other channels of transmission of education inequalities. Overall, our findings highlight the need to target these children with the appropriate interventions and support to achieve the greater focus on equity in the global post-2015 education agenda.

Food Riots and Protest: Agrarian Modernizations and Structural Crises

- World Development---2017---Ray Bush, Giuliano Martiniello

Food riots in the developing world have (re)gained momentum coinciding with converging financial, food, and global energy crises of 2007–08. High staple food prices across the world, and increasingly un-regulated food markets, have highlighted among other things the political dimensions of food-related protests. This has been the case especially in the MENA region but also in Sub Saharan Africa, East Asia, and Latin America where food-related protests have often been catalysts to contest wider processes of dissatisfaction with authoritarian and corrupt regimes.

Reforming Performance-Based Aid Allocation Practice

- World Development---2017---Mark McGillivray, Thi Kim Cuong Pham

Performance-based aid allocation systems are used by a number of multilateral agencies to allocate aid among developing countries. A number of bilateral agencies also allocate aid on the basis of the performance of recipients, albeit in a less systematic way than these multilateral agencies. This paper points to a number of fundamental problems associated with performance-based aid allocation systems, including a problematic

balancing of need and performance criteria, being reductionist with respect to the drivers of effective aid and not being sufficiently nuanced with respect to performance by ignoring a lack of human capital and economic vulnerability in recipient countries. Together with providing a theoretical framework that articulates these issues, this paper introduces and outlines the papers that follow in this Special Section.

Does Aid Availability Affect Effectiveness in Reducing Poverty? A Review Article

- World Development---2017---François Bourguignon, Jean-Philippe Platteau

This paper addresses the impact of aid supply on aid effectiveness. First, we review theoretical literature that deals with the problem of governance in donor–recipient relationships and are susceptible of highlighting effects of aggregate aid availability. Second, we provide a conceptual framework that explicitly incorporates a trade-off between considerations of needs and governance. We examine the impact of aid supply on the manner in which a donor agency allocates the available money between countries differing in terms of both needs and domestic governance. The central conclusion is that a donor’s utility function that embodies the need-governance trade-off and the associated optimization mechanism yield a meaningful rule to guide inter-country allocation of aid resources.

Performance Assessment, Vulnerability, Human Capital, and the Allocation of Aid Among Developing Countries

- World Development---2017---Patrick Guillaumont, Mark McGillivray, Laurent Wagner

Developing country performance with respect to economic policies and institutional behavior is a common criterion for the allocation of aid among recipient countries. This paper examines how performance is used, arguing that performance is too narrowly defined. A more appropriate definition is one that controls for the economic vulnerability and human capital of developing countries. Econometric analysis of cross-section

and panel data is presented that supports this contention. The paper also contends that performance and exogenous economic shocks are likely to be procyclical. This implies a double punishment when aid is allocated according to performance. Evidence of such punishment is also provided. The paper concludes by arguing that economic vulnerability and human capital variables should augment performance measures in aid allocation decision-making.

How to Take into Account Vulnerability in Aid Allocation Criteria and Lack of Human Capital as Well: Improving the Performance Based Allocation

- World Development---2017---Patrick Guillaumont, Sylviane Guillaumont Jeanneney, Laurent Wagner

This paper considers why and how the Performance Based Allocation (PBA) used in multilateral development banks and in particular at IDA, could be improved by taking the structural handicaps of eligible countries into account. The PBA relies on a debatable definition of performance. It does not meet the equity concern raised by the existence of structural handicaps to growth. It neglects the lessons of the aid effectiveness literature. Finally, it suffers from some opacity. We show how it is possible to increase the share of specific groups of countries, such as Sub-Saharan Africa or post-conflict states, in a transparent manner.

Women, Weather, and Woes: The Triangular Dynamics of Female-Headed Households, Economic Vulnerability, and Climate Variability in South Africa

- World Development---2017---Martin Flatø, Raya Muttarak, André Pelsier

Existing gender inequality is believed to be heightened as a result of weather events and climate-related disasters that are likely to become more common in the future. We show that an already marginalized group—female-headed households in South Africa—is differentially affected by relatively modest levels of

variation in rainfall, which households experience on a year-to-year basis. Data from three waves of the National Income Dynamics Survey in South Africa allow us to follow incomes of 4,162 households from 2006 to 2012. By observing how household income is affected by variation in rainfall relative to what is normally experienced during the rainy season in each district, our study employs a series of naturally occurring experiments that allow us to identify causal effects. We find that households where a single head can be identified based on residency or work status are more vulnerable to climate variability than households headed by two adults. Single male-headed households are more vulnerable because of lower initial earnings and, to a lesser extent, other household characteristics that contribute to economic disadvantages. However, this can only explain some of the differential vulnerability of female-headed households. This suggests that there are traits specific to female-headed households, such as limited access to protective social networks or other coping strategies, which makes this an important dimension of marginalization to consider for further research and policy in South Africa and other national contexts. Households headed by widows, never-married women, and women with a non-resident spouse (e.g., “left-behind” migrant households) are particularly vulnerable. We find vulnerable households only in districts where rainfall has a large effect on agricultural yields, and female-headed households remain vulnerable when accounting for dynamic impacts of rainfall on income.

Positioning Missionaries in Development Studies, Policy, and Practice

- World Development---2017---Jonathan D. Smith

This article diagnoses major causes of the uncomfortable relationship between missionaries and development scholars and practitioners, and it proposes new ways to clarify the relationship through shared reflection on sacred influences that shape global development. In the past fifteen years the turn to religion in development studies has altered how development scholars and practitioners perceive religious actors, opening up possibi-

ties for renewed partnership. Yet the turn to religion in development has mostly disregarded missionaries. This oversight is partly due to the complicated historical relationship between Western Christian missionaries and development workers. Although missionaries have long participated in the work of development, present-day missionaries remain associated with coercive proselytization, or they are overlooked in literature on religion and development.

Can Agricultural Traders be Trusted? Evidence from Coffee in Ethiopia

- World Development---2017---Bart Minten,Thomas Assefa,Kalle Hirvonen

Traditional food marketing systems in developing countries are often not trusted. In consequence, policy makers frequently try to regulate them and modern marketing arrangements are increasingly emerging to address some of their presumed deficiencies. However, it is unclear how trustworthy these markets actually are. The purpose of this study is to look at these issues in the case of coffee marketing in Ethiopia. Coffee markets in Ethiopia present an interesting case study due to the high price and quality differentiation linked to a number of both easily and not so easily observable characteristics. Moreover, modern marketing practices, such as modern retail, branding and packaging, are becoming increasingly common in Ethiopia’s urban coffee markets. When we define and examine trustworthiness in the Addis Ababa coffee market as a function of weights and quality, we find that traditional traders are relatively trustworthy on observable quality characteristics and weights. However, there is a consistent pattern of over-representation of not so easily verifiable quality characteristics. We further find that modern marketing outlets or formats, including modern domestic retail and branded packaged products, deliver higher quality at a higher price, but are not more trustworthy than traditional marketing arrangements in terms of these dimensions of trade transactions.

Taxing the unobservable: The impact of the shadow economy on inflation and taxation

- World Development---2017---Ummad Mazhar,Pierre-Guillaume Méon

Because the shadow economy cannot be taxed, it erodes the tax base and reduces tax revenues, forcing governments to resort to other ways to finance their expenditures. Accordingly, a larger shadow economy should give governments an incentive to shift revenue sources from taxes to inflation, in line with the public finance motive of inflation. In this paper, we recall that point in a simple canonical model, then empirically test it in a sample of up to 153 developed and developing countries over the 1999–2007 period. In line with the model's prediction, we indeed observe a positive relation between inflation and the size of the shadow economy, and a negative relation between the tax burden and the size of the shadow economy. We find that both relations are conditional on central bank independence and on the exchange rate regime, implying that it is the strongest in institutional set-ups that constrain monetary policy the least. Both relations are present in the sub-sample of developed countries as well as the sub-sample of developing countries. Both relations survive several robustness checks, using various sets of control variables including the stock of debt, controlling for endogeneity, using alternative estimates of the shadow economy, and estimating the two relations as a system of equations.

The Impact of Foreign Aid Allocation on Access to Social Services in sub-Saharan Africa: The Case of Water and Sanitation

- World Development---2017---Léonce Ndikumanana,Lynda Pickbourn

The Sustainable Development target of ensuring access to water and sanitation for all by 2030 has far-reaching implications for the achievement of the other SDGs. However, achieving this target remains a major challenge for sub-Saharan Africa, and the ability of governments in the region to expand access is constrained by limited financial resources. This paper investigates

whether targeting foreign aid to the water and sanitation sector can help achieve the goal of expanding access to water and sanitation services in sub-Saharan Africa. The analysis is based on panel data estimation techniques controlling for country-specific effects and potential endogeneity of regressors. The econometric results suggest that increased aid targeted to the supply of water and sanitation is associated with increased access to these services, although the relationship is non-linear. The evidence in this study makes an important contribution to the scholarly debate on aid effectiveness. It also has important practical implications for aid policy: specifically, it suggests that in addition to scaling up aid disbursements to sub-Saharan African countries, donors need to increase aid allocation to water and sanitation as well as other areas where the region lags behind. There is also a need to identify structural constraints that may limit access to water and sanitation, and utilize foreign aid so as to alleviate these constraints.

How Does Corruption Affect Public Debt? An Empirical Analysis

- World Development---2017---Arusha Cooray,Ratbek Dzhumashev,Friedrich Schneider

This paper investigates the relationship between corruption, the shadow economy, and public debt. It additionally examines whether the shadow economy increases the adverse effects of corruption on public debt. The model is empirically tested for 126 countries over 1996–2012. Using Ordinary Least Squares (OLS), Fixed effects, system generalized method of moments (GMM) and instrumental variable estimation, and two measures of corruption—the Transparency International Corruption Perceptions Index and the Kaufmann et al. Corruption Index—results confirm that increased corruption and a larger shadow economy lead to an increase in public debt. Results additionally indicate that the shadow economy magnifies the effect of corruption on public debt suggesting that they act as complements. Results also suggest that a larger shadow economy reduces tax revenues and thus increases public debt, similarly, higher govern-

ment expenditure enhances the effects of corruption on government debt. Hence reducing corruption should be a primary policy goal of governments. Given the complementarity detected between corruption and the shadow economy, reducing corruption would also lead to a fall in the size of the shadow economy and public debt. Reducing corruption will also minimize the adverse effects of corruption on government debt through government expenditure.

How the New International Goal for Child Mortality is Unfair to Sub-Saharan Africa (Again)

- World Development---2017---Simon Lange,Stephan Klasen

The Sustainable Development Goals (SDGs) include level-end goals for both under-five and neonatal mortality to be obtained by 2030: no more than 25 and 12 deaths per 1,000 births, respectively. Recent accelerations in the rate of reduction in under-five mortality have been cited as a cause for optimism. In this paper, we show that changes in mortality rates are subject to mean reversion. Hence, high rates observed recently for Sub-Saharan Africa make for an overly optimistic estimate of future reductions. Taking this into account in projecting mortality rates until 2030, we find that only very few countries in Sub-Saharan Africa are likely to attain the new targets while a majority of countries elsewhere are likely to attain the target or have done so already. We also show that while MDG4 has been rightly criticized as ‘unfair’ to Sub-Saharan Africa in the past, a relative target may have been more appropriate today and would be relevant for all countries. We also offer a discussion of likely challenges the region faces in making further inroads against preventable deaths.

Looking at Pro-Poor Growth from an Agricultural Perspective

- World Development---2017---Stephan Klasen,Malte Reimers

Pro-poor growth has been identified as one of the most promising pathways to accelerate poverty reduction in

developing countries. The diagnostic pro-poor growth toolbox has so far focused on the income dimension as well as key non-income achievements in education and health. This article contributes to the literature by expanding the toolbox with several new measures that take into account the extraordinary importance of agricultural productivity for poverty reduction in developing countries. We distinguish between land productivity and labor productivity and find that the poor identified by low incomes, poor education outcomes, low land productivity and low labor productivity overlap only to a small degree, suggesting that analyses of pro-poor growth from these different perspectives are complementary. The toolbox is then applied to three comparable household surveys from Rwanda (EICV data for the years 1999–2001, 2005–06, and 2010–11), a country that has experienced impressive economic growth since the genocide in the mid-1990s and that has undertaken considerable efforts to increase agricultural productivity and improve the population’s access to social services over the first decade of the 2000s. Our application shows that the enormous progress made in the income, education, and health dimension of well-being has been pro-poor according to most definitions of the concept. The new tools reveal that the land productivity-poor experienced pro-poor growth in the relative (and absolute) sense while the labor productivity-poor increased their labor productivity relatively (but not absolutely) faster than the labor productivity-rich even though the former dispose of considerably lower education levels.

Husband and Wife Perspectives on Farm Household Decision-making Authority and Evidence on Intra-household Accord in Rural Tanzania

- World Development---2017---C. Leigh Anderson,Travis W. Reynolds,Mary Kay Gugerty

We use OLS and logistic regression to investigate variation in husband and wife perspectives on the division of authority over agriculture-related decisions within households in rural Tanzania. Using original data from husbands and wives (interviewed separately) in 1,851

Tanzanian households, the analysis examines differences in the wife's authority over 13 household and farming decisions. The study finds that the level of decision-making authority allocated to wives by their husbands, and the authority allocated by wives to themselves, both vary significantly across households. In addition to commonly considered assets such as women's age and education, in rural agricultural households women's health and labor activities also appear to matter for perceptions of authority. We also find husbands and wives interviewed separately frequently disagree with each other over who holds authority over key farming, family, and livelihood decisions. Further, the results of OLS and logistic regression suggest that even after controlling for various individual, household, and regional characteristics, husband and wife claims to decision-making authority continue to vary systematically by decision—suggesting that decision characteristics themselves also matter. The absence of spousal agreement over the allocation of authority (i.e., a lack of “intra-household accord”) over different farm and household decisions is problematic for interventions seeking to use survey data to develop and inform strategies for reducing gender inequalities or empowering women in rural agricultural households. Findings provide policy and program insights into when studies interviewing only a single spouse or considering only a single decision may inaccurately characterize intra-household decision-making dynamics.

Water, Law, and Development in Chile/California Cooperation, 1960–70s

- World Development---2017---Carl Bauer, Luis Catalán

During 1963–78 the governments and the top universities of Chile and California undertook three programs of binational development assistance and cooperation. The programs built on a long historical relationship between the two regions, marked by their striking similarities in physical geography and natural resources, despite being 1,000s of miles apart on opposite sides of the Equator. The first program was for technical development assistance to Chile in the framework of

the Alliance for Progress, and involved the three governments of Chile, California, and the United States. Water resources and river basin development planning were a primary emphasis, and led to building Chile's largest dual-purpose reservoir (Colbún). The second program was for graduate-level academic exchange and involved the two leading public university systems, the University of Chile and the University of California. This comprehensive program was funded for more than a decade by the Ford Foundation, with agriculture, natural sciences, and engineering the dominant fields. The third program was a separate effort to reform Chilean legal education, led by Stanford Law School and funded by the Ford Foundation. This Chile Law Program was a leading international example of the “law and development” movement in the 1960s, which overlapped closely with the early years of the “law and society” movement in the U.S. Both university and law school programs ended after the Chilean military coup in 1973. What were the impacts of these programs on water, law, and society in both Chile and California? What lessons can we learn today from those historical experiences? We answer these questions with an historical overview and synthesis of diverse documents and evidence. In focusing on water, law, and society, we aim to contribute to the interdisciplinary synthesis of different fields of development studies.

Imagined Statehood: Wartime Rebel Governance and Post-war Subnational Identity in Sri Lanka

- World Development---2017---Yuichi Kubota

This paper investigates the link between the wartime governance of rebel groups and post-civil war civilian identity. Focusing on Sri Lanka, it explores why and how individuals' wartime experience continues to influence their affinity to subnational entities in post-war society. Analyzing original survey data with Structural Equation Modeling, the results show that civilians' consciousness of rebel statehood has a positive effect on the formation of a subnational identity in the aftermath of civil war. The legacy of rebel governance persists and retains an impact on civilian identity in the post-war context. The findings suggest that those charged with

the task of post-war reconstruction need to take into account the long-lasting influence of rebel statehood in order to successfully rebuild integrated communities. A post-war regime cannot simply implant a new national identity if it dismisses this influence because post-war identity is a consequence of civilians' experience of governance by non-governmental but de facto state actors.

Unpacking the Effect of Decentralized Governance on Routine Violence: Lessons from Indonesia

- World Development---2017---Jan H. Pier-skalla,Audrey Sacks

We study the effect of decentralization on routine violence in Indonesia. We unpack decentralization along multiple dimensions and consider the individual effects of local elections, the creation of new administrative units, fiscal transfers, and local public service delivery. We use comprehensive data from Indonesia's National Violence Monitoring System (NVMS), a new dataset that records the incidence and impact of violence in Indonesia. We use these data to examine the relationship between the different dimensions of decentralization and different types of local violence in Indonesian districts during 2001–10. Our analyses suggest that there is a positive association between local service delivery and at least some forms of violence. We argue that the positive effect of service delivery on violence is due to newly generated distributive conflicts among local ethnic groups around the control over and access to services. By comparison, district splitting and the introduction of direct elections of district heads are negatively associated with some forms of violence. There is little evidence that fiscal transfers, in general, mitigate conflict.

Market Access, Well-being, and Nutrition: Evidence from Ethiopia

- World Development---2017---David Stifel,Bart Minten

We use a unique data source from a rural area in

northwestern Ethiopia to analyze the relationship between household/individual well-being, nutrition, and market access. We find that households residing in relatively more remote areas consume substantially less than households nearer to the market, they are more food insecure, and their school enrollment rates are lower. Although their diets are also less diverse, we find no significant differences in mother and child anthropometric measures. Part of the differences in well-being that we do observe can be attributed to lower household agricultural production in remote areas. Nonetheless agricultural production differences alone do not account for all the differences in household consumption levels for remote households. An additional contributing factor is the terms of trade for remote households that negatively affect both the size of the agricultural surplus that these households market and the quantity of food items that they purchase. Reducing transaction costs for remote households and facilitating migration could help equalize well-being among more or less favored locations.

Did FDI Really Cause Chinese Economic Growth? A Meta-Analysis

- World Development---2017---Philip Gunby,Yinghua Jin,W. Reed

Foreign direct investment (FDI) has been linked to economic growth in a number of countries. Productivity spillovers at the firm level have been identified as a key element in the process by which FDI stimulates economic growth. Moreover, there is evidence of FDI-related productivity spillovers in China. Whether these spillovers have been of sufficient size to affect growth at the aggregate level, however, is an empirical question. We apply meta-analysis to the corresponding empirical literature to find an answer. Our main finding is that the effect of FDI on Chinese economic growth is much smaller than one would expect from a naïve aggregation of existing estimates. Publication bias and a profusion of estimates based on less preferred study and sample characteristics have served to inflate observed estimates. Once these effects are accounted for, the estimated effect of FDI on Chinese economic

growth is reduced to statistical insignificance. This suggests that the cause(s) of the Chinese “economic miracle” likely lie elsewhere.

Colonial Revenue Extraction and Modern Day Government Quality in the British Empire

- World Development---2017---Rasmus Boms

The relationship between the extent of government revenue a government collects, primarily in the form of taxation, and its overall quality has increasingly been identified as a key factor for successful state building, good institutions, and—by extension—general development. Initially deriving from historical research on Western Europe, this process is expected to unfold slowly over time. This study tests the claim that more extensive revenue collection has long-lasting and positive consequences for government quality in a developmental setting. Using fiscal records from British colonies, results from cross-colony/country regression analyses reveal that higher colonial income-adjusted revenue levels during the early twentieth century can be linked to higher government quality today. This relationship is substantial and robust to several specifications of both colonial revenue and modern day government quality, and remains significant under control for a range of rivaling explanations. The results support the notion that the current institutional success of former colonies can be traced back to the extent of historical revenue extraction.

New Estimates on Educational Attainment Using a Continuous Approach (1970–2010)

- World Development---2017---Vanesa Jordá, Jose M. Alonso

In this paper we introduce a new set of estimates on educational attainment and inequality measures of education for 142 countries over the period 1970–2010. Most of the previous attempts to measure educational attainment have treated education as a categorical variable, whose mean is computed as a weighted average of the official duration of each cycle and attainment

rates, thus omitting differences in educational achievement within levels of education. This aggregation into different groups may result in a loss of information, introducing, therefore, a potential source of measurement error. We explore here a more nuanced alternative to estimate educational attainment, which considers the continuous nature of education. This “continuous approach” allows us to impose more plausible assumptions about the distribution of years of schooling within each level of education, and to take into account the right censoring of the data in the estimation, thus leading to more accurate estimates of educational attainment and education inequality. These improved estimates may help to better understand the role of education on different aspects of development.

Large-Scale Agricultural Investments and Smallholder Welfare: A Comparison of Wage Labor and Outgrower Channels in Tanzania

- World Development---2017---Raoul T. Herrmann

This article evaluates household welfare effects of large-scale agricultural investments in Tanzania, one of the main recipients of such investments in Africa. Specifically, the article compares households participating in sugar and rice investments through outgrower schemes or as agro-industry workers with non-participants in terms of household income and income poverty. Building on primary household data, it is one of the first studies to empirically analyze ex-post impacts of large-scale agricultural investments in Africa. The analysis draws on cross-section survey data of 516 households collected in Kilombero District, a priority cluster for the Southern Agricultural Growth Corridor of Tanzania (SAGCOT). The results show overall positive household welfare differences between participants of the investments and the respective counterfactual. However, there are large differences between arrangements and subsectors. Estimated effects for outgrowers are largest, yet for land-rich outgrowers more so than for land-poor. Effects for agro-industry workers in the sugar investment are significantly larger than for those in the rice investment, though in both investments land-poor workers seem to benefit. Hence, the study

results suggest potential benefits of outgrower schemes and potentials of agro-industry wage employment for the land-poor to escape extreme poverty. Yet, it also stresses particularly the need to address the constraints of land-poor outgrowers. Qualitative interviews, for example, pointed to growing risks for land-poor outgrowers in the context of rising elite capture by larger outgrowers.

Female-Headed Households and Living Conditions in Latin America

- World Development---2017---Chia Liu,Albert Esteve,Rocío Treviño

This study investigates the rise in female headship in Latin America and its relationship with changing living arrangements and household living conditions. Understanding the family situation of the household head is essential in assessing living conditions in the region of Latin America. We answer two main questions: first, how have the increase of union instability influenced trends in female headship? Second, are female-headed households in poorer living conditions than male-headed households? We use Integrated Public Use Microdata Series-International (IPUMS-I) census microdata for 14 Latin American countries, focusing on women aged 35 and 44 from 1970 to the present day. Our study finds that in most countries, women are increasingly likely to head households regardless of union status. The union status, more so than the sex of the household head, is more telling of the living conditions of the household. Female householders are, in fact, less likely to reside in materially poor households after controlling for union status (e.g., single parenthood, divorce, cohabitation) in many countries. Our results highlight the nuance of family situations and female empowerment leading to headship. Policy makers should review differences in rights and entitlement between marital and non-marital couples, upward mobility and opportunities for women, and develop strategies that alleviate single earner households.

Explaining Aid Project and Program Success: Findings from Asian Development Bank Interventions

- World Development---2017---Simon Feeny,Vu Vuong

This paper contributes to the aid effectiveness literature by examining the determinants of aid project and program success. Both macro (country level) and micro (project level) determinants are considered. The paper employs a variety of econometric techniques to examine evaluation data for countries in the Asia-Pacific from the Asian Development Bank (ADB) for period 1970–2010. At the macro level, the rate of per capita income growth is positively associated with aid project and program success. Aid interventions are found to have a lower probability of success in the Pacific and, surprisingly, in countries with higher levels of democracy. There is little association between project and program ratings and the level of governance. At the micro level, projects are more likely to be successful than programs, as are larger aid interventions. Interventions which received less funding than anticipated, possibly due to capacity constraints, are found to have a lower probability of success. Despite these statistically significant findings, both macro and micro variables contribute very little to the explanatory power of models explaining the variation in project and program outcomes. The paper concludes that the ADB should reconsider its performance based aid allocation model.

The Unintended Long-Term Consequences of Mao' s Mass Send-Down Movement: Marriage, Social Network, and Happiness

- World Development---2017---Shun Wang,Weina Zhou

This paper uses the China General Social Survey (CGSS) 2003 to evaluate the long-term consequences of a forced migration, the state' s “send-down” movement (shang shan xia xiang, or up to the mountains, down to the villages) during the Chinese Cultural Revolution, on individuals' nonmaterial well-being. The send-down program resettled over 16 million urban

youths to the countryside to carry out hard manual labor over the years 1968–78. Most of them were allowed to return to urban areas when the Cultural Revolution ended. To estimate the long-term impacts of the send-down experience, we compare the outcomes of individuals with send-down experience to those of individuals without send-down experience but having similar characteristics and family backgrounds during the send-down period. We conduct primarily OLS estimates with a careful sample selection. We find that those who had the send-down experience have worse marriage outcomes, lower-quality social networks, and a lower level of happiness than non-send-downs. The negative effects of the forced migration are robust against regression methods and various model specifications. Our study adds to the growing literature in economics that seeks to evaluate the impact of forced migration.

Estimating the Causal Effect of Fertility on Women’ s Employment in Africa Using Twins

- World Development---2017---Eelke de Jong,Jeroen Smits,Abiba Longwe

Women’ s employment is considered essential for gender equality and female empowerment, as well as for the living standard, dependency burden, and saving patterns of households in poor countries. To develop effective policies, it is important to know whether mothers with young children who are not gainfully employed prefer to be at home and care for their children, or are involuntarily out of the labor force, because they could not prevent getting those children. In this study having twins is used as the external shock due to which some women have obtained more children than they wanted. These women are compared with those who are similar in many respects (married and have at least one child) but did not experience this shock.

The Shanghai Effect: Do Exports to China Affect Labor Practices in Africa?

- World Development---2017---Christopher Adolph,Vanessa Quince,Aseem Prakash

To investigate whether Africa’ s exports to China influence labor practices in Africa, we reconsider the debate over trade’ s influence on regulatory standards in exporting countries. The first generation of trade–regulation scholars asked whether high levels of exports influenced regulatory standards of exporting countries, with inconclusive results. The second generation of scholarship focused not on how much a country exported but to whom it exported, identifying a “California Effect” by which firms and consumers in (mostly developed) importing countries projected their high regulatory standards on less developed export partners. Structural change—especially the rise of China as a major importer—poses a challenge to these optimistic findings. Drawing on insights from the analysis of compositional data, this paper introduces a third generation of trade–regulation research, which suggests examining not only with whom a country trades, but also how the composition of markets in a country’ s export basket reshuffles over time. Specifically, we explore the possibility of a “Shanghai Effect” whereby African countries begin to reflect the lower labor standards of China, which has emerged as a major destination for their exports. We show that when a country increases exports to China, the net effect on domestic labor standards depends critically on the labor practices of other export destinations compositionally displaced by China exports. Our analysis of a panel of 49 African countries for the period 1985–2010 produces a small continent-wide estimate of China’ s negative influence on African labor practices. In-sample simulation at the country level uncovers a moderate Shanghai Effect for a handful of countries only.

From NGOs to Banks: Does Institutional Transformation Alter the Business Model of Microfinance Institutions?

- World Development---2017---D’ Espallier, Bert,Jann Goedecke,Marek Hudon,Roy Mersland

In the microfinance industry an increasing number of providers are undergoing an institutional transformation from NGO to a shareholder-owned and typically regulated financial entity. Little is known about the

extent to which this transformation affects the way microfinance institutions (MFIs) conduct their business. Our results obtained by applying an event study methodology to 66 transformed MFIs suggest that portfolio yield is driven down by 3.9 percentage points due to transformation, indicating that clients get more favorable interest rates. MFIs are able to significantly cut down their operational expenses, of which 1.1 percentage points can be attributed to transformation. Other findings include a steep increase in commercial debt leverage and deposits, a significant decrease in the fluctuation of funding costs and a sharp rise in average loan size, often taken as an indicator for mission drift. Profitability in terms of ROA drops in the short term, while ROE is driven up in the medium to long run, suggesting a more shareholder-oriented attitude.

Regional Labor Market Integration, Shadow Wages and Poverty in Vietnam

- World Development---2017---Le Dang Trung, Remco H. Oostendorp

Poor workers suffer from low returns to their most abundant resource, labor. In this paper we show that labor market integration strongly affects these returns for poor workers in Vietnam. Using seven representative household surveys, it is shown that while regional labor markets have become increasingly integrated over the period 1993–2010 considering market wages of workers in wage employment, there remains a strong lack of integration considering shadow wages of workers in farm self-employment. Shadow wages have been increasing as a proportion of market wages during 1993–2010, but they remain only 22–28% of rural market wages by 2010. Using a decomposition technique, it is shown that the lack of integration between the farm self-employment segment with various segments of wage employment (regional, urban versus rural, non-farm household versus other enterprises), explains primarily the gap in returns to labor between poor and non-poor workers. These findings show that labor market integration studies should not only focus on observed market wages but also on shadow wages in order to understand the relationship between labor market integration and the

returns to labor.

Long-Run Commodity Prices, Economic Growth, and Interest Rates: 17th Century to the Present Day

- World Development---2017---David I. Harvey, Neil Kellard, Jakob Madsen, Mark Wohar

A significant proportion of the trade basket of many developing countries is comprised of primary commodities. This implies relative price movements in commodities may have important consequences for economic growth and poverty reduction. Taking a long-run perspective, we examine the historical relation between a new aggregate index of commodity prices, economic activity, and interest rates. Initial empirical tests show that commodity prices present a downward trend with breaks over the entire industrial age, providing clear support for the Prebisch–Singer hypothesis. It would also appear that this trend has declined at a faster rate since the 1870s. Conversely, several GDP series such as World, Chile, China, UK, and US, trend upward with breaks. Such trending behavior in both commodity prices and economic activity suggests a latent common factor like technological innovation.

Infant Health during the 1980s Peruvian Crisis and Long-term Economic Outcomes

- World Development---2017---Federico H. Gutierrez

In 1988, Peru entered a severe economic crisis as a corollary of unfavorable external economic conditions, high levels of debt, and heterodox policies (the so-called debt crisis of 1980s). This paper investigates the short-term health shock experienced by infants during the crisis and its long-term impact on human capital accumulation. Because no longitudinal data are available, the estimation of causal effects is performed using multiple cross-section surveys that are representative of the same population over time. The short-term and the long-term effects are estimated exploiting the heterogeneous impact of the crisis across and within birth cohorts. Results indicate that the Peruvian crisis

significantly affected the health of infants, particularly that of children born to low-educated mothers. From 1988 to 1990 vaccination declined 12 percentage points and infant mortality increased 2.3 percentage points among children born to low-educated mothers. In the long run, the children who suffered the most severe health shocks during the economic downturn of the 1980s performed worse in school. They had 0.12 fewer years of formal education and their probability of completing primary education by age 15 was three percentage points lower in relation to similar children born after the crisis. The results have strong policy implications. Children in developing countries should be safeguarded against health shocks during economic crises to avoid a decline in the accumulation of human capital in the long-run.

Does Large-Scale Infrastructure Investment Alleviate Poverty? Impacts of Rwanda's Electricity Access Roll-Out Program

- World Development---2017---Luciane Lenz, Anicet Munyehirwe, Jörg Peters, Maximiliane Sievert

The objective of the United Nations Sustainable Energy for All initiative (SE4All) is to provide electricity by 2030 to the 1.1 billion people in developing countries that hitherto lack access. The OECD/IEA quantifies the investment requirements of this to be at 640 billion USD. Little evidence exists on socio-economic impacts of electrification. The present paper is the first to causally investigate the effects of electrification in Africa on all beneficiary groups. The electrification program under research, the Rwandan Electricity Access Roll-Out Program (EARP), is one of the largest in the world. Our analysis is based on a panel of 974 households, a full-census survey among health centers, and qualitative surveys among 83 micro-enterprises and 50 schools. We find that EARP has been remarkably effective in increasing the connection numbers among all beneficiary types. Around 3.5 years after electrification, the quantity of consumed electricity and the uptake of appliances, though, remain low. Noteworthy impacts are decreasing energy expenditures and a considerable reduction in dry-cell battery consumption

with potential environmental benefits. Beyond this, electricity mostly facilitates people's life, but there is only weak evidence for impacts on classical poverty indicators such as income, health, and education. We conclude by calling for more research on the comparison of on-grid and off-grid electrification with respect to impact potentials, costs, and people's willingness to pay in order to inform the way forward within the SE4All endeavor.

Measuring Segregation of the Poor: Evidence from India

- World Development---2017---Shatakshee Dhongde

Compared to the extensive literature on measurement of poverty, the question of how the poor are distributed regionally has received less attention. This paper fills the gap in the literature by providing a conceptual framework to measure inequality in the distribution of the poor. A poverty segregation curve is used to compare a region's share of the poor population with its share in the overall population. A unique contribution of the paper is formulating a generalized version of the poverty segregation curve. Unlike the segregation curve, the generalized segregation curve also takes average poverty rates into account while ranking distributions. Thus the generalized segregation curve may rank a distribution with substantially lower poverty rates above a distribution with higher poverty rates, when differences between their segregation curves are relatively small. The segregation curves are used to analyze changes in the distribution of the poor in India since the economic reforms in the early 1990s. Poverty rates and shares among all states, territories, and districts in India are estimated using data from the National Sample Survey Organization in 1994, 2004, and 2010. In the decades following the reforms India witnessed high growth rates and declining poverty rates. Despite the reduction in poverty, our analysis is the first to reveal that there was a significant rise in segregation of the poor over time. Some states had disproportionately high share of the poor compared to their share in the total population. Within states, the extent of segregation was lower among some of the

poorest states and higher in less poor states. The generalized segregation curves show that the substantial decline in poverty rates since the reforms was not adequate to compensate the rise in segregation of the poor. Increase in segregation was also evident when the poor are identified as those who lacked education, health, and access to basic services. Reducing the segregation of the poor is important if India is to attain regionally balanced economic growth.

Promising Change, Delivering Continuity: REDD+ as Conservation Fad

- World Development---2017---Jens Lund, Eliezeri Sungusia, Mathew Bukhi Mabele, Andreas Scheba

REDD+ is an ambition to reduce carbon emissions from deforestation and forest degradation in the Global South. This ambition has generated unprecedented commitment of political support and financial funds for the forest-development sector. Many academics and people-centered advocacy organizations have conceptualized REDD+ as an example of “green grabbing” and have voiced fears of a potential global rush for land and trees. In this paper we argue that, in practice and up until now, REDD+ resembles longstanding dynamics of the development and conservation industry, where the promise of change becomes a discursive commodity that is constantly reproduced and used to generate value and appropriate financial resources. We thus argue for a re-conceptualization of REDD+ as a conservation fad within the broader political economy of development and conservation. We derive this argument from a study that compares the emergence of REDD+ in Tanzania with that of a previous forest-policy model called Participatory Forest Management. Our study describes how the advent of REDD+ implies change at the discursive level, but also continuity and repetitiveness in terms of the initial promises and expectations leading to substantial donor financing, pilot project activities, and policy development and implementation processes. In both epochs, these have achieved little in terms of changing actual forest management and use on the ground outside selected pilot project sites, but have sustained the livelihoods of ac-

tors within the development and conservation industry, including academics. Given that there are still many who look to REDD+ in the hope of addressing global climate change, despite less than hoped for financial support at the global level, our study provides an important starting point for questioning the uses of the finances for REDD+ that are actually amassed.

Estimating the Long-Term Impact of the Great Chinese Famine (1959–61) on Modern China

- World Development---2017---Elizabeth Gooch

This research analyzes the long-term impact of the Great Chinese Famine (1959–61) on the modern Chinese economy, and shows that areas in which famine was most severe have significantly lower per capita GDP today. The Great Famine coincided with the Chinese Communist Party’s industrialization and agriculture modernization plan, the Great Leap Forward (GLF). To remove omitted variable and endogeneity problems, a unique relationship between the Communist army’s takeover of mainland China (1946–50) and the degree to which subnational leadership was willing to enforce GLF policies to the detriment of rural citizens’ well-being is exploited via instrumental variable (IV) estimation. Specifically, areas liberated later had a higher density of zealous administrators by the start of the GLF in 1958, and in turn experienced stricter enforcement of GLF policies which resulted in greater famine severity. As a result, this research finds a relatively pronounced impact of politically-triggered famine captured by the IV approach, which strengthens the growing outlook that famine is a consequence of inadequate food entitlement, as opposed to being simply food shortages.

Gender and Policy Roles in Farm Household Diversification in Zambia

- World Development---2017---Mariana Saenz, Eric Thompson

Many African governments, faced with low rural incomes and food security challenges, have developed

input subsidy programs in order to enhance agricultural productivity. This paper adds to recent literature analyzing the effects of input subsidy programs and gender on crop diversification in Sub-Saharan Africa. We investigate the effect of Zambia's input subsidy program on crop allocation patterns by gender. In relatively land abundant Zambia, we test both single-equation crop diversification index models and multivariate regression models of cropland allocation. Our study finds that input subsidies reduce crop diversification more in male-headed households than in female-headed households. Further, multivariate regression results confirm that this occurs because female-headed households expand maize acreage less in response to the input subsidy. These findings suggest that greater cropland diversification will be maintained if input subsidy programs are accompanied by loan programs and other assistance which support leadership roles for women in farm households.

Contradictory Land Use Plans and Policies in Laos: Tenure Security and the Threat of Exclusion

- World Development---2017---Rikke Brandt Broegaard, Thounthone Vongvisouk, Ole Mertz

Contradicting policies and overlapping property arrangements are common in many countries, opening doors for diverse interpretations by different actors. This requires better knowledge on how competing interests and actors interact and what determines the practical competition outcomes as demand for land intensifies and international actors get increasingly involved in regulating natural resources. Land use planning in Laos provides a case in point as it aims at strengthening tenure security, intensifying agriculture and sparing forest areas while other policies simultaneously promote agricultural development and agribusiness investment that reconfigure land use and land access. Through national, provincial, district, village and household interviews, we examine how different land- and forest-related policies interact, and whether ongoing land use planning processes and land rights formalization increase tenure security. We show how

government policies supported by international donors, and introduced to strengthen tenure rights for the rural population actually reduce villagers' legally permitted agricultural areas. Even if district-level land use regulations do not currently exclude local communities from their land, land use plans lay the groundwork for potentially excluding villagers from large land areas. We find that plural, contradictory regulations and policies, combined with existing power inequalities result in a "filter mechanism" that reduces the practical impact of legal instruments and safeguards aimed at strengthening the least powerful actors' rights. Our results add to other authors' arguments that political and legal changes are mediated by power relations, cultural norms and economic incentives, by highlighting that the dual-edged rights sword may actually end up paving the way for greater state control over future benefits derived from community areas classified as forest lands. This is especially relevant when preparing REDD+, which we show is likely to weaken rather than strengthen tenure security for rural populations.

Tenure Security Premium in Informal Housing Markets: A Spatial Hedonic Analysis

- World Development---2017---Shohei Nakamura

This paper estimates slum residents' willingness to pay for formalized land tenure in Pune, India. The results show that the legal assurance of slum residents' occupancy of their lands could benefit them. Previous studies have discussed the legal and non-legal factors that substantially influence the tenure security of residents in informal settlements; however, it remains unclear how and to what extent the assignment of legal property rights through the formalization of land tenure improves the tenure security of residents in informal settlements and living conditions, even in the presence of other legal and non-legal factors that also contribute to their tenure security. To address this question, this study focuses on the city of Pune, India, where government agencies have formalized slums by legally ensuring the occupancy of the residents under the "slum declaration." Applying a hedonic price model to an original household survey, this paper in-

investigates how slum residents evaluate formalized land tenure. A spatial econometrics method is also applied to account for spatial dependence and spatially autocorrelated unobserved errors. The spatial hedonic analysis shows that the premium of slum declaration is worth 19.2% of the average housing rent in slums. The associated marginal willingness to pay is equivalent to 6.7% of the average household expenditure, although it is heterogeneous depending on a household's caste and other legal conditions. This finding suggests that the assurance of occupancy rights is a vital component of land-tenure formalization policy even if it does not directly provide full property rights.

Determinants of Farmers' Land Use Decision-Making: Comparative Evidence From Thailand and Vietnam

- World Development---2017---Trung Thanh Nguyen, Loc Duc Nguyen, Rattiya Suddeephong Lippe, Ulrike Grote

Understanding farmers' land use decision-making is of interest to policy makers and scientific communities. Furthermore, comparing farmers' land use decision-making between countries offers a functioning instrument to enhance this understanding, since one country can benefit from the experiences of another. This study extends the sustainable livelihoods framework to examine and compare the factors affecting farmers' land use decision-making regarding land use choices and crop diversification. A panel dataset of 514 farm households in Ha Tinh (Vietnam) and 422 farm households in Ubon Ratchathani (Thailand) collected in 2007 and 2013 is used for the analyses. The results reveal that (i) farmers' land use decision-making is determined by various factors representing the livelihood platforms, weather shock experience and expectation, and physical-economic conditions of the living localities, and (ii) crop diversification is a weather shock-coping strategy of rural households. We suggest that (i) promoting farm land reconsolidation and privatization, (ii) enhancing access to credit sources and national electricity networks, and (iii) improving rural road conditions and attracting investments in rural non-agricultural

sectors contribute to reducing farmers' vulnerability to climate variability.

To Specialize or Diversify: Agricultural Diversity and Poverty Dynamics in Ethiopia

- World Development---2017---Jeffrey Michler, Anna Josephson

Recent agricultural development policies have begun to shift focus from the promotion of a few staple crops toward encouraging crop diversity. The belief is that crop diversification is an effective strategy for dealing with a variety of issues, including poverty alleviation. However, there is a lack of empirical evidence to justify these positions. We contribute to filling this research gap by providing quantitative evidence on the impact of diversity in crop cultivation on household poverty. Using household panel data from Ethiopia we develop a diversity index to measure the effect of crop diversity on poverty status. To control for endogeneity and selection bias resulting from unobserved heterogeneity we utilize a recently developed parametric method for estimating dynamic binary response models with endogenous contemporaneous regressors. Our results provide evidence that households which grow a diverse set of crops are less likely to be poor than households that specialize in their crop production. Additionally, crop diversity reduces the probability that a non-poor household will fall into poverty and the probability that a poor household will remain in poverty. We conclude that crop diversification is a viable way to deal with the exigencies of being poor.

Migration, Diversity, and Economic Growth

- World Development---2017---Vincenzo Bove, Leandro Elia

When migrants move from one country to another, they carry a new range of skills and perspectives, which nurture technological innovation and stimulate economic growth. At the same time, increased heterogeneity may undermine social cohesion, create coordination, and communication barriers, and adversely affect economic development. In this article we investigate the extent

to which cultural diversity affects economic growth and whether this relation depends on the level of development of a country. We use novel data on bilateral migration stocks, that is the number of people living and working outside the countries of their birth over the period 1960–2010, and compute indices of fractionalization and polarization. In so doing, we explore the effect of immigration on development through its effect on the composition of the destination country. We find that overall both indices have a distinct positive impact on real GDP per capita and that the effect of diversity seems to be more consistent in developing countries.

Institutions, Foreign Direct Investment, and Domestic Investment: Crowding Out or Crowding In?

- World Development---2016---Kristine Farla,Denis de Crombrughe,Bart Verspagen

Studies of the relationship between FDI and domestic investment reach contradictory findings. We argue that some of the conflicting evidence may be explained by the use of poor proxies for the theoretical concepts and questionable methodological choices. We review the paper of Morrissey and Udomkerdmonkol published in this journal in 2012. Improvements in the construction of the proxies and refinements in the estimation methodology reverse the finding of Morrissey and Udomkerdmonkol that FDI inflows crowd out domestic investment. Furthermore, there is no strong evidence that “good governance” actually encourages domestic investment.

Response to ‘Institutions, Foreign Direct Investment, and Domestic Investment: Crowding Out or Crowding In?’

- World Development---2016---Oliver Morrissey,Manop Udomkerdmongkol

Farla, de Crombrughe, and Verspagen (2016) raise two criticisms of Morrissey and Udomkerdmongkol (2012): that a more appropriate instrumentation strategy eliminates the significance of the effect of governance, and

the finding that FDI crowds out private investment is reversed using their preferred dependent variable. This response accepts the first point as they do demonstrate the fragility of results for governance, but rejects the second point as they do not actually provide evidence of crowding in.

Can Multinational Enterprises Light up Developing Countries?

- World Development---2016---D’ Amelio, Matilde,Paola Garrone,Lucia Piscitello

This paper examines the role that multinational enterprises (MNEs) and foreign direct investments (FDI) can have in enhancing the access to electricity for local communities in developing countries based on the quality of home and host institutions. Access to electricity is a marker for development but it is far from being universal in developing countries. The shortage of electricity is mainly the consequence of inability of governments in planning, financing, and developing necessary electricity infrastructure. In this context, investments from other actors can be essential. Particularly, we focus on the role of FDI and MNEs. We claim that when MNEs invest in developing countries, they are incentivized to solve the lack of electricity infrastructure mainly for two reasons: to guarantee their business activities and to gain legitimacy with their local stakeholders. In addition, we argue that MNEs and FDI from institutionally underdeveloped countries will be more prone to develop infrastructure for the provision of electricity to local population, as generally they suffer from a negative stereotype. For this study, we rely on 1,547 observations composed of pairs of 83 home countries and 15 host countries in sub-Saharan Africa, observed from 2005 to 2011. Due to the nature of the database, we adopt panel data techniques, i.e., system-GMM and corrected Least Square Dummy Variable estimators. We find that FDI promotes access to electricity in developing countries with weak institutions and this is more likely true when FDI come from institutionally underdeveloped countries. These results are far from obvious, as they controvert common idea among institutional scholars that a regulatory

authority is essential in the provision of infrastructure.

Assessing Gender Inequality in Food Security among Small-holder Farm Households in urban and rural South Africa

- World Development---2016---Byela Tibesigwa,Martine Visser

With the ongoing changes in climate, household food insecurity is likely to be more widespread in most small-holder and subsistence farm households in sub-Saharan Africa. However, the existence and extent of gendered household food security—or lack thereof—remains unclear. This study extends existing knowledge by assessing gender inequality in household food (in) security among small-holder farm households in urban and rural areas of South Africa. In doing-so, we use the gender of the head of household and treatment effects framework. Our results show that male-headed households are more food secure compared to female-headed households, with the latter depending more on agriculture to increase household food levels. We further find that the household food security gap between male- and female-headed households is wider in rural than in urban areas, where rural male- and female-headed households are more likely to report chronic food insecurity, i.e., are more likely than their urban counterparts to experience hunger. Interestingly, the effects of climatic characteristics on household food security are more apparent in rural than in urban areas. Our findings suggest that household food security initiatives are likely to be more effective, in closing the gender gap in household food security, if aligned with policies on urban and rural agriculture and development.

The Good Life, Affluence, and Self-reported Happiness: Introducing the Good Life Index and Debunking Two Popular Myths

- World Development---2016---Jan Delhey,Leonie C. Steckermeier

This paper examines two highly controversial questions about human well-being in the richer part of the world.

First, is people's quality of life (still) enhanced by national prosperity? Many scholars doubt this, in particular advocates of de-growth. The second question concerns the relationship between the good life and self-reported happiness: Do people chiefly report being happy and satisfied for reasons embodied in achieving a good life? For addressing these issues we draw on a novel quality of life approach, the 'elements of the good life' as sketched out by Skidelsky and Skidelsky in 2013. This approach focuses on life results in seven domains: health, security, friendship, respect, leisure, personality, and harmony with nature. Our article refines the original concept and suggests a way to measure the well-being of individuals with the help of the Good Life Index. By analyzing data for 30 European countries from the most recent European Quality of Life Survey (EQLS) within a multilevel framework, we can show that Europeans' life-quality is better in wealthier societies, and that Europeans are authentically happy.

Where do Property Rights Matter More? Explaining the Variation in Demand for Property Titles across Cities in Mexico

- World Development---2016---Paavo Monkkonen

This paper examines the variation in the value of property rights to housing in Mexico, focusing specifically on differences between urban housing markets. Roughly 30% of owner-occupied houses in Mexico do not have a proper deed. Houses with no deed are estimated to be five percent less valuable than otherwise similar houses with a full deed, yet this premium varies widely across cities. I match data from the 2012 and 2014 National Survey of Household Incomes and Expenditures to different sources of city-level data in order to examine hypotheses explaining this variation in a multilevel regression framework. I find that deeds are valued more in cities with more highly educated residents, more political competition, and more voting. Measures of local economic activity, degree of informality, and the regulatory bureaucracy are not associated with higher value to full property rights. Additionally, I find that more educated households value deeds

more, and having a deed is more valuable for larger houses in neighborhoods with less vacancy and higher infrastructure quality. Based on these results, I suggest funds to subsidize titling should be redirected to places where titles are worth more. More broadly, I suggest policymakers reconsider framing property-titling programs as poverty alleviation. Low-income households would benefit more from subsidies for improvements to housing and residential infrastructure. At the same time, the federal government should further push to reduce the costs of transferring property.

The Effects of Migration on Collective Action in the Commons: Evidence from Rural China

- World Development---2016---Yahua Wang, Chunliang Chen, Eduardo Araral

Over the past three decades, scholars have studied the effects of more than three dozen factors on collective action in the commons but little is known about the effects of rural to urban migration. We examine this question with the case of China, which has the world's most extensive levels of rural to urban migration. Using OLS, Logit and Probit models and data from a survey of 1,780 households from 18 provinces, we find that migration has a statistically significant adverse effect on collective irrigation controlling for a large number of theoretically relevant variables. The effects of migration on collective action in the commons are possibly mediated by a number of factors frequently identified in the literature, including leadership, social capital, sense of community, economic heterogeneity, and dependence on resources. We speculate that massive out migration partly explains the significant drop in the use of collective canal irrigation and exacerbated the significant increase in groundwater irrigation since the start of reforms in 1980s. These findings have important policy implications for commons governance in China given that massive rural to urban migration will continue in the next decade. Because of the increasing rural to urban migration worldwide especially in developing countries, the findings could also partly explain the deteriorating state of rural village infrastructure, natural common pool resources and ecological systems

in many developing countries.

Political Determinants of State Capacity in Latin America

- World Development---2016---Davide Grassi, Vincenzo Memoli

In this article, we argue that both democracy and governments' partisanship have a bearing on state capacity in Latin America. We also maintain that state capacity is a condition rooted in history and society: it can be built or purposefully undermined. In particular, in Latin America parties of the left have frequently operated to reallocate social and political clout in favor of underprivileged groups: the inclusion of the latter in the political process helped states to thwart pressures from dominant elites opposing redistribution and tax increases. These mobilized groups have also pushed for universal public services, as high-quality education, health care or public housing, which required well-functioning administrations and an adequate institutional capacity, thus contributing to consolidate stateness in the area. Whereas previous qualitative studies analyzed the mechanisms that relate democracy and political partisanship to state capacity, we test this hypothesis quantitatively. To this end, we estimate the effect over time of democracy, political parties and other socio-demographic factors on a composite measure of stateness, obtaining supportive evidence: in particular, we find that higher democracy levels and left-leaning governments favored the growth of state strength in the area during 1975–2009 and discuss these findings with reference to the political experience of Latin America.

Television is More Effective in Bringing Behavioral Change: Evidence from Heat-Wave Awareness Campaign in India

- World Development---2016---Saudamini Das

This paper analyzes a unique data set that details the daily advertisements on Information, Education and Communication (IEC) material to avert heat stroke

mortality in different media used by the state government of Odisha, India and the actual daily heat-wave mortalities in the state over a period of eight years. The paper then investigates the relative effectiveness of the different media in reducing mortality econometrically. The government adopted awareness generation as an adaptation strategy for heat waves in the year 2003 and intensified the use of public media from 2007 when multiple newspapers and radio and television channels were used for dissemination. I analyze the district-level daily death occurrences due to heat stroke using both linear and non-linear econometric models. Media used on the same day or on previous days are represented in the models by grouping them as either print, audio or video media. The data used is a daily panel data set consisting of only summer days (15th March–20th June) for the years 2005–12 for each of the 30 districts of the state. The estimated models account for the gap in data and the multidimensional nature of the panel (days, months, years). The results show the repeated use of video media to be the most effective in reducing deaths followed by newspapers and radio. The paper's novel contribution is the use of secondary data to evaluate media and compare media effect of public health communication strategies in a developing country.

The Less Extreme, the More You Leave: Radical Islam and Willingness to Migrate

- World Development---2016---Chiara Falco,Valentina Rotondi

This paper studies radical Islam as a determinant of individuals' willingness to migrate. Surprisingly, despite its relevance in the political debate, this topic has not been investigated empirically in the literature. In order to fill this gap, we develop a model of the decision to migrate focusing in particular on the role played by cultural traits. More specifically, we focus on radical Islam as a deterrent for migration. Following Berman (2003), we define radical Islam as a set of ideologies, also referred to as Political Islam, holding that Islam should guide not only personal life, but also social and political life. In our model, more radical

values imply a higher psychological cost of migrating. This cost derives from the fact that connections with socio-religious friends and neighbors are generally not maintained after migration, thus deterring individuals from migrating (Mayers, 2000). We then test empirically the predictions of the model, using individual-level data from the second (2010–11) and third (2012–14) waves of the Arab Barometer. Our results suggest that, *ceteris paribus*, more radical individuals are less willing to migrate. This finding is robust to alternative specifications of the model and to the use of Instrumental Variables and Propensity Score Matching aimed at addressing the potential endogeneity of radical Islam. The result is also qualitatively unchanged when using aggregate data on actual outflows of migrants.

Natural Resources and Economic Growth: A Meta-Analysis

- World Development---2016---Tomas Havranek,Roman Horvath,Ayaz Zeynalov

An important question in development studies is how natural resources richness affects long-term economic growth. No consensus answer, however, has yet emerged, with approximately 40% of empirical papers finding a negative effect, 40% finding no effect, and 20% finding a positive effect. Does the literature taken together imply the existence of the so-called natural resource curse? In a quantitative survey of 605 estimates reported in 43 studies, we find that overall support for the resource curse hypothesis is weak when potential publication bias and method heterogeneity are taken into account. Our results also suggest that four aspects of study design are especially effective in explaining the differences in results across studies: (1) controlling for institutional quality, (2) controlling for the level of investment activity, (3) distinguishing between different types of natural resources, and (4) differentiating between resource dependence and abundance.

Achieving Sustainability and Development through Collective Action? An Empirical Analysis of the Impact of the Bore Pool Sharing Program on Farm Incomes and Crop Choices

- World Development---2016---Deepa Pradhan,Ram Ranjan

Repeated droughts in agriculture have promoted intensive reliance upon groundwater resources, thereby exacerbating the already stressed groundwater reservoir situations all across the globe. This has also resulted in increased inequality among farmers by allowing those with better physical assets, such as borewells, to extract water at the cost of less affluent farmers. As a response, bore pool sharing collective arrangements were introduced in some parts of India, with the intention of slowing down the rate of groundwater depletion and helping improve the livelihoods of the worst affected farmers. Such arrangements work through promoting collective management of groundwater resources by providing critical and timely irrigation to rain-fed crops and through dis-incentivizing the cultivation of high water consuming crops. We investigate the impact of bore pool sharing programs on crop incomes and cropping patterns of the participating households in South India. A Probit-2SLS model and Propensity score matching method are used to evaluate the impact of such programs while controlling for self-selection biases. Results indicate that farmers' participation in bore pool sharing collectives is positively associated with their crop incomes. However, contrary to expectation, the share of high water-intensive crops also increases with participation. In addition, share of water-intensive crops is higher for a collective group with a higher ratio of bore wells to number of participating households. Finally, farmers within the pool with multiple past failed bore well sinking attempts tend to extract more water, thereby threatening the sustainability of the groundwater as well as the livelihoods of the farming community.

Does Gender Equality Promote Social Trust? An Empirical Analysis

- World Development---2016---Seo-Young Cho

Fairness is an important factor that promotes social trust by reducing social heterogeneity and gaps between people. This paper empirically investigates whether gender equality—fairness between men and women—increases social trust by analyzing a global sample from the World Values Survey. The findings show that gender discriminatory values negatively affect the trust levels of both men and women, while women's status in labor, education, and political dimensions is not a significant determinant. These results indicate that values regarding gender equality (fair values) are arguably more important to social trust than the actual socioeconomic conditions of women (fair conditions). Furthermore, the effect of gender equality varies across countries with different levels of gender endowments. Gender-related values are an important factor of social trust in countries where gender equality is relatively high, but its effect is minimal in countries with greater gender discrimination. This finding implies that fairness is a more essential social value in countries where equality is already established. Finally, the empirical investigation finds a stronger effect of gender equality on men than on women—especially in high gender-equal countries. This result contradicts the initial expectation that gender equality influences women more significantly and thus, the effect should be larger for them. A possible explanation for this result is that gender equality establishes a more trustworthy environment of men which increases their trust level more.

“As a Husband I Will Love, Lead, and Provide.” Gendered Access to Land in Ghana

- World Development---2016---Isabel Lambrecht

Improving women's access to land is high on the agricultural policy agenda of both governmental and non-governmental agencies. Yet, the determinants and rationale of gendered access to land are not well understood. This paper argues that gender relations

are more than the outcomes of negotiations within households. It explains the importance of social norms, perceptions, and formal and informal rules shaping access to land for male and female farmers at four levels: (1) the household/family, (2) the community, (3) the state, and (4) the market. The framework is applied to Ghana, using the results from qualitative field work. Norms on household and family organization and on men's and women's responsibilities and capabilities play a key role in gendered allocation of resources. However, these norms and perceptions are dynamic and evolve jointly with the development of markets and changes in values of inputs such as labor and land. Theoretical models that represent the gendered distribution of assets as the result of intrahousehold bargaining should be revised, and extrahousehold factors should be included. From a policy perspective, laws that ensure gender equality in terms of inheritance and a more gender-equitable distribution of property upon divorce can play a key role in improving women's property rights. Yet, their impact may be limited where customary rights dominate and social norms and rules continue to discriminate according to gender.

The State of Family Farms in the World

- World Development---2016---Benjamin E. Graeub, M. Jahi Chappell, Hannah Wittman, Samuel Ledermann, Rachel Bezner Kerr, Barbara Gemmill-Herren

2014 was the United Nations' International Year of Family Farming, yet the importance of family farming for global food security is still surprisingly poorly documented. In a review of agricultural census data, we find that globally family farms constitute over 98% of all farms, and work on 53% of agricultural land. Across distinct contexts, family farming plays a critical role for global food production. We present two examples of policy approaches toward family farmers—Brazil and Malawi—to provide insight into some of the complexities and challenges behind the global numbers.

The Number, Size, and Distribution of Farms, Smallholder Farms, and Family Farms Worldwide

- World Development---2016---Sarah K. Lowder, Jakob Scoet, Terri Raney

Numerous sources provide evidence of trends and patterns in average farm size and farmland distribution worldwide, but they often lack documentation, are in some cases out of date, and do not provide comprehensive global and comparative regional estimates. This article uses agricultural census data (provided at the country level in Web Appendix) to show that there are more than 570 million farms worldwide, most of which are small and family-operated. It shows that small farms (less than 2ha) operate about 12% and family farms about 75% of the world's agricultural land. It shows that average farm size decreased in most low- and lower-middle-income countries for which data are available from 1960 to 2000, whereas average farm sizes increased from 1960 to 2000 in some upper-middle-income countries and in nearly all high-income countries for which we have information.

The Economic Impact of Short-term IMF Engagement in Low-Income Countries

- World Development---2016---Yasemin Bal Gündüz

This study estimates the economic impact of IMF-supported programs addressing policy and exogenous shocks in low-income countries (LICs) using the propensity score matching approach. Focusing on a more homogenous group of financing events greatly improves the specification and predictive power of the selection model as compared to earlier studies, which is the key requirement to control for selection bias. This paper looks into a wide range of potential economic and political determinants of participation. Lower reserve coverage, deterioration in the current account balance, a weaker real GDP growth, increased macroeconomic instability (evident in higher fiscal deficits, inflation and exchange market pressures), and lagged elections would increase the probability of participation, i.e., propensity scores. Moreover, global conditions, including changes in real oil and non-oil commodity prices

and world trade, are also significant; therefore, adverse global shocks could create cycles in demand for IMF financing. The short-term IMF engagement is positively associated with a wide range of macroeconomic outcomes. Notably, the impact on the short-term growth is the greatest and becomes significant only for LICs facing substantial macroeconomic imbalances or large exogenous shocks. When matching accounts for propensity scores and institutional quality, program countries in this group have changes in growth $1\frac{1}{2}$ – $3\frac{1}{2}$ percentage points higher than the control group.

Does Political Reservation for Minorities Affect Child Labor? Evidence from India

- World Development---2016---Elizabeth Kaletski,Nishith Prakash

This paper examines the impact of state-level political reservation for two minority groups—Scheduled Castes and Scheduled Tribes—on the incidence of child labor in India. We estimate the effect of political reservation on the incidence of child labor by exploiting the state variation in the share of seats reserved for the two minority groups in state legislative assemblies mandated by the Constitution of India. Using data from state and household-level surveys on fifteen major Indian states, we find that at the household level, Schedule Tribe reservation decreases the incidence of child labor, while Scheduled Caste reservation increases the total number of children working. We examine these impacts on the general as well as the disadvantaged group population independently, and across the gender of children. We also explore potential explanations for the differential impact of SC and ST political reservation, including geographic isolation, caste fragmentation, support for the Congress Party, and decentralization of power. Our results survive a variety of robustness checks.

Women' s Empowerment Across the Life Cycle and Generations: Evidence from Sub-Saharan Africa

- World Development---2016---Florence Arestoff,Elodie Djemai

Does female empowerment evolve over the life cycle, and has it changed across generations? We use data from the Demographic and Health Surveys covering a sample of about 191,000 adult women to evaluate the age, period and cohort effects regarding individual attitudes to marital violence. Pseudo-panel data are constructed from repeated cross-sections from five African countries in the 2000s. The estimates show that, over the life cycle, women tend to think that marital violence is less and less justifiable, and that younger cohorts are less likely than older cohorts to view marital violence as justifiable, even controlling for education.

The Aftermath of Financial Crises: A Look on Human and Social Wellbeing

- World Development---2016---Amin Mohseni-Cheraghlou

Alongside its detrimental macroeconomics impacts, financial crises can have substantial negative consequences on human and social wellbeing. Employing a cross-country dataset on more than 100 banking and/or currency crises during 1981–2007, this work examines the effects of financial crises on indicators of human and social wellbeing. Through employing an event study analysis, the findings of this analysis suggest that the aftermaths of financial crises are characterized by increases in the growth rates of suicide rates, crime rates, and income inequality rates relative to their pre-crisis trajectories. Additionally, declines in the growth rates of health and educational expenditures, government welfare expenditures, and food quality and quantity intakes are common during periods immediately following financial crises. Such deteriorations are observed across different countries with income levels and also for crises that are and are not accompanied by recessions. On average, though, human and social indicators are hit harder during financial crisis events accompanied by recessions. This is especially true for crises in low- and middle-income economies in comparison to those in high-income countries. As a result, not only are financial crises directly responsible for more rapid increases in income inequality within countries;

they may also be responsible for increasing inequalities of income, security, health, nutrition, and educational outcomes between richer and poorer countries. Needless to say, deteriorations in many of these fronts are often associated with persistent or permanent losses in human and social wellbeing and cannot be assumed to be simply and immediately reversed with an economic recovery. Therefore, the paper calls on the need for more concerted effort on the part of the policymakers to actively protect human and social outcomes during financial crises, rather than trying to address such losses in the aftermath of crises, because some of these losses are simply not recoverable.

Institutional Adaptability in China: Local Developmental Models Under Changing Economic Conditions

- World Development---2016---Xiaoxiao Shen,Kellee S. Tsai

Distinct patterns of regional development have emerged in China's political economy since the initiation of economic reforms in late 1970s. In particular, the localities of Suzhou, Wenzhou, and Dongguan each achieved dramatic economic growth during the first three decades of reform, earning them national reputations as developmental "models" for other cities in China to recognize and emulate. However, the local states of Suzhou, Wenzhou, and Dongguan responded differentially to changing conditions in the broader domestic and global economy; and the global financial crisis at the end of the 2000s affected the three localities with varying levels of severity. This article thus seeks to explain why previously well-performing developmental models diverged in their performance and capacity to recover from a major economic shock. Drawing on national economic census data, in-depth field interviews, and relevant secondary literature, we argue that variation in the institutional adaptability of Suzhou, Wenzhou, and Dongguan throughout the course of their developmental experiences had a defining effect on how these cities fared during the financial crisis. The process-tracing case studies reveal that a locality's ability to adjust to changing market condi-

tions may be conditioned by structural endowments, but ultimately hinges on agent-centric factors, including motivated and capable local leadership, openness to new policy ideas, and state capacity for policy implementation. Ultimately, our analysis makes the broader observation that in a dynamic environment, factors that promote economic success at one point can become barriers later on. Hence, exploring a region's institutional adaptability and identifying the factors that facilitate or impede such adaptability in local economic governance provides a more nuanced means for understanding a locality's evolving developmental patterns and performance—during normal times, as well as more challenging periods.

Using Linguistic Networks to Explain Strength of Intellectual Property Rights

- World Development---2016---Thomas Cook,Amy H. Liu

What explains the strength of intellectual property rights (IPR)? While extant research would suggest democratic governments are better constrained to protect property rights, we are agnostic about this mechanism with respect to IPR. We argue IPR—distinct from physical property by their lack of geographical boundaries—are stronger in states not because property owners have a democratic voice, but because they can exit the state as an alternative. We test this argument using a newly constructed network variable that measures the degree of linguistic compatibility between states based on languages of education. We contend that the cost of exit is lower when the language of the intellectual property owner is widely used globally; and vice versa. This linguistic network variable improves on traditional common-language measures in that it considers the same language can be spoken in more than just a pair of dyads and that the education sector is an important arena for disseminating languages that need not be official. We find that (1) democracy has a weak and usually non-significant effect but (2) high linguistic compatibility has a strong and robust effect. The results call attention to the conceptual heterogeneity of property rights and the limited theo-

retical linkage between regime type and these bundles of rights.

Sustainable Intensification and Farmer Preferences for Crop System Attributes: Evidence from Malawi's Central and Southern Regions

- World Development---2016---David L. Ortega, Kurt B. Waldman, Robert B. Richardson, Daniel C. Clay, Sieglinde Snapp

Low soil fertility is a limiting factor to farm productivity, household nutrition, and economic development in many parts of Africa due to the continuous cultivation of maize over centuries. Diversifying maize monocrop with legumes has been proposed as one solution to declining soil fertility. Adoption of legumes in Africa remains low despite the much needed soil fertility and nutrition benefits provided by the crops. We employ choice experiments to examine farmers' preferences for groundnut, soybean, and pigeon pea intercropped with maize and explore barriers and drivers to adoption in Central and Southern Malawi. Overall, farmers significantly discount legume yields in favor of maize yields despite the additional benefits provided by legumes. Labor constraints and market access are potentially more important barriers to legume adoption than previously thought. Results identified three types of farmers with varying preferences for grain yields, the largest group (48%) associated with strongly positive preference for both legume and maize grain yield, a medium-sized group (35%) that values only maize yield, and the smallest group (17%) having preferences only for legume yield. The medium group may be growing legumes for other benefits such as enhanced maize productivity, and the smallest group may be primarily subsistence producers. These findings suggest that uptake of legume maize intercrop systems might be improved if practitioners focus on legumes that have lower labor requirements and better marketability.

Investigating the Gender Gap in Agricultural Productivity: Evidence from Uganda

- World Development---2016---Daniel Ali, Derick Bowen, Klaus Deininger, Marguerite Duponchel

Women comprise 50% of the agricultural labor force in Sub-Saharan Africa, but manage plots that are reportedly on average 20–30% less productive. As a source of income inequality and aggregate productivity loss, the country-specific magnitude and drivers of this gender gap are of great interest. Using national data from the Uganda National Panel Survey for 2009–10 and 2010–11 that include a full agricultural module and plot-level gender indicator, the gap before controlling for endowments was estimated to be 17.5%. Panel data methods were combined with an Oaxaca decomposition to investigate the gender differences in resource endowment and return to endowment driving this gap. Although men have greater access to inputs, input use is so low and inverse returns to plot size so strong in Uganda that smaller female-managed plots have a net endowment advantage of 12.9%, revealing a larger unexplained difference in return to endowments of 30.4%. One-half of this is attributed to differential returns to the child dependency ratio, implying that greater child care responsibility is the largest driver of the gap. Smaller drivers include differential uptake of cash crops, differential uptake and return to improved seeds and pesticides, and differential returns to male-owned assets.

The Application of Traditional Dispute Resolution in Land Administration in Lay Armachiho Woreda (District), Northern Ethiopia

- World Development---2016---Getachew Mequanent

The recent decades have seen a growing interest in the roles that can be played by African traditional institutions in governance capacity building, including peaceful settlements of interpersonal and communal disputes; playing advisory roles for local administrations; and management of natural resources. The functions

of traditional institutions also help to address context-specific local issues, thereby avoiding the application of a one-size-fits-all approach that has continued to be a common problem in the development process. The challenge is designing appropriate policies and institutional frameworks that create conducive environments for an effective deployment of traditional institutions to promote desirable development goals. Our study shares experience in the application of traditional dispute resolution in land administration in Lay Armachiho Woreda (district) of the Amhara region in Northern Ethiopia. The Amhara regional government created Shemagle Shengos (popularly elected traditional arbitration committees) at the Kebele (local) level and gave them judicial mandate to address land disputes among farmers through the use of customary practices. The study thus examines the role and functions of the arbitration committees and assesses their effectiveness in dispute resolution including the potential to strengthen land administration capacity. Overall, the Ethiopian experience shows that traditional institutions and interactions work effectively if there are appropriate operational frameworks that harness their natural qualities (e.g., convenience, access, and participation) while aligning their functions with policy norms that direct the development process.

Low Emission Development Strategies in Agriculture. An Agriculture, Forestry, and Other Land Uses (AFOLU) Perspective

- World Development---2016---Alessandro (Alex) De Pinto, Man Li, Akiko Haruna, Glenn Graham Hyman, Mario Andrés Londoño Martínez, Bernardo Creamer, Ho-Young Kwon, Jhon Brayan Valencia Garcia, Jeimar Tapasco, Jesus David Martinez

As countries experience economic growth and choose among available development pathways, they are in a favorable position to adopt natural resource use technologies and production practices that favor efficient use of inputs, healthy soils, and ecosystems. Current emphasis on increasing resilience to climate change and reducing agricultural greenhouse gasses (GHG)

emissions strengthens the support for sustainable agricultural production. In fact, reducing losses in soil fertility, reclaiming degraded lands, and promoting synergistic interaction between crop production and forests are generally seen as good climate change policies. In order for decision-makers to develop long-term policies that address these issues, they must have tools at their disposal that evaluate trade-offs, opportunities, and repercussions of the options considered. In this paper, the authors combine and reconcile the output of three models widely accessible to the public to analyze the impacts of policies that target emission reduction in the agricultural sector. We present an application to Colombia which reveals the importance of considering the full scope of interactions among the various land uses. Results indicate that investments in increasing the efficiency and productivity of the livestock sector and reducing land allocated to pasture are preferable to policies that target deforestation alone or target a reduction of emissions in crop production. Investments in livestock productivity and land-carrying capacity would reduce deforestation and provide sufficient gains in carbon stock to offset greater emissions from increased crop production while generating higher revenues.

Poverty Alleviation in Federal Systems: The Case of México

- World Development---2016---Fausto Hernandez-Trillo

The function of poverty relief has been the subject of debate in terms of the tier of government that should perform it. On the one hand, some of the literature in the economics and political science fields argues that this function should be federal because of factor mobility; on the other hand, because of the distance factor, which makes citizens more sensitive to poverty, others argue that it should be a subnational responsibility. Finally, others in both fields argue that it is more accurate to view the recent trends witnessed in developing countries as delegation of service delivery by the central government to different sets of agents. The fact is that the different levels of government across

countries intervene in this government obligation. This paper employs the case of Mexico to test the different implications of the theories. This country is studied because it decentralized this activity in 1998, and thus, it is subject to evaluation. The results suggest that decentralizing the poverty relief function has not delivered results; thus, they suggest that this task should be a national one. However, the reason for this is the lack of political accountability at the subnational level and not mobility. That is, when accountability is introduced, a subnational government may in fact perform well.

The Political Effects of Agricultural Subsidies in Africa: Evidence from Malawi

- World Development---2016---Kim Yi Dionne,Jeremy Horowitz

Across sub-Saharan Africa agricultural subsidy programs have again become a common strategy for combatting rural poverty, increasing agricultural production, and reducing food insecurity. Despite a large literature examining subsidies' effects on output and welfare, little is known about their political effects. This paper examines Malawi' s Agricultural Input Subsidy Programme, one of the largest and most expensive programs implemented, which was launched by the government in 2005. We examine whether the incumbent party, the Democratic Progressive Party headed by president Bingu wa Mutharika, benefited from Malawi' s subsidy program by examining a longitudinal dataset of 1,846 rural Malawians interviewed in 2008 and again in 2010. The individual-level data show no evidence that the subsidy program was targeted to Mutharika' s co-ethnics or co-partisans. Our analysis further demonstrates that the subsidy program increased support for the incumbent party. These results suggest that even when parties are unable or unwilling to target distributional programs at the local level, they may nonetheless derive political benefits. As anti-poverty programs—including agricultural subsidies to small-scale farmers—become increasingly common across the continent, our results suggest that they may help to explain patterns of party affiliation

and vote choice, particularly where traditional patterns of partisan affiliation related to ethnic or regional identities are weak.

Quantifying Spillover Effects from Large Land-based Investment: The Case of Mozambique

- World Development---2016---Klaus Deininger,Fang Xia

Almost a decade after a spike in land demand following the 2007–08 commodity boom, evidence on impacts of this phenomenon remains limited and mostly case study based. We show that information on location and start data of large farms, combined with existing smallholder farm surveys, allows to complement this with a difference-in-difference approach to systematically assess spillovers from large farm establishment. Illustrative application to Mozambique suggests positive short-term effects from newly established large farms on adoption of agricultural practices and input use by small farms less than 50km from newly established large operations. Robustness checks for crop farms only also suggest job creation in the proximity of newly established crop, but not livestock farms. Yet, large farm establishment decreased perceived well-being within a 25-km band and, in the time horizon considered here, did not lead to better access to output markets, cultivation of larger areas or, once other factors are controlled for, higher yields. This allows us to reject the notion of negative spillovers from large farm establishment but casts doubt on the wisdom of large unconditional subsidies to attract investors. In addition to drawing policy conclusions for Mozambique, we highlight the methodology' s wider applicability and scope for expansion.

Improving Adult Literacy Without Improving The Literacy of Adults? A Cross-National Cohort Analysis

- World Development---2016---Bilal Barakat

There is a potential disconnect between adult literacy initiatives on the one hand and the indicators typically

employed to operationalize their targets and measure their progress on the other. Specifically, the policy discourse is typically framed in terms of illiterate adults becoming literate, while changes in the main indicator, the overall adult literacy rate, may instead be driven by literate youth becoming adults. The aim of this study is to quantify the relative contribution of these two factors (adult literacy acquisition and cohort replacement) in order to understand the extent to which the latter needs to be taken into account in assessing the progress achieved toward the Education for All (EFA) literacy target. Using DHS data on the education and measured (rather than self-reported) literacy status of women aged 20–49 for 30 countries to examine changes in literacy along cohort lines (while bounding the possible distortion due to migration and differential mortality), I demonstrate how much of the increase in the overall adult literacy rate is due to literate youth becoming adults, rather than illiterate adults becoming literate. The results show that in most countries, observed gains in overall adult literacy greatly overstate the degree to which adults have gained literacy at adult ages. Some countries do exhibit changes in literacy along cohort lines that cannot be easily attributed to selective migration or mortality and may indicate “true” gains or losses in individual literacy. The finding that the cohort effect is of large magnitude in practice has significant implications for research on and design of literacy policies: relying on an indicator that conflates two distinct goals, namely of increasing the share of literate adults and of helping illiterate adults become literate, results in misleading policy conclusions. This affects both the retrospective assessment of policy success and failure (and its causes), and the prospective assessment of the challenges in meeting “one size fits all” literacy goals faced by countries with very different population dynamics. This insight is particularly timely given the opportunity presented by the beginning of the new Sustainable Development agenda to reconsider the monitoring of improvements in adult literacy around the globe.

Rethinking Land Endowment and Inequality in Rural Africa: The Importance of Soil Fertility

- World Development---2016---Matthew D. Turner

Access to land has been a major emphasis of previous work on socioeconomic differentiation within rural African communities. Land endowment has generally been measured in terms of area without much consideration to variation in the qualities of land at the level of village territories. Building from work on the variation of soil fertility, this paper considers the potential relationship between soil fertility variation and wealth inequality within rural communities in Sahelian West Africa. The management history, yields, and characteristics (livestock and land wealth, labor, tenure security, cropped area) of the households managing and owning 181 sampled fields within two village territories in southwestern Niger are analyzed to evaluate the relative importance of land area and soil fertility in affecting the ability of households to produce food and the factors that affect household investments into soil fertility. Soil fertility variation is found to play a major role in the crop production achieved in the study area. This variation results in part from contemporary and historic investments by farmers largely through manure application. Manuring rates are found not to be affected by the extent of land owned or managed nor by the security of land tenure. Instead, these investments are determined by livestock wealth, the major store of wealth in rural parts of the Sahel. These findings point to a major mechanism for increased inequality in areas where subsistence cropping prevails—a mechanism that is mediated through soil fertility variation.

Delocalizing Communities: Changing Forms of Community Engagement in Natural Resources Governance

- World Development---2016---Hemant R. Ojha, Rebecca Ford, Rodney J. Keenan, Digby Race, Dora Carias Vega, Himlal Baral, Prativa Sapkota

Across both the developing and developed worlds, community engagement has become a key strategy for natu-

ral resource management. However, a growing number of studies report that community-based approaches are experiencing formidable challenges, with limited outcomes in terms of livelihoods, decentralization and sustainability. Yet, policies continue to focus attention unduly on “community participation”, ignoring the ways in which the “community” is itself embedded in a wider social system. Recent studies have shown that local communities are more complex than previously assumed, with local community actions being heavily shaped by wider social and environmental contexts. Yet, scholarly research tends to focus on reporting such cross-scalar dynamics, with little explanation of how and why they occur. This paper advances a framework to understand how local communities interact with the wider world, through what we term “delocalization of communities” in natural resource management. Using Bourdieu’s theory of social field, we present an approach to analyze various trajectories of delocalization involving the exchange of, and struggle for, a variety of resources valued in specific fields of natural resource governance.

Beyond “Good Governance” : The Multi-level Politics of Health Insurance for the Poor in Indonesia

- World Development---2016---Diego Fossati

Recent decentralization reforms in low- and middle-income countries have revived a long-standing debate on the benefits and drawbacks of empowering local governments. While some scholars highlight advances in local democratic accountability, others emphasize the dangers of decentralized governance when democratic practices are poorly institutionalized. This paper studies the case of health politics in Indonesian local government to contend that the focus on democratic accountability and good governance may be insufficient to explain major policy outcomes associated with decentralization. I show that the quality of local democracy affects health insurance policy during the first stages of the decentralization process. However, to understand policy trajectories over a longer time frame, relations between politicians at different levels

of government become the crucial factor. Using original qualitative and quantitative data from nearly 400 Indonesian districts and provinces, I find that regions in which cooperation between provincial and district authorities has emerged display systematically higher levels of health insurance coverage. I explain why multi-level cooperation improves local policy outcomes, and I show that the positive effect of cooperation does not depend exclusively on patronage networks. These findings contribute to the literature on decentralization and development by showing that policy cooperation across levels of government is crucial for the implementation of complex social policies, and that multi-level cooperation can have beneficial effects even when local democratic institutions are weak.

Learning from Sustained Success: How Community-Driven Initiatives to Improve Urban Sanitation Can Meet the Challenges

- World Development---2016---Gordon McGranahan, Diana Mitlin

Past research by one of the authors of this paper has identified four key institutional challenges that community-driven initiatives to improve sanitation in deprived urban settlements face: the collective action challenge of improving community sanitation; the co-production challenge of working with formal service providers to dispose of the sanitary waste safely; the affordability challenge of reconciling the affordable with what is acceptable to both users and local authorities; and the tenure challenge of preventing housing insecurity from undermining residents’ willingness to commit to sanitary improvement.

Legacies of Inequity: How Hometown Political Participation and Land Distribution Shape Migrants’ Paths into Wage Labor

- World Development---2016---Abigail L. Andrews

While scholars have examined how migration impacts development, this paper asks the opposite question, examining how local development conditions shape

patterns of migration. Specifically, I consider how political institutions in rural sending communities create economic opportunities and constraints for their members, channeling potential migrants into farm or urban jobs. To date, scholars have explained differences in the migration paths of similar communities by looking at features on the receiving end, or at the development of social networks tied to migration. I add to this work by showing how hometown conditions influence out-migration. I compare the histories of two rural villages in Southern Mexico whose members migrated at similar times and volumes, first within Mexico beginning in the 1960s, and then to the United States in the 1980s and 1990s. I find that in the village I call “Disposeo,” hierarchical power structures dispossessed members, drove them into debt, and limited their access to urban areas. As a result, when agricultural recruiters came to the village, most potential migrants accepted. By contrast, in “Igualdad,” communal landholding enabled members to reject farm labor. At the same time, rotating political posts helped them build networks into more desirable urban service jobs. As other research underscores, such labor market insertion has long-term consequences: migrants’ first job niches shaped their destinations, social networks, patterns of movement, and social mobility. Thus, even as rural villages erode in the face of emigration, they structure migrants’ prospects in the contemporary economy. In particular, participatory governance and resource redistribution can insulate members from the worst agricultural jobs.

Re-assessing the Impact of the Grandparent’s Income on the Infant Mortality Rate: An Evaluation of the Old Age Allowance Program in Nepal

- World Development---2016---Yunrong Li,Ricardo Mora Villarrubia

Most studies find that the presence of grandmothers is associated with higher child survival rates while the presence of a grandfather has no effect. In this paper we argue that the use of incomplete retrospective information on household composition may lead to substantial downward biases in the estimates of the grandfather’s

effect. To illustrate our argument, we study the effects of the introduction of a non-contributory universal pension scheme on infant mortality in Nepal. We use cross-sectional data from the 1996 and 2001 Nepal Demographic and Health Surveys and implement a flexible difference-in-differences approach using as treatment indicator the presence in the household of an elderly person eligible for the pension benefits. Our results confirm the importance of the income of the elderly for infant welfare. In households that include an eligible elderly person, the pension scheme resulted in survival benefits of approximately 7–8 percentage points 12months after birth from a baseline probability of approximately 89%. Importantly, these results do not depend on the gender of the elderly person. Moreover, we show that ignoring the lack of retrospective information on household composition leads to underestimates of the true effects when the elderly person is a male. These results are qualitatively similar across alternative definitions of the control group and do not depend on the gender of the infant. In addition, we explore potential channels through which these survival benefits are produced, and our results suggest that the pension scheme benefited infants only after their birth and mostly during the first month of life.

Multilevel Geographies of Poverty in India

- World Development---2016---Rockli Kim,Sanjay K. Mohanty,S.V. Subramanian

Since the economic reforms in India in 1991, there has been a proliferation of studies examining trends of economic development and poverty across the country. To date, studies have used single-level analyses with aggregated data either at the state level or, less commonly, at the region and district levels. This is the first comprehensive and empirical quantification of the relative importance of multiple geographic levels in shaping poverty distribution in India. We used multilevel logistic models to partition variation in poverty by levels of states, regions, districts, villages, and households. We also mapped the residuals at the state, region and district levels to visualize the geography of poverty. We used data on 35 states, 88 regions, 623 districts,

25,390 villages and 202,250 households from the National Sample Survey in years 2009–10 and 2011–12. Our study found that geography of poverty in India cannot be fully explained by clustered distribution of poor households, and that there may be important contextual factors operating at the state and village levels. We found 13% of the variation in poverty to be attributable to states, 12% to villages, 4% to districts and 3% to regions, after accounting for important household characteristics. Similar variance partitioning was observed for rural and urban sample. The relative importance of one contextual level was highly sensitive to other levels simultaneously considered in the model. Findings from this study suggest that further explorations using multilevel modeling are warranted to identify specific contextual determinants of poverty at the state and village levels to reduce poverty and promote balanced regional development in India.

The Role of Socio-political and Economic Factors in Fertility Decline: A Cross-country Analysis

- World Development---2016---Qingfeng Wang,Xu Sun

In this paper, we have examined the fertility transition across countries in four different income categories from social, economic, political and population policy perspectives. We examine whether and how social, economic, political and population policy factors contribute to the decline in fertility rates in countries with different income levels, and our findings suggest that these factors can have very different effects on fertility rates in these countries. Political freedom is found to play a role in shaping people's perceptions of fertility and has different effects on fertility for countries in different income categories. Worsening political freedom in Upper Middle-income countries exerts downward pressure on fertility rates, while it contributes a positive effect to fertility rates in Lower Middle- and Low-income countries. Urbanization, if implemented successfully, can be an effective approach to further reduce the fertility rate for countries with lower income levels and higher rural populations. Population policies, measured by the contraception prevalence rate,

have been found to be effective in reducing the TFR in Upper Middle-income, Lower Middle-income and Low-income countries. From the intra-country analysis, population policies are confirmed to be the main tool used by China and Bangladesh to cut down their TFR. Human capital is confirmed to be one of the most important determinants in explaining the decline in fertility rates across all income categories. The significant policy implication of these findings for policy makers in those Lower Middle-income and Low-income countries is to invest more in education which can have a notable impact on people's perceptions of fertility, and eventually this could help to effectively reduce their fertility levels in a more natural way than could be achieved by aggressive population policies.

Internal Borders: Ethnic-Based Market Segmentation in Malawi

- World Development---2016---Amanda Lea Robinson

Ethnic diversity is associated with poorer economic development, but why? I argue that market segmentation is one mechanism linking diversity to economic underdevelopment: when ethnic groups are geographically segregated and trust is concentrated within groups, markets will tend to be segmented along ethnic lines. I evaluate this argument using maize price data from seventy Malawian markets over 14 years and combine it with census data on the spatial distribution of ethnic groups. I find that maize price differences—a key indicator of market segmentation—are indeed larger for ethnically dissimilar markets, even after taking sub-national administrative borders geographic barriers, and climatic differences into account. These statistical findings are complemented by interview data from farmers and traders in three markets across Malawi, which highlight the centrality of trust in small-scale maize trading, as well as a preference for coethnic trading partners. Together, these findings suggest that ethnic diversity, and ethno-regional segregation in particular, can have a negative impact on market integration, an important driver of food security and long-term economic development.

The short-term impacts of development-induced displacement on wealth and subjective well-being in the Brazilian Amazon

- World Development---2016---Heather Randell

Displacement due to development projects such as dams, mines, and urban infrastructure often leads to livelihood decline among affected communities. The challenge, therefore, lies in implementing projects that achieve national or regional development goals while also generating positive social and economic outcomes for displaced populations. This paper uses a longitudinal, mixed-methods design to understand the short-term changes in wealth and subjective well-being of households displaced due to construction of the Belo Monte Dam in the Brazilian Amazon. The households were compensated by either cash or credit for their lost land and assets, and were then responsible for finding and purchasing new property. Using pre- and post-displacement household survey and semi-structured interview data, as well as data from a small comparison group, I find that wealth increased for the majority of the study population and that socioeconomic inequality decreased, as poorer households experienced greater improvements in housing conditions, assets, and property ownership. In addition, subjective well-being improved for most households, particularly among those who did not own land at baseline, those who gained assets such as vehicles, those who remained closer to the original study area, and those who remained in close proximity to other households from the study population. Moving to an urban destination was strongly associated with declines in well-being, as was moving far from family or friends. These results suggest that investing sufficient resources in a compensation-based resettlement program can benefit households displaced by large infrastructure projects in the short term, but additional data collection is needed after the completion of dam construction to determine whether these benefits are sustained over the longer term.

Informal versus Formal: A Panel Data Analysis of Earnings Gaps in Madagascar

- World Development---2016---Christophe Nordman,Faly Rakotomanana,François Roubaud

Little is known about the informal sector's income structure vis-à-vis the formal sector, despite its predominant economic weight in developing countries. While most of the papers on this topic are drawn from (emerging) Latin American, Asian or some African countries, Madagascar represents an interesting case. So far, very few studies in general, even less so in Sub-Saharan Africa, used panel data to provide evidence of the informal sector heterogeneity. Taking advantage of the 1-2-3 Surveys in Madagascar, a four-wave panel dataset (2000-04), we assess the magnitude of various formal/informal sector earnings gaps. Is there an informal sector job earnings penalty? Do some informal sector jobs provide pecuniary premiums and which ones? Do possible gaps vary along the earnings distribution? Ignoring distributional issues is indeed a strong limitation, given the compound question of how informality affects earnings inequality. We address heterogeneity issues at three different levels: the worker, the employment status (wage employment vs. self-employment) and the earnings distribution. Standard earnings equations are estimated at the mean and at various conditional quantiles of the earnings distribution. The results suggest that the sign and magnitude of the formal-informal sector earnings gaps highly depend on the workers' employment status and on their relative position in the earnings distribution. In the case of a poor and fragile country like Madagascar, these findings provide new and robust empirical backups for the existence of a mix between the traditional exclusion vs. exit hypotheses of the informal sector.

Does Freer Trade Really Lead to Productivity Growth? Evidence from Africa

- World Development---2016---Lauren Bresnahan,Ian Coxhead,Jeremy Foltz,Tewodaj Mogues

Theory predicts that trade liberalization should raise

average total factor productivity (TFP) among manufacturing firms. However, this is a generic prediction and depends on maintained assumptions about industries, factor markets, and trade patterns that may not fit well for developing countries. Using firm-level data from Ghana, Kenya, and Tanzania during the 1990s, a period of fairly rapid trade policy liberalization, we estimate productivity effects of trade. Our analysis confirms the well-known association between export intensity and higher productivity of the firm; however, the evidence for “learning by exporting,” or an increase in productivity associated with greater exports, is mixed, with several instances of negative average TFP growth among exporters. Our analysis indicates that such declines are likely attributable to the effects of lower external tariffs, because the firm-level productivity margin below which exporting is unprofitable moves down as the external tariff rate is reduced. We also find that sales to the rest of the world and sales to other African economies have differential effects on productivity growth rates, and that for country-specific reasons, these effects are not uniform. Controlling for initial productivity and the destination of exports (within or outside Africa) helps us understand why in some cases, export participation is associated with negative rates of TFP growth.

Wage Growth, Landholding, and Mechanization in Chinese Agriculture

- World Development---2016---Xiaobing Wang,Futoshi Yamauchi,Keijiro Otsuka,Jikun Huang

This paper aims to examine the dynamics of land transactions, machine investments, and the demand for machine services using farm panel data from China. Recently, China’s agriculture has experienced a large expansion of machine rentals and machine services provided by specialized agents, which has contributed to mechanization of agricultural production. On the other hand, the empirical results show that an increase in non-agricultural wage rates leads to expansion of self-cultivated land size. A rise in the proportion of non-agricultural income or the migration rate also in-

creases the size of self-cultivated land. Interestingly, however, relatively educated farm households decrease the size of self-cultivated land, which suggests that relatively less educated farmers tend to specialize in farming. The demand for machine services has also increased if agricultural wage and migration rate increased over time, especially among relatively large farms. The results on crop income also support complementarities between rented-in land and machine services (demanded), which implies that scale economies are arising in Chinese agriculture with mechanization and active land rental markets.

Cultures of Entitlement and Social Protection: Evidence from Flood Prone Bahraich, Uttar Pradesh, India

- World Development---2016---Supriya Akerkar,P.C. Joshi,Maureen Fordham

Sen’s entitlement thesis rooted in social contract theory has been used to explain access to food, and is used by states to design social protection programs as transfer entitlements to diffuse food insecurities. Social protection programs have now burgeoned in several countries as a strategy to enable the poor to overcome risks, vulnerabilities and poverty. These social protection programs have inclusion and exclusion errors, which current theorization attributes mainly to political clientalism, social vulnerability, elite capture, targeting inefficiency, leakages and corruption, lack of information transparency and improper designing of social protection programs. This paper argues that the errors are due to a more fundamental assumption made in application of social contract and entitlement-based approach to social protection programming. It identifies an uncritical application of Sen’s entitlement thesis to social protection programs, as leading to inclusion and exclusion errors. The main problematic, the paper shows is that the social contract-led entitlement thesis works within the domain of formal rights situated within the state-citizen relations, and as such, misses out on the non-formal entitlements and non-state influences that impact materialization of social protection programs in practice. Evidences from

flood prone Bahraich, Uttar Pradesh, India indicate that non-state rules linked with clientele and patronage relations, moral and local political economies trump over formal rights to mediate social protection entitlement outcomes. Rather than abstract state-citizen social contract, it is the moral contracts of reciprocal exchanges with influential patrons embedded in the moral economy of the villages that ultimately ground the social protection entitlement claims of poor villagers. Conceptualizing this process of access as cultures of entitlement, the paper builds a framework for reinterpretation of entitlements and their outcomes, suggesting a recalibration of application of Sen's entitlement thesis to social protection programs. In conclusion it argues that Sen's entitlement thesis which is pitched at transfer of economic resources through social protection from the state to the poor is inadequate. Learning from social movements currently leading the transparency and accountability struggles in India, it calls for an instituting and recognition of accountability as new cultural resource and entitlement. In conclusion it argues that information, and accountability as new cultural entitlements, when mobilized through collective agency of the poor can potentially challenge the current cultures of entitlements evidenced in this paper that presently underlie social protection outcomes.

Extreme Weather Events and Child Height: Evidence from Mongolia

- World Development---2016---Valeria Groppo,Kati Kraehnert,Kati Kraehnert, nee Schindler

We provide new evidence on the impact of one severe weather event on child height in Mongolia. While previous studies mostly focus on rainfall shocks in tropical or dry climate areas, our focus is on the extremely harsh winter that hit Mongolia in 2009–10. The severe winter—locally referred to as a dzud—caused catastrophic damage and resulted in the death of 10.3million livestock. Our analysis identifies the causal impact of the weather shock on children's height by exploiting exogenous variation in the intensity of the shock across time and space. We use data on the height of children from two waves of a panel survey specifically designed

to assess the impact of weather events. Results reveal that the shock significantly slowed the growth trajectory of exposed children from herding households. This negative effect is persistent, remaining observable in both panel waves, three and four years after the shock. The effect is driven by children who experienced the shock in utero. There is indicative evidence that the provision of emergency aid mitigates the negative consequences of the shock. Moreover, child height has a significant and positive association with households' receipt of informal help. Our findings are robust to alternative measures of shock intensity from different data sources.

Transnational Markets for Sustainable Development Governance: The Case of REDD+

- World Development---2016---Caleb Gallemore,Kristjan Jespersen

Transnational sustainable development—that is, sustainable development policy initiatives involving actors in multiple countries—often involves donor sponsorship of sustainable development projects, similar to matching markets like venture capital, employment searches, or college admissions. These transaction systems, also known as matching markets, can be seen in a variety of phenomena in transnational development governance, including private aid, public–private sustainable development projects, and transnational polycentric governance initiatives. In this paper, we utilize the matching market framework to develop a new approach to addressing an important question in development studies: how do donors (understood as donor agencies, funds and foundations, and firms) choose which projects to support? Beginning with the observation that matching markets in sustainable development governance are heavily constrained by transaction costs in the absence of formal institutions that lower costs of searching, monitoring, and communicating with potential partners, we hypothesize that both donors and project participants are motivated to utilize strategies to lower transaction costs of making connections, which results in selection of projects based on the presence of transnational brokers

or familiar partners or as part of a strategy of spatial specialization. Conceptualizing the choices made in this matching market as an affiliation network connecting donors to sponsored projects, we utilize exponential random graph models of 91 funders' support of 195 Reducing Emissions from Deforestation (REDD+) and sustainable forest management pilot projects undertaken between 1989 and June 2012 to test the effects of transaction costs on donors' choices of projects to sponsor. We find that brokerage, prior collaboration with the donor in question, and spatial specialization all contribute to the ability of project proponents to attract funder support, often outperforming relevant project characteristics such as carbon density and accessibility. These findings suggest tensions between local scale project implementation and the transnational search for resource support observed qualitatively in the development studies literature can have significant effects on the overall structure of transnational collaboration on sustainable development.

Why Might Information Exacerbate the Gender Gap in Civic Participation? Evidence from Mali

- World Development---2016---Jessica Gottlieb

Civic engagement fails to foster democratic representation when women or other marginalized groups face barriers to participation, as they do in many societies. Rather than flattening civic participation, a randomly assigned civic education course in Mali widened the gender gap when it increased civic activity among men while decreasing it among women. Qualitative data collected through focus groups and interviews reveal mechanisms by which the intervention generated these perverse consequences for women. In a place where women are traditionally unwelcome actors in the public sphere, female participation in the course constituted deviation from a pre-existing social norm. As compensation, women self-impose limits to future civic participation and men erect new barriers as a form of backlash. These findings are consistent with the "resource paradox" described in the literature in which increasing resources among women can yield negative outcomes when asymmetric or gendered social

norms neutralize, or even invert, whatever benefits the resource confers on the woman. The civics intervention did, however, work to improve civic and political knowledge for men and women. Together, these findings suggest that resource constraints limit civic participation, but increasing informational resources cannot overcome discriminatory gender norms—and may even exacerbate them. One implication of the study is that future participatory interventions like this one should be more attuned to the social constraints faced by women and other marginalized groups to both avoid setting untenable expectation and anticipate reactions to breaches of the status quo.

Beyond Participation and Accountability: Theorizing Representation in Local Democracy

- World Development---2016---Harry W. Fischer

Recent decades have seen growing emphasis on enhancing public participation and accountability in governance processes. Yet the valence of these discussions has focused almost entirely on the character of citizen engagement itself, with little attention to the ways in which citizens' agency is constituted in relation to changing forms of public authority. In this paper, I advance a theoretical account of political representation, a concept that is central to analysis of democracy, but which has seen only limited attention in the scholarship on democratic decentralization. I draw on two contrasting models—selection and sanction—to elaborate an understanding of representation that recognizes both mechanisms that enable citizens to hold their leaders to account as well as the character of leaders' own intrinsic motivations. Through a qualitative account of three decades' political change from a locality in the Indian Himalayas, I document a gradual process of institutional and social change that has enabled a new generation of more diverse elected leaders to ascend to positions of elected authority, including many from historically marginalized sections of society. By examining the experiences of three such individuals in detail, I demonstrate the importance of understanding who leaders are and what they do—their skills and aspirations, their identity and affiliations, and the kinds

of representative relationships that they embody. Placing the selection and sanction models in dialog reveals new and productive avenues to explore the interplay between external incentive structures and leaders' intrinsic motivations in shaping broader process of political change.

Shifting Discourses of Vilification and the Taming of Unruly Mining Landscapes in Ghana

- World Development---2016---Petra Tschakert

This paper explores the expulsion of >4,500 Chinese diggers and operators from Ghana's central gold mining areas during a series of raids and swoops enacted through military, immigration, and police and intelligence forces in 2013, arguably to conceal the state's own failure to sanitize and revitalize a stagnant and neglected artisanal and small-scale gold mining (ASM) sector. I draw upon feminist social theory and political ecology to unravel processes of social exclusion that legitimated violent action against a social group rendered both invisible and wholly othered within a remarkably short period of time. The discursive production of less-than-human mining subjects—first the Ghanaian galamsey miners, then the Chinese operators—enables a highly politicized landscapes of power characterized by authoritative ordering of unruly mining spaces. The “making” of demonized, unworthy Chinese miners epitomized the forceful disciplining of these spaces in the absence of more inclusive and genuine development policies. Observed processes of subject-making seem to propagate the sector's informality and perpetuate the distance from the state's idealized depiction of a responsible modern miner. The case study demonstrates that exclusion and exploitation of those targeted as not belonging nourishes elite capture and pervasive rent-seeking. Understanding the processes of subjection at work further suggests that better regulation of ASM in itself will be insufficient to move beyond the current impasse and support true partnerships and genuine politics of recognition and belonging.

The Mobile Phone in the Diffusion of Knowledge for Institutional Quality in Sub-Saharan Africa

- World Development---2016---Simplice Asongu, Jacinta Nwachukwu

This study assesses the mobile phone in the diffusion of knowledge for better governance in Sub-Saharan Africa from 2000 to 2012. For this purpose we employ Generalised Method of Moments with forward orthogonal deviations. The empirical evidence is based on three complementary knowledge diffusion variables (innovation, internet penetration and educational quality) and 10 governance indicators that are bundled and unbundled. The following are the main findings. First, there is an unconditional positive effect of mobile phone penetration on good governance. Second, the net effects on political, economic, and institutional governances that are associated with the interaction of the mobile phone with knowledge diffusion variables are positive for the most part. Third, countries with low levels of governance are catching-up their counterparts with higher levels of governance. The above findings are broadly consistent with theoretical underpinnings on the relevance of mobile phones in mitigating bad governance in Africa. The evidence of some insignificant net effects and decreasing marginal impacts may be an indication that the mobile phone could also be employed to decrease government quality. Overall, this study has established net positive effects for the most part. Five rationales could elicit the positive net effects on good governance from the interaction between mobile phones and knowledge diffusion, among others, the knowledge variables enhance: reach, access, adoption, cost-effectiveness, and interaction. In a nut shell, the positive net effects are apparent because the knowledge diffusion variables complement mobile phones in reducing information asymmetry and monopoly that create conducive conditions for bad governance. The contribution of the findings to existing theories and justifications of the underlying positive net effects are discussed.

Human-Scale Economics: Economic Growth and Poverty Reduction in Northeastern Thailand

- World Development---2016---Joel D. Moore, John A. Donaldson

Under what conditions does economic growth benefit the poor? One way to answer this question is to identify and compare positive and negative outlier areas, those that experience greater and lesser poverty reduction, respectively, compared to what was anticipated given their levels of economic growth. The more similar these areas, the more leverage there is to unearth the factors that allow the poor to benefit from growth. In this paper, we employ an inductive approach to glean possible pathways out of poverty from two highly similar underdeveloped neighboring provinces in northeastern Thailand. Using extensive fieldwork and interviews, we explore factors that can account for one province reducing poverty at a quicker pace than expected, even as the other failed to channel its faster growth into significant poverty reduction. Our study finds that in Surin province, because a strong network of local NGOs was working closely with provincial leadership, national policies that targeted the poor found fertile ground and thrived. Small-scale, low-tech, rural-based initiatives including organic rice, handicraft production, and rural tourism helped drive initially high levels of poverty down. Though many in Si-Saket also pursued many of these initiatives, they were structured in ways that promoted economic growth but largely prevented poor farmers from benefitting. Further research can examine whether this kind of “micro-oriented” path to rapid rural poverty reduction is useful in other contexts.

Men with Money and the “Vulnerable Women” Client Category in an AIDS Epidemic

- World Development---2016---Michelle Poulin, Kathryn Dovel, Susan Cotts Watkins

Why have African men been largely overlooked in HIV policy and programs, while poor women are almost always targeted? Men are more likely to die of AIDS than

women, and multiple studies in Africa find that wealthier men are more likely to be infected with HIV than are poor men. We draw on survey and ethnographic data from rural Malawi, a country in southeastern Africa that has experienced a major AIDS epidemic, to examine this puzzle of the “missing men.” Using longitudinal survey data collected at the height of Malawi’s epidemic, we find that not only are wealthy urban men more likely to be HIV positive, but so too are rural men who are wealthy by rural standards. We further advance our argument using ethnographic data to show that rural Malawians understand that men with money are a risk, both to themselves and others. We then systematically analyze HIV policies and documents from the World Health Organization (WHO), UNAIDS, and the President’s Emergency Program for AIDS Relief (PEPFAR)—large international organizations at the forefront of responding to AIDS—to identify the extent to which women and men and poverty and wealth appear as targets. We present evidence showing that women, who appear in these documents more than twice than do men, are framed as unquestionably vulnerable and in need of aid, whereas men are overlooked. We argue that the international discourse on AIDS in Africa cannot be conceived of as separate from the broader discourses of economic development. The campaigns by international donors and NGOs to protect poor women while sidelining men with money gives an incomplete picture of AIDS epidemics.

Political Instability and the Informal Economy

- World Development---2016---Nasr G. Elbahnasawy, Michael Ellis, Assandé Désiré Adom

Understanding the determinants of the informal economy is a crucial issue in economic development because of its effect on economic performance as well as undermining the construction of indicators to monitor economic development. While the focus on the literature has been on the proximate causes of informal production, such as taxation, we investigate the political environment that causes governments to choose policies that allow the informal economy to develop.

We argue that the political environment affects the government's incentive to invest in the efficiency of tax collection, and therefore the ability of the government to detect informal production. We show that political instability, social polarization along ethnic and religious lines, and an autocratic authority pattern are associated with a larger informal economy. The results suggest that efforts to reduce informal production should shift from an emphasis on the proximate causes to political reforms. Since polarization along ethnic and religious lines is structural, reforms should focus on reducing political instability and autocracy. However, the results imply that democratic reforms that change the authority pattern from autocracy to democracy can increase informal economic activity if it increases political instability.

Who Adopts LPG as the Main Cooking Fuel and Why? Empirical Evidence on Ghana Based on National Survey

- World Development---2016---Amin Karimu, Justice Tei Mensah, George Adu

The aim of this paper is to identify the factors that influence the probability of adopting LPG as the main cooking fuel in Ghana using household level data gleaned from last two nationwide household surveys (GLSS 5 & GLSS 6). Using a flexible semi-parametric specification, the following were uncovered. First, we find socioeconomic and demographic factors such as income, education, access to urban infrastructure, and location of household, as key drivers of households' choice of LPG as main cooking energy source. Again the influences of these factors are stable across time, and with a strong price effect. The evidence shows that urban households with better socioeconomic and demographic factors are likely to adopt LPG as the main cooking fuel relative to households in rural areas and also urban households with poor socioeconomic and demographic factors. Finally, we observe that the imposition of fully parametric structure (functional form) prior to estimation on factors such as age of household head, income, and household size as done in the literature is inappropriate, at least in the case

of Ghana and tend to bias the marginal effects. There is strong evidence of variations in the response rate of LPG adoption over the domains of income, household size, and the age of the household head. The results suggest a policy dichotomy between rural and urban dwellers for it to be effective.

Beyond "Landscape" in REDD+: The Imperative for "Territory"

- World Development---2016---Michael K. McCall

This paper problematizes the use of the "landscape" concept as the perspective in forest governance and REDD+ discourse, especially as it affects ownership claims and management of forest space. This study advocates the contrasting concept of "territory" as essential to spatial justice in community-held forest lands and for effectivity in REDD+ projects. Whereas landscape in REDD+ discourse is a basic unit of resolution for biophysical, especially conservationist, analysis; territory refers to spatial units embedded in tenurial entitlements, and thus in governance and the execution of management.

Corruption and Violations of Conservation Rules: A Survey Experiment with Resource Users

- World Development---2016---Aksel Sundström

Small-scale corruption in government administrations that govern natural resources is believed to have a negative impact on conservation management. Yet, while corruption is said to obstruct the implementation of conservation policies, for instance as bribery may enable poaching in protected reserves, it is an underexplored area of research. This study investigates the effect of corruption, others' compliance behavior, and support for regulations on rule-violating intentions. In a between-subjects experiment, a sample of resource users active in South African small-scale fisheries (N=201) answered questions about rule-violating intentions after reading one of four scenarios, each depicting a different situation of corruption among officials that enforce regulations and compliance behavior of other resource users. The results show that resource

users are more likely to state rule-violating intentions when corruption among inspectors is widespread. Moreover, the study provides further theoretical insights into the process in which corruption perceptions deter the willingness to follow rules: there is an interaction effect with support for conservation regulations, suggesting that the effect of corruption is stronger among individuals who are less supportive of such rules. These findings lend further support for the proposition that to improve the effectiveness of conservation policy, more effort is needed to reduce bribery among government officials, such as rangers and inspectors that enforce natural resource regulations.

Has Foreign Aid Been Effective in the Water Supply and Sanitation Sector? Evidence from Panel Data

- World Development---2016---Sasidaran Gopalan,Ramkishen Rajan

A voluminous academic literature exists on the effectiveness of foreign aid in general. However, relatively less work has been done on the impact of sector-specific foreign aid. This paper focuses on the impact of aid disbursements on outcomes in the Water Supply and Sanitation (WSS) Sector. Despite the considerable increase in aid flows to the WSS sector over the last few years, it is only recently that the literature has started to focus on assessing aid effectiveness in this sector. We contribute to the growing interest in sector-specific aid effectiveness literature by conducting an empirical analysis for a large panel of countries to assess the effectiveness of aid disbursements on improved access to WSS facilities. Our empirical results suggest that aid disbursements produce a strong, positive, and significant effect on improved access to WSS, and our results are robust to multiple specifications and estimation procedures. We also find strong evidence of non-linearities governing the relationship between aid flows and outcomes, in that aid disbursements are effective only in lower middle-income-countries rather than low-income-countries or upper middle-income countries. These results tend to suggest that a country needs to meet a certain development or income threshold before

aid can prove to be effective and that aid flows tend to have diminishing returns. Finally, we also find that aid disbursements produce favorable effects in enhancing access to WSS facilities in rural as opposed to urban areas.

Absence of Altruism? Female Disadvantage in Private School Enrollment in India

- World Development---2016---Pushkar Maitra,Sarmistha Pal,Anurag Sharma

Women make up one-half of the world's population, though two-thirds of the world's non-literate adults are women, which highlight the pervasive denial of the basic human right to education experienced by women across the globe. While there is a sizeable literature on gender discrimination in girls' schooling, we know very little about girls' access to private schooling, despite its rapid growth around the world in recent years. Using two nationally representative datasets from household surveys conducted in India in 2005 and 2012, our paper aims to bridge this gap by examining the role of gender in private school choice. We argue that the gender of the child is potentially endogenous in India because parents continue to have children until they have a son. To redress this potential endogeneity, we exploit the variation in private school choice among 7–18year olds born to the same parents within the same household in an attempt to minimize both child-invariant and child-varying household-level omitted variable bias. We then explore the nature of female (dis)advantage across different types of households, communities, and years with a view to assess the role of parental preferences in this respect and its change, if any. The analysis thus allows us to provide new evidence for the causal effect of gender on private school choice in India. Significant female disadvantage exists in both survey years, though the size of this disadvantage varies across sub-samples and years. Female disadvantage is significantly higher among younger (relative to eldest) girls and also in northern and north-western (relative to western) regions, but it is lower among girls from poor (relative to rich) households, Christian (relative to Hindu high caste) households,

and those with more educated mothers. Our results are robust, irrespective of whether or not we restrict the sample to those born to a household head. We infer that the observed within-household variations in female disadvantage across sub-samples reflect variations in non-altruistic parental preferences linked to deeply held cultural norms (for example, sons acting as old-age security and the exogamy of girls), access to schools and other public goods, and also job opportunities and returns to schooling for girls, thus posing considerable challenges in the attempt to secure “education for all.”

Defying NGO-ization?: Lessons in Livelihood Resilience Observed Among Involuntarily Displaced Women in Mumbai, India

- World Development---2016---Ramya Ramanath

This article focuses on how a group of women involuntarily displaced from Mumbai’s slums managed the resulting sizeable disruptions to their livelihoods. One hundred and twenty women—relocated to a resettlement site chosen by a nongovernmental organization (NGO)—are the primary data source. The concept of sensemaking/sensegiving provides a framework for analyzing how these particular women reconstructed their livelihoods in new surroundings independent of directives from NGOs, government agencies, or private developers. The article identifies four strategies that the women utilized to make sense of changes in their livelihood—positive reappraisal, radical change, incremental steps, and restraint—depending on their age, marital status, length of time widowed, family-size, past employment experience, education, ethnicity, and/or religion. Once women had individually and retrospectively made sense of their new environment and circumstances, they attempted to influence others present to consider an alternate vision for livelihood generation. This article captures the micro-level dynamics operating in these early moments of livelihood envisioning, dynamics that might otherwise escape the attention of government, business, and civil society actors with a stake in the project’s future. Such early-stage envisioning by residents could serve as a

valuable guide for all concerned stakeholders and must be factored in to strengthen national and international policy for urban resettlement and rehabilitation.

Can Informal Firms Hurt Registered SMEs’ Access to Credit?

- World Development---2016---Isabelle Distinguin, Clovis Rugemintwari, Ruth Tacneng

Using firm-level survey responses from 2009 to 2012, we examine whether competitors from the informal sector affect the credit constraints of registered SMEs in 86 countries worldwide. We also investigate the role played by the quality of institutional environment in exacerbating or in alleviating such effect. A weak quality of institutional environment strengthens inter-linkages between the formal and the informal sectors, increases the costs and decreases the benefits assumed by formal firms, and reduces the costs attributed to informality. Moreover, it also results in a large informal economy, which influences perceptions about the substitutability between formal and informal goods, and law evasion. Our findings indicate that registered SMEs facing competition from informal firms are more likely to be credit-constrained than other formal SMEs that are not confronted with such competition. This result is consistent with the “parasite” view and the entrepreneurial perspective of informality, which assert that informal firms are capable of competing against registered SMEs and hurting the latter’s profits. Further, we find that such adverse impact manifests only in countries with weak rule of law and high degree of corruption and bureaucracy. Our results also show that registered micro and small firms are more likely to be affected by the presence of informal firm competitors than medium-sized firms. This is because the benefits of formality that include access to credit from financial institutions, increase with firm size. On the whole, our findings suggest that governments must enhance their role in increasing access to credit to smaller firms and in providing incentives for informal firms to be integrated in the formal economy. Moreover, in order to achieve inclusive growth, our results highlight the importance of improving the business environment,

which affects all entrepreneurs.

After the Deluge: A longitudinal study of resettlement at the Three Gorges Dam, China

- World Development---2016---Brooke Wilmsen

In 2015 the construction of the Three Gorges Dam in China was completed. For more than two decades, the 1.13 million people it displaced have been rebuilding their livelihoods. To assist, the Chinese government used policy and incentives to stimulate the local economy. Whether the resettlers benefited from such initiatives is not yet understood. This paper offers the first longitudinal analysis of the resettlers' livelihoods. The study follows up with 521 households that participated in a survey in 2003. The initial survey, conducted within five years of their displacement, found that despite improvements to infrastructure and housing, incomes generally declined, livelihoods were dismantled, and permanent employment was replaced by more temporary employment. Resettlers were struggling to meet even their basic needs. However, eight years on from the original survey, this study finds the gains to be substantial. Within the sample groups, income inequality has declined, food is more secure and wellbeing is improved on 2003 levels. What is more, incomes have generally grown and are positively correlated to employment in an enterprise. It appears that the Chinese government's resolve to stimulate the regional economy and to turn the crank on enterprise investment has paid off in this region of the Three Gorges Dam.

Migration and Self-Protection Against Climate Change: A Case Study of Samburu County, Kenya

- World Development---2016---Ng'ang'a, Stanley Karanja, Erwin Bulte, Ken E. Giller, John M. McIntire, Mariana C. Rufino

Climate change will affect the livelihoods of pastoralists in arid and semi-arid lands. Using data on agro-pastoral households from northern Kenya, we explore whether migration of household members enhances

adoption of agricultural innovations that aim to provide protection against weather shocks. Specifically, we seek to test whether migration and adaptation are complementary mechanisms to protect the household against adverse shocks, or whether they are substitutes. Do remittances relax capital constraints and facilitate the uptake of adaptive measures, or do they render adaptation superfluous? Our data provide suggestive evidence that remittances from migrant household members may relax capital constraints, and that remittances are an important mechanism linking migration to adoption, enabling the uptake of new technologies that involve change in activities or high costs. Specifically, migrant households adopt more adaptive measures (promoting self-protection), and we document some support for the hypothesis that this is especially the case for high-cost adaptations such as the purchasing of drought tolerant livestock. These findings suggest that migration and local innovation are complementary rather than substitutive mechanisms of self-protection for pastoral households in the semi-arid lands of northern Kenya. Households who have at least one member who has migrated are able to overcome barriers to employ high-cost agricultural innovations—through using remittances received—thus enhancing their self-protection against climate change related shocks.

The Effects of International Migration on Migrant-Source Households: Evidence from Ethiopian Diversity-Visa Lottery Migrants

- World Development---2016---Teferi Mergo

About a million people have migrated to the US via the Diversity Visa ("DV") lottery. The DV was instituted by an Act of the United States Congress to diversify the U.S. population through a lottery made available to people from countries with historically low rates of immigration to the country. In any given year, the probability of winning the lottery is less than 1%, with millions of people from around the world competing for a maximum of 55,000 immigrant visas that can be obtained through this migration channel. Using Ethiopian DV participants, which have consistently made up between 6% and 8% of all DV immigrants,

I study the causal effects of emigration on the well-being of the migrant sending families. I infer that migration contributes positively to the welfare of the source families. Overall, migration increases consumer expenditure, but has no effect on savings and business ownership of the senders. The positive treatment effects do not diminish with duration of emigration. Migrant men contribute more to the increase in their families' standard of living than their female counterparts do: while expenditure on food and energy are invariant to the migrants' gender, the gains in terms of durable ownership, access to clean water, and sanitation facilities occur almost entirely in families where the emigrants are men. I find that DV participants are favorably selected relative to the overall population.

Golden Opportunity, or a New Twist on the Resource–Conflict Relationship: Links Between the Drug Trade and Illegal Gold Mining in Colombia

- World Development---2016---Angelika Retberg, Juan Felipe Ortiz-Riomalo

Resource wars face greater difficulties to end conflict, as well as greater probabilities of relapse. In part, this is due to the persistence of resource-fueled criminal networks developed under the auspices of armed conflict. In this paper we focus on the Colombian armed conflict, one of the longest-lasting conflicts in the world. Recent evidence suggests that gold mining in Colombia has been permeated by illegal organizations linked to the drug trade, driving armed conflict and criminality. This reveals that attention to drugs alone as a conflict resource in this particular case has overshadowed the degree to which legal resources and economic activities have been permeated by illegal organizations and interests. This paper provides a framework of the gold–drugs relationship, which reveals the existence of resource portfolios, or the parallel participation and exchangeability of resources in the provision of funding for illegal organizations. We argue that, in addition to the impact of each resource on armed conflict and criminality, illegal organizations develop abilities to extract benefits of different resources at once or in-

terchangeably (a resource portfolio), which should be taken into account when analyzing the consequences of war on countries' social and economic institutions. In addition, political or reputational factors have been insufficiently considered in analyzing groups' decisions to engage in or abandon specific economic activities. We show that, along with expectations of revenue, resource portfolios may also respond to political conditions, as illegal organizations accustomed to deriving income from coercive practices such as kidnappings—until recently a widespread phenomenon in Colombia—have caused increasing international and domestic outrage followed by pressure to stop this brutal violation of Human Rights. Based on field research in gold mining Colombian regions—combining more than seventy semi-structured interviews with first-hand observation during field trips—and a careful review of press, non-governmental organizations' and official reports in local, regional, and national media, the paper provides a general framework of this complex relationship, paying specific attention to the evolution of the links and interchangeable nature of gold and drugs as conflict resources throughout the production phases of the gold extraction process. At a time when Colombia's ongoing peace process is likely to put an end to the armed confrontation between guerrilla groups and the Colombian state, our paper raises a warning sign for scholars and policymakers to consider the potential transformations of illicit markets and their role in shaping the prospects of durable peace.

Interest Organizations and Distributive Politics: Small-Business Subsidies in Mexico

- World Development---2016---Brian Palmer-Rubin

Politicians often use distributive programs to build and maintain electoral linkages with interest organizations. This project analyzes the factors that lead Mexican state governments to allocate distributive benefits to small-business organizations (SBOs) rather than directly to entrepreneurs or to other groups. Theoretically, I address how electoral threats to the ruling party shape the incentives of politicians to deliver benefits to core and non-core interest organizations. Using an

original dataset of decentralized small-business subsidies, I deploy a novel subnational design, comparing states governed by parties with different relationships to SBOs, facing different levels of electoral threat. I find that electoral competition shapes politicians' incentives for incorporating organizations in distributive spending. Governors from the pro-small-business PAN increase allocations to SBOs when they are electorally strong, while governors from the centrist PRI allocate more to these organizations when they face an electoral threat. Case studies provide additional evidence that ruling politicians allocate benefits to SBOs when linkages with these groups contribute to their most pressing electoral objectives.

Aid, Growth, and Devolution: Considering Aid Modality and Different Types of Decentralization

- World Development---2016---Christian Lessmann, Gunther Markwardt

In this paper, we provide further evidence on the relationship between decentralization and foreign aid effectiveness. Our previous work has shown that decentralization decreases aid effectiveness, i.e., the impact of aid on economic growth is negative in decentralized countries. However, our previous work has not taken different types of aid and different types of decentralization into account, which is at the heart of our current analysis. We consider different measures of decentralization, in particular measures of fiscal decentralization derived from government finance statistics and measures of political decentralization that are constructed based on countries' constitutional rules. In addition, we take different types of aid into account: grants, loans, technical assistance, total net ODA; and we distinguish between multi-lateral and bi-lateral aid in order to consider differences in the donor structure. Our empirical analysis is based on panel data of up to 53 developing countries. In our growth regressions, we combine all types of decentralization with the different types of aid. We find important differences between different types of decentralization: (i) fiscal decentralization negatively affects aid effectiveness (in line with our previous work), (ii) employment decentralization

may increase aid effectiveness, and (iii) political decentralization does not hamper aid effectiveness or may even have positive effects.

The Cultural Transmission of Environmental Values: A Comparative Approach

- World Development---2016---Anastasia Litina, Simone Moriconi, Skerdilajda Zana

This paper investigates the hypothesis that individual environmental attitudes are partly determined by a cultural component. Our analysis tackles this issue both theoretically and empirically. In the theoretical section of the paper, we describe a model of intergenerational transmission of cultural traits. In the empirical section, we use survey data from the European Values Study, to empirically identify this cultural component in environmental attitudes. We use a comparative approach that exploits variations associated with European migration flows. Our findings suggest that culture has a persistent and statistically significant impact on the environmental values of migrants: differences in environmental attitudes among migrants can be traced back to social values that persist in their countries of origin. We also show that environmental attitudes are resilient to incentives derived from the external environment: environmental conditions migrants have been exposed to in their countries of origin do not have a significant impact on their preferences when living in the host country. Our empirical findings are robust to a number of alternative assumptions and present interesting dimensions of heterogeneity concerning the cultural transmission process. These results imply that in the presence of multiple environmental problems that require collective action, comprehending the driving forces behind the formation of an environmental culture is critical to effective policy formation.

Water Meters and Monthly Bills Meet Rural Brazilian Communities: Sociological Perspectives on Technical Objects for Water Management

- World Development---2016---Colin Andrew Brown, João Luiz Pena

Lasting solutions for communities in need of improved water and sanitation services—notably rural ones—depend on a balanced consideration of what some have called natural, technical, and social factors. Worldwide deficits in access to appropriate water services in rural areas highlight the need to develop sustainable management models, which are increasingly being proposed with an emphasis on local user participation. The current research analyzes a case study of two rural communities in Northeast Brazil who recently began receiving water supply services through the SISAR, a state-affiliated organization underpinned by shared management with local actors. Using sociological frameworks based conceptually in Actor-Network Theory, the study's main objectives aimed to characterize what changes—if any—the application of the SISAR's model would produce upon local dynamics, be them wide-scale or intra-household. Field research was carried out over three months in 2014, in which the researcher interviewed a handful of professionals and several dozens of local residents during an extended in situ research phase. Our study finds that two technical factors (the water meter and monthly bill) were at the heart of key tensions and uncertainty for users in the new water management model. Lacking appropriate guidance, users acquainted themselves with these technical objects with what personal resources, interests, and intuitions they possessed. Users were without instruction on how the meter worked, how to understand the bill, and did not know that a price table even existed. Consequently, users revealed unknown qualities of these objects that countered the service provider's intentions to rationalize water use, and adopted attitudes and behaviors marked by subjective impressions of precaution and frugality. The findings show that technical objects have no self-evident qualities to users and, thus, users must learn or be taught how to interact with them in such a way as to produce desired outcomes. Rushed attempts at establishing low-cost, so-called participative models may indeed have heavy consequences. The most significant of which is an unfavorable climate for the formation of societies where informed individuals collectively possess the tools required to grasp the situations they live

within and manage sustainable water supply systems. Awareness of one's environmental impact is predicated on knowledge of one's consumption. Thus, this research contributes to development-related discussions by demonstrating that producing particular user attitudes and behaviors on a mass scale vis-à-vis resource consumption requires regular efforts to understand and mediate the encounter between users and non-human actants.

Advocating for Change? How a Civil Society-led Coalition Influences the Implementation of the Forest Rights Act in India

- World Development---2016---Clare Barnes, Frank van Laerhoven, Peter P.J. Driessen

Forest policy implementation is a political endeavor involving both state and non-state actors. We observe that civil society organizations (CSOs) often federate into civil society-led coalitions (CSCs) in order to shape forest policies in their favor. They appear to be successful in doing this during the policy design phase but we know little about whether they are able to see through to implementation the changes they have put in motion. Analyzing CSC strategies during policy implementation could help to explain variation in the extent to which forest policies are successfully implemented. This paper analyzes the strategy choices and potential impact during policy implementation of a loose CSC comprised of CSOs, activists, people's movements, researchers, and lawyers that advocates for the full implementation of the Forest Rights Act in India. Drawing from the Advocacy Coalition Framework's focus on belief systems, complemented by insights from political ecology and civil society/social movements literature, we develop a framework to analyze CSC strategy choices. Our analysis is conducted at the national level and in two states, Andhra Pradesh and Odisha. We employ qualitative research methods, including 38 interviews with CSC and non-CSC members, and a comprehensive analysis of the main CSC listserv and 1000 relevant English language newspaper articles. Our study reveals that the CSC employs a range of conflictive and collaborative strategies in its

attempts to influence state-led implementation processes, at both national and state levels. It draws on a loose, heterogeneous network with ability to connect internally and a clear moral justification of its involvement in FRA implementation. However the diverse range of views on the implementation issues held by CSC members, lack of dedicated funding for coordination, limited legitimacy in the eyes of some state actors and a constricting wider institutional setting, impedes the CSC's ability to make coalition-level strategy decisions. Our results lead us to argue that CSCs are undoubtedly active in forest policy implementation at the national level and in the two states analyzed, though limited coordination of strategies potentially restricts their impact on the policy implementation process.

The Fallacy of Beneficial Ignorance: A Test of Hirschman's Hiding Hand

- World Development---2016---Bent Flyvbjerg

Albert O. Hirschman's principle of the Hiding Hand stands stronger and more celebrated today than ever. The principle states that ignorance is good in planning, because if decision makers knew the real costs and difficulties of projects, few ventures would ever get started. The paper presents the first systematic test of the principle of the Hiding Hand, including a test of whether Hirschman's theory may be replicated with more and better data. This was found not to be the case. First, statistical tests reject the principle of the Hiding Hand at an overwhelmingly high level of significance ($p < 0.0001$). In reality, the exact opposite happens of what the principle states: instead of project success being secured by "creative error" and "beneficial ignorance"—where higher-than-estimated costs are outweighed by even higher-than-estimated benefits—the average project is in fact undermined by a double whammy of substantial cost overruns compounded by substantial benefit shortfalls. Second, Hirschman was found to have made the error of sampling on the dependent variable, undermining the validity of his findings. Third, Hirschman's sample of projects, on which he built his principle, is too small to support his

wide conclusions. Fourth, Hirschman misrepresented his findings and misled his readers. In sum, the data do not support Hirschman's proposition that ignorance is good in planning. Ignorance is bad, if by bad we mean that ignorance leads to starting projects that should not have been started. Finally, the data also do not support an interpretation of Hirschman as an early behavioral economist, as proposed by Sunstein. Hirschman was a victim, not a student, of bias.

Government Spending, Corruption and Economic Growth

- World Development---2016---d'Agostino, Giorgio, John Dunne, Luca Pieroni, Giorgio d'Agostino

There is considerable debate over the effects of both corruption and government spending on growth, but few studies have considered how the interaction between them might affect economic growth. This paper provides a contribution to the debate, starting with an endogenous growth model and extending it to account for the effects of corruption on components of government spending, namely military and investment spending. It then illustrates the non-negligible indirect effects of corruption on military spending and government investment expenditure using model simulations. The resulting model is then estimated on a comprehensive panel of 106 countries and the results show that the interactions between corruption and investment and corruption and military spending have strong negative impacts on economic growth. The results also indicate important complementarities between corruption and military spending, suggesting that combating corruption will not only have direct positive effects, but is also likely to have positive indirect effects, through reducing the size of the negative impact of the military burden. They are also found to be robust across different measures of corruption, levels of economic development and groupings of countries. This suggests that policies to reduce corruption, combined with those to reduce military burdens, such as regional security agreements, would have a considerable impact on economic growth.

Aid for Trade and Greenfield Investment

- World Development---2016---Hyun-Hoon Lee,John Ries

The Aid for Trade (AfT) Initiative was launched in 2005 at the Hong Kong Ministerial Conference where high-income countries pledged to increase their AfT contributions to developing countries. AfT, comprised almost entirely of aid for trade-related infrastructure and building productive capacity, would promote growth by easing supply-side constraints and improving transportation, energy, and communication infrastructure. By lowering costs of operating in recipient countries, AfT may increase both trade and investment. Most research on the effects of AfT on international transactions focuses on trade. The sparse research on investment investigates aid and net foreign direct investment flows based on the international balance of payments. We contribute to the literature by assessing AfT effects on new greenfield investment.

The Local Impact of Mining on Poverty and Inequality: Evidence from the Commodity Boom in Peru

- World Development---2016---Norman Loayza,Jamele Rigolini

This paper studies the impact of mining activity on socioeconomic outcomes in local communities in Peru. In the 1990s and 2000s, the value of Peruvian mining exports grew by 15times; and since the early 2000s, one-half of fiscal revenues from mining have been devolved to local governments. Has this boom benefitted people in local communities? Using the district-level “poverty map” of 2007 (the latest available with accurate data on consumption, poverty, and inequality) together with district-level data on mining production and fiscal transfers to local governments, we present some evidence to answer this question. We find that mining districts have larger average consumption per capita and lower poverty rates than otherwise similar districts. These positive impacts, however, decrease drastically with administrative and geographic distance

from mining centers. Moreover, consumption inequality within mining districts is higher than in comparable nonproducing districts. This dual effect of mining is accounted for by, first, the better educated immigrants required and attracted by mining activity and, second, the jobs that some community natives obtain in industries and services related to mining. The inequalizing impact of mining, both across and within districts, may help explain the social discontent with mining in Peru, despite its enormous revenues. An area for future research highlighted in the paper regards the usefulness of fiscal transfers to local governments (the Mining Canon), a key component of the fiscal decentralization reform of 2002. We find neither a detrimental nor a beneficial effect from the Mining Canon in Peru. Whether this is explained by our early measurement of results (5years into the decentralization program) or by the lack of implementation capacity of local governments remains to be answered.

Rural Finance and Agricultural Technology Adoption in Ethiopia: Does the Institutional Design of Lending Organizations Matter?

- World Development---2016---Gashaw Abate,Shahidur Rashid,Carlo Borzaga,Kindie Getnet

It has now become almost a stylized fact that sustained agricultural growth is central to rapid poverty reduction and economic development. Yet, world poverty is largely concentrated in the agrarian societies, which have the potential for agricultural productivity growth. This is particularly true for Sub-Saharan African countries, where the gaps between potential and actual yields remain high. Minimizing this gap through the promotion of modern inputs—such as fertilizer and modern seeds—has been at the core of almost all development strategies in Ethiopia. Among other initiatives, the country has promoted microfinance institutions and member-owned financial cooperatives to alleviate credit constraints of the smallholder farmers. This paper analyzes the impacts of these institutions. Using household survey data and a propensity-score-matching technique, we examine the effects that institutional fi-

financial services have on farmers' adoption of agricultural technology in Ethiopia. The results suggest that access to institutional finance has a significant positive impact on both the adoption and extent of technology use. However, when impacts are disaggregated by type of financial institution and farm size, heterogeneities are observed. In particular, financial cooperatives have a greater impact on technology adoption than micro-finance institutions, and the results appear to vary depending on farm size and types of inputs. The paper concludes with implications for policies to promote adoption of modern agricultural inputs.

Carbon Pricing Revenues Could Close Infrastructure Access Gaps

- World Development---2016---Michael Jakob, Claudine Chen, Sabine Fuss, Annika Marxen, Narasimha D. Rao, Ottmar Edenhofer

Introducing a price on greenhouse gas emissions would not only contribute to reducing the risk of dangerous anthropogenic climate change, but would also generate substantial public revenues. Some of these revenues could be used to cover investment needs for infrastructure providing access to water, sanitation, electricity, telecommunications, and transport. In this way, emission pricing could promote sustainable socio-economic development by safeguarding the stability of natural systems which constitute the material basis of economies, while at the same time providing public goods that are essential for human well-being. For a scenario that is consistent with limiting global warming to below 2°C, we find that domestic carbon pricing (without redistribution of revenues across countries) has substantial potential to close existing access gaps for water, sanitation, electricity, and telecommunication. However, for the majority of countries carbon pricing revenues would not be sufficient to pave all unpaved roads, and for most countries in Sub-Saharan Africa they would be insufficient to provide universal access to all types of infrastructure except water. If some fraction of the global revenues of carbon pricing is redistributed, e.g., via the Green Climate Fund, more ambitious infrastructure access goals could be

achieved in developing countries. Our paper also bears relevance for the design of climate finance mechanisms, as it suggests that supporting carbon pricing policies instead of project based finance might not only permit cost-efficient emission reductions, but also leverage public revenues to promote human development goals.

Rational Herding toward the Poor: Evidence from Location Decisions of Microfinance Institutions within Pakistan

- World Development---2016---Jérôme Monne, Céline Louche, Christophe Villa

Analyzing the geographical location of almost all the microfinance institutions (MFIs) within Pakistan, this paper gives further evidence that microfinance activities do not reach the poorest rural areas. Especially, we explore how this result is driven by the uncertainty faced by MFIs in their location decision i.e., they can hardly predict accurately whether or not they will perform financially. Furthermore, we find that MFIs are spatially clustered and identify three main reasons for this: common attraction factors i.e., the characteristics of one area fits to the preferences of all MFIs so that they are all located in the same areas; payoff externalities to be collocated; and herd behavior, i.e., MFIs follow one another. Most importantly, we find that a significant part of this herding process is rational, i.e., early locations of MFIs convey information used by later ones such that it reverses or neutralizes the negative impact of uncertainty resulting then in more locations in needier areas. Since it allows them to be located in poorer areas, MFIs improve the achievement of their social goal. This latter result is rather good news for those who reckon that a better access to financial services enhances economic growth and fosters poverty alleviation. Indeed, rational herding constitutes an endogenous moderator effect to the big issue that financial services penetration is too weak in the poorest rural areas.

Collective Action in Decentralized Irrigation Systems: Evidence from Pakistan

- World Development---2016---Aatika Nagrah, Anita M. Chaudhry, Mark Giordano

Pakistan, home of the world's most extensive irrigation system, has followed a global trend in irrigation to devolve management from government to farmers and farmer organizations. We implement the most extensive survey of irrigation management ever conducted in Pakistan to examine variation in farmer participation in managing local irrigation systems under the new governance regime. Building on and adding to previous work in Pakistan and elsewhere, we examine the effects of privately accessed groundwater, groundwater quality, surface water, and other factors along 5 different community management responsibilities, including roles that existed prior to decentralization (maintenance of the watercourse and dispute resolution) and new roles that were created after (voting to elect representative at the higher level, collection of water charges, and holding internal meetings). Each responsibility represents a collective action problem for the community. We find that while group leader education is important in successful execution of the roles, voting has in general been taken up enthusiastically while water charge collection remains, not surprisingly, low. We find a previously unreported inverse-U shaped relationship between groundwater availability and farmer participation, and that availability of high groundwater quality (less-saline) groundwater significantly reduces participation, as does high variation in canal water supply within a growing season. We also find, contrary to expectation, that communities in the tail reaches of the system, known to receive worse canal water service, more actively participate in managing their local irrigation systems. The findings have important implications for the continued push for decentralized surface irrigation management in South Asia and elsewhere as groundwater irrigation continues to expand and equitable access to surface water remains a policy concern.

Hands Off My Regime! Governments' Restrictions on Foreign Aid to Non-Governmental Organizations in Poor and Middle-Income Countries

- World Development---2016---Kendra Dupuy, James Ron, Aseem Prakash

Many resource-strapped developing country governments seek international aid, but when that assistance is channeled through domestic civil society, it can threaten their political control. As a result, in the last two decades, 39 of the world's 153 low- and middle-income countries have adopted laws restricting the inflow of foreign aid to domestically operating nongovernmental organizations (NGOs). Governments recognize that such laws harm their international reputations for supporting democracy and may invite donor punishment in terms of aid reductions. Yet, they perceive foreign aid to NGOs as supporting political opponents and threatening their grip on power. In the aftermath of competitive electoral victories, governments often take new legal steps to limit these groups' funding. We test this argument on an original dataset of laws detailing the regulation of foreign aid inflows to domestically operating NGOs in 153 low- and middle-income countries for the period 1993–2012. Using an event history approach, we find that foreign aid flows are associated with an increased risk of restrictive law adoption; a log unit increase in foreign aid raises the probability of adoption by 6.7%. This risk is exacerbated after the holding of competitive elections: the interaction of foreign aid and competitive elections increases the probability of adoption by 11%.

Determinants of the Level of Informality of Informal Micro-Enterprises: Some Evidence from the City of Lahore, Pakistan

- World Development---2016---Colin Williams, Muhammad S. Shahid, Alvaro Martínez

Recognizing that enterprises operate at varying levels of informality, this paper evaluates the determinants of their degree of informality. Reporting a 2012 survey of 300 informal microenterprises in the city of Lahore in

Pakistan, the finding is that the key predictors of their level of informality are the characteristics of the entrepreneur and enterprise, rather than their motives or the wider formal and informal institutional compliance environment. Lower degrees of informality are associated with women, older, educated, and higher income entrepreneurs and older enterprises with employees in the manufacturing sector. The paper concludes by discussing the theoretical and policy implications.

Do Informal Businesses Gain From Registration and How? Panel Data Evidence from Vietnam

- World Development---2016---Axel Demenet,Mireille Razafindrakoto,François Roubaud

This paper evaluates the impact of Household Businesses' decision to leave the informal sector on their performance and mode of operation. It capitalizes on a unique panel dataset, result of a five-year project.

Analyzing the Determinants of the Shadow Economy With a "Separate Approach" . An Application of the Relationship Between Inequality and the Shadow Economy

- World Development---2016---Dell'Anno, Roberto,Roberto Dell'Anno

This paper suggests a "separate" approach to analyze the determinants of the shadow economy (SE). It is applied to investigate the relationship between inequality and the SE on a cross-section of 118 countries. We disentangle the effect of inequality on the SE ratio by estimating both direct and indirect effects on both the numerator and denominator of the ratio separately. We find that an increase in inequality increases the SE ratio. This positive correlation is primarily due to a reduction in the official GDP rather than an increase in the SE.

The Impact of Economic Sanctions on Income Inequality of Target States

- World Development---2016---Sylvanus Afesorgbor,Renuka Mahadevan

In this paper, we draw on established theoretical work to analyze empirically which segments of the population in the target states bear the most cost when economic sanctions are imposed. Using a cross-country analysis of 68 target states from 1960 to 2008, we find robust empirical evidence that the imposition of sanctions have a deleterious effect on income inequality. Focusing on various sanction instruments, financial and trade sanctions were found to have different impacts on income inequality. Lastly, the adverse effect of the sanctions was more severe on income inequality when sanctions span longer duration.

Moral Economy Meets Social Enterprise Community-Based Green Energy Project in Rural Burundi

- World Development---2016---Katarzyna Cieslik

The development sector is constantly looking for new models to address the many challenges of the Global South in a sustainable way. The aim of this study is to investigate how the agrarian communities in rural Burundi accommodate the model of a social enterprise: a market-based community organization with a social mission.

Genetically Modified Maize: Less Drudgery for Her, More Maize for Him? Evidence from Smallholder Maize Farmers in South Africa

- World Development---2016---Marnus Gouse,Debdatta Sengupta,Patricia Zambrano,José Falck Zepeda

Genetically modified (GM) crop technologies have made great strides since its first introduction in 1996. Although there is an extensive and growing body of literature on the economic impact of the adoption of GM crops in both developing and developed economies, there is only scant evidence that the technology has had any specific and distinguishable impact among female and male farmers. In economies where female farmers and female household members have a significant and often differentiated role in agriculture production, it is crucial to be able to answer this question. This paper

presents quantitative and qualitative results from a study of the gender-specific adoption and performance effects of insect resistant (Bt) and herbicide-tolerant (HT) maize produced by smallholder farmers in the Kwa Zulu Natal province in South Africa. The findings indicate that women farmers value the labor-saving benefit of HT maize alongside the stacked varieties which offer both insect control and labor saving. Higher yields are the main reason behind male adoption, while female farmers tend to favor other aspects like taste, quality, and the ease of farming herbicide-tolerant (HT) crops. Women farmers (and also children) saved significant time because less weeding is required, an activity that has traditionally been the responsibility of female farmers. The newer stacked varieties were preferred by both male and female farmers and seemed to be in high demand by both groups. However, lack of GM seed availability in the region and poor market access were possible limitations to the adoption and spread of the technology.

Unwrapping Institutional Change in Fragile Settings: Women Entrepreneurs Driving Institutional Pathways in Afghanistan

- World Development---2016---Holly A. Ritchie

This paper elaborates on critical processes of institutional change and the implications for local economic development in fragile settings. Drawing on empirical research in Afghanistan, the discussion looks specifically at how local actors interact to reshape the “rules of the game” in women’s enterprise. The research has highlighted diverse actor negotiation in the transformation of (heterogeneous) purdah norms and development of enterprise institutions. This has crucially influenced the scope of norm development, and women’s engagement in business. The study shows that external actors (such as NGOs) may be able to both initiate and guide institutional change and development. Yet in challenging environments such as Afghanistan, there may be limitations to their endeavors, with strong resistance from local power holders, unpredictable entrepreneurs and disruptive (local) events. The use of liberal cultural/religious narratives has proved fundamental in

permitting change processes. Emerging open-minded beliefs have unleashed a more democratic “narrative” on women, particularly if championed by progressive leaders, or credible outsiders in “receptive” local conditions. This has led to the evolution of new attitudes and preferences, with potential effects beyond the market, including increasing girls’ education and women’s property rights.

Government Impartiality and Sustained Growth in Sub-Saharan Africa

- World Development---2016---Pelle Ahlerup, Thushyanthan Baskaran, Arne Bigsten

Many studies suggest that one of the main reasons for Africa’s dismal growth performance over most of the 20th century is its degree of ethnic fragmentation. Yet, there is still insufficient knowledge about whether ethnic diversity necessarily entails large economic costs, or whether the implications of diversity depend, inter alia, on the government’s approach toward the ethnic question. We note that economic growth tends to increase average incomes, but it also affects the income distribution. Then, if growth is accompanied by growing economic inequality, the perception of the impartiality of the government toward different ethnic groups is likely to be important for whether growth can be sustained, or whether sparks of growth will evaporate because of rising political divisions and internal conflicts. In this paper, we study whether the degree of ethnic impartiality in the government’s policies is related to the emergence of sustained growth in sub-Saharan Africa, irrespective of the actual content of the policies. We measure perceptions about the impartiality of the government with survey data from the Afrobarometer covering 20 countries starting in the late 1990s. Our main definition of sustained growth is when there is a GDP per capita growth rate of at least 2% for at least five consecutive years. Our empirical results suggest that countries whose governments are perceived as impartial are more likely to experience sustained growth. We conclude that in order to ensure economic development, it is not only important

to choose the “right” policies, but also to implement these policies in a fair manner.

Impact of an Agricultural Value Chain Project on Smallholder Farmers, Households, and Children in Liberia

- World Development---2016---Diana Duff Rutherford,Holly M. Burke,Kelly K. Cheung,Samuel H. Field

We explore the impact of a rural agricultural value chain project in Liberia on smallholder farmers, their households and children in order to better understand the link between household economic welfare and child wellbeing. Drawing on longitudinal field-based quasi-experimental survey data, we estimate the causal effect of the project on the use of modern farming techniques and production, household assets and food security, and child education, health and nutrition. Mixed-methods include multiple rounds of focus groups with farmers, key informant interviews with community leaders, and project monitoring farmer diaries. Treatment farmers showed increased use of modern farming techniques and improved production, households experienced greater access to food, and while no significant changes were found for children, for the outcomes of interest, treatment children outcomes trended in the positive direction. The evaluation suggests that participation in agricultural value chain interventions contributes to positive farm outcomes and social assets, but economic-focused activities alone are insufficient to improve children’s lives. Since improving the lives of children from birth is critical to breaking the inter-generational cycle of poverty, economic strengthening programs like value chain interventions, must monitor their effects on children: to do no harm and to identify and take advantage of opportunities to improve the lives of children.

Sugarcane Outgrowers in Ethiopia: “Forced” to Remain Poor?

- World Development---2016---Mengistu Assefa Wendimu,Arne Henningsen,Peter Gibbon

Contract farming is often seen as a panacea for many of the challenges faced by agricultural production in developing countries. Given the large heterogeneity of contract farming arrangements, it is debatable whether all kinds of contract farming arrangements offer benefits to participating smallholders. Nonetheless, many donor agencies, nongovernmental organizations, and governments of developing countries are increasingly pushing for contract farming and outgrower schemes as an instrument to commercialize small-scale farming. Their desire for such arrangements is further reinforced by the recent rush for large-scale agricultural land acquisition in most developing countries, often described as “land grabbing,” because contract farming and outgrower schemes can result in the same advantages as large-scale farming, but avoid its main drawback—namely the displacement of the current land-users. Using data from the oldest and some more recently established sugarcane outgrower schemes in Ethiopia, this paper examines the effects of compulsory participation in sugarcane outgrower production on total household income and asset stocks. Because outgrowers and non-outgrowers may have some differences prior to joining sugarcane outgrower schemes, we use genetic matching and propensity score matching to make the two groups comparable based on their observable characteristics. Our results indicate that compulsory participation in an outgrower scheme significantly reduces the income and asset stocks of outgrowers who contributed irrigated land to the outgrower scheme, while the effect is insignificant for outgrowers who contributed rain-fed land. We provide several explanations and discuss policy implications.

Shared Mandates, Moral Hazard, and Political (Mis)alignment in a Decentralized Economy

- World Development---2016---Antonio Estache,Grégoire Garsous,Ronaldo Seroa da Motta

This paper investigates the effects of political (mis)alignment on public service delivery when mandates are shared between state and local governments. We analyze local sewage treatment policies in the state

of São Paulo, Brazil. The Brazilian Constitution divides the mandates related to the control of water pollution. It gives the mayors of municipalities the control of local sanitation services while the governor of the state of São Paulo is responsible for the quality of water bodies (watersheds and rivers). As a result, the state government and municipalities have conflicting objectives. The former is committed to water environmental protection while the latter do not internalize the externalities associated with dumping raw sewage that affect neighboring municipalities. In this paper, we argue that informal arrangements between state and local authorities play a key role in addressing this principal-agent problem or moral hazard issue. Given that constitutional debates have failed to set up a regulatory framework, the de facto solution is a more informal type of regulation anchored in the political leverage of the governor. In particular, the hierarchy within a political party allows the governor to provide aligned mayors with tailored incentives to improve local sanitation infrastructure. As a result, aligned municipalities should, on average, allocate more resources to sewage treatment. Relying on difference-in-differences estimations, we establish a causal relationship between political alignment and higher sewage treatment provision. We find that sewage treatment provision is between 18% and 46% higher in municipalities in which the mayor is aligned with the governor of the state of São Paulo.

Intrahousehold Inequalities in Child Rights and Well-Being. A Barrier to Progress?

- World Development---2016---Laura Rodríguez

This paper uses UNICEF's Multiple Indicators Cluster Surveys cross-country data to shed light on unequal investments in the wellbeing of children (boys and girls) within the household. The paper proposes a new methodology to measure the extent of gender intrahousehold inequality and its contribution to overall levels of inequality using an L-Theil index decomposition. The individual and joint distribution of inequality in four key indicators of child wellbeing is analyzed: stunting, birth registration, school attendance, and time spent on work and chores (working hours) in

the search for evidence of gender bias. Evidence from various separate country studies had shown that the direction of the gender bias is not universal. Such conclusion holds when using a consistent methodology and comparable cross-country datasets; this paper shows that disparities inside households do not follow the same bias toward one or the other gender in all countries and the direction of the bias is not the same across indicators of wellbeing. While progress in improving child wellbeing has occurred in many countries, inequalities remain. Intrahousehold inequalities might still be considered a priority in an agenda focused on closing these progress gaps.

A Blessing in Disguise? Banking Crises and Institutional Change

- World Development---2016---Fredrik Andersson

We test if banking crises cause institutional reforms. Many banking crises are indirectly caused by a weak and volatile macroeconomic environment. This weakness is in turn often caused by the countries' economic and political institutions. A possible outcome of a banking crisis is therefore institutional reforms that improve the macroeconomic outcome and consequently reduce the risk of future problems in the banking sector. Specifically, we test three hypotheses: that only major banking crisis that affects economic growth leads to institutional reforms, that reforms implemented lead to more market-oriented economic institutions and more accountable and stable political institutions, and that democratic countries are more likely to reform than non-democratic countries. Our hypotheses are tested using a data set including 56 countries from 1985 to 2009. Institutional quality is measured using four indices: the ICRG index of political institutions, the Fraser index of economic freedom, the KOF index of trade and capital restrictions and the KOF index of political globalization. Our results support the first two hypotheses: only major banking crises cause institutional reforms and those reforms make economic institutions more market oriented and political institutions more stable and accountable. Our results do not support the third hypothesis, all countries irrespective

of political regime reform institutions following a major banking crisis.

Does Migration Support Technology Diffusion in Developing Countries?

- World Development---2016---Michael Hübler

The spread of mobile phones in developing countries is a technological success story. Mobile phones' independence of landline telecommunication networks qualifies them for information exchange even in remote rural areas. Whereas technology spillovers via international trade and foreign direct investment have been widely explored by the literature, international migration and rural-urban migration have hardly been explored as vehicles for technology diffusion. Motivated by the current extent of national and international migration, this paper addresses this lacuna. It draws upon data from rural households in Thailand, Vietnam, Laos, and Cambodia and uses households' mobile phone ownership as an indicator for rural technology diffusion. Migration is modeled via an endogenous treatment regression approach. In a number of robustness checks, the variables, the sample, and the estimation technique are varied. The results provide empirical evidence for rural technology diffusion. In the survey areas, poverty-driven rural-urban migration and related technology diffusion play a more important role than technology spillovers via international migration. The results show that total emigration as well as immigration can support technology diffusion, i.e., the dispersion of mobile phones, beyond monetary remittances. When controlling for education and household age (in a squared fashion) in the main regressions and in several robustness checks, emigration as well as immigration, however, exhibit a negative effect on households' mobile phone ownership ("technology drain" or "technology impair" effect). For development policy, the results suggest investments in education and the creation of financial opportunities to support rural technology diffusion.

Can Peers Improve Agricultural Revenue?

- World Development---2016---Tisorn Songsermsawas, Kathy Baylis, Ashwini Chhatre, Hope Michel-

son

Crop revenues vary greatly among farmers and the source of that variation is not fully understood, even after controlling for factors including input use, technology adoption, and other agro-climatic factors. One hypothesis that may explain the variation in outcomes among farmers is differential access to information through peers. Using a household survey from India containing detailed information about personal relationships, we estimate peer effects on cash crop revenue using a novel spatial econometric technique to control for reflection. Our results show that 60% of farmers' revenue is explained by peers. Peer effects are particularly large in pesticide use and in the cultivation of a new crop. However, peer effects in input expenditures and land allocation cannot fully explain the variation in revenue, implying peers may also associate with management, negotiation, and marketing. We find that peer effects are significant among farmers' self-reported peers, especially among those peers who are farmers' main advisors for agricultural matters. Although caste-based networks (both within the same and in adjacent villages) are important, their effect is smaller than that of self-reported peer networks. We empirically rule out that our effects are driven by other factors such as geographically correlated unobservables, farmers following a lead farmer or economies of scale. Our findings speak to both the potential and the limitations of peers as sources of agricultural information, and highlight the need for future research about how to best integrate peers into agricultural extension.

Energy Governance, Transnational Rules, and the Resource Curse: Exploring the Effectiveness of the Extractive Industries Transparency Initiative (EITI)

- World Development---2016---Benjamin K. Sovacool, Götz Walter, Thijs Van de Graaf, Nathan Andrews

Transnational standards for disclosure have become a defining feature of global governance and sound economic development, yet little is known about their effectiveness. This study statistically explores the efficacy of

such standards for the important case of the Extractive Industries Transparency Initiative (EITI), an international non-governmental organization which maintains a voluntary standard for revenue transparency in the extractive industries. As of November 2015, 31 countries were “EITI Compliant” and another 49 were “EITI Candidates.” In total, 49 countries had disclosed payments and revenues worth some \$1.67 trillion in more than 200 “EITI Reports”, and over 90 major companies involved in oil, gas, and mining are committed to supporting the EITI. The EITI has also received support from 84 global investment institutions that collectively manage about \$16 trillion in energy infrastructural assets. Moreover, the European Union, African Union, G8 and G20, and the United Nations have all endorsed the EITI. This article provides the first broad empirical examination of the EITI’s effectiveness in improving governance and economic development outcomes in its member countries using non-parametric tests, regression analysis, and data from the World Bank. We analyze the performance of the first 16 countries to attain EITI Compliance Status over the period of 1996–2014. We find, interestingly, that in most metrics EITI countries do not perform better during EITI compliance than before it, and that they do not outperform other countries. We postulate four possible explanations behind the relative weakness of the EITI: a limited mandate, its voluntary nature, stakeholder resistance, and dependence on strong civil society.

Bilateral Investment Treaties and FDI: Does the Sector Matter?

- World Development---2016---Liesbeth Colen,Damiaan Persyn,Andrea Guariso

Developing and transition countries have increasingly engaged in the signing of bilateral investment treaties (BITs) in order to attract FDI, based on the widely shared view that FDI can contribute significantly to economic development and poverty reduction. However, the degree to which foreign investments can be expected to generate employment, offer access to international technology and know-how, and ultimately

create growth, varies considerably depending on the type of investment. It is therefore important to determine what type of FDI is attracted by BITs. By providing a legal commitment to the fair and equitable treatment of foreign investors, BITs aim to decrease investment risk and to attract foreign investors. We argue that BITs can be expected to be most effective in those sectors of the economy with a larger risk of expropriation, i.e., sectors characterized by large sunk costs, relatively low levels of firm-specific know-how, and in sectors that are politically sensitive to foreign ownership.

Agrarian Structures, Urbanization, and Inequality

- World Development---2016---Cem Oyvat

This study examines the impact of agrarian structures on income inequality over the long run. First, it exhibits the relationship between land and income distribution by developing a theoretical model based on Harris and Todaro (1970) and Lewis (1954). High land inequality increases income Gini coefficients in the urban sector as well as the rural sector, not only by creating congestion in the urban subsistence sector, but also by feeding the growth of the urban reserve army of labor, which pulls down the wages in the urban capitalist sector.

Livelihood Diversification in Rural Laos

- World Development---2016---Sarah M. Martin,Kai Lorenzen

Livelihoods in rural southern Laos are highly diverse, comprising a wide range of different productive activities. In this paper motivations for diversification within livelihood strategies in rural communities in southern Laos are investigated through theories of distress-induced risk spreading in response to crises and progressive success and wealth. Results indicate that livelihood diversification at the household level is associated with higher wealth status and ownership of a range of assets as part of a progressive, accumulation livelihood strategy for those with fewer constraints. Diversification strategies across all socioeconomic groups

commonly include a combination of agricultural and non-agricultural activities as well as migrant remittances, however, the types of activities undertaken are dependent on wealth. The increased asset status of households extends to enabling higher income-generating migration opportunities and may facilitate transition into both non-agricultural employment, as well as into a wider variety of agricultural employment activities. This further strengthens livelihoods through the mutually reinforcing complementarities across livelihood activities and reducing the risks associated with each. But this has the effect of leaving the poor, with lower levels of diversification, at most risk to natural or economic disasters or other shocks. Results have implications for development policy for rural southern Laos, highlighting the importance of recognizing the positive aspects of livelihood diversification for rural poverty reduction. Broadened policy mechanisms which support and encourage diversification and mobility at the household level are needed. Likewise, pro-poor development initiatives that focus on increasing the diversity of assets (rather than the quantity of any one single asset) of the poor are more likely to be successful in supporting livelihood diversification and reducing vulnerability.

Reaching the Poor: Cash Transfer Program Targeting in Cameroon

- World Development---2016---Quentin Stoefler,Bradford Mills,Carlo del Ninno

Identifying and selecting poor households with efficient targeting methods is essential for effective poverty alleviation programs. This paper assesses the ex-post performance of two popular targeting mechanisms, Proxy Means Testing (PMT) and Community-Based Targeting (CBT), in a pilot cash transfer program in Cameroon. Several indicators and metrics to measure each method's performance in terms of inclusion of poor households and exclusion of non-poor households are employed. Results consistently show that CBT performs poorly in terms of selecting households with low per capita consumption when compared to PMT. CBT appears to select households with low physical

and human capital, regardless of actual consumption level. However, CBT also shows more variability in the selection decision than PMT even when alternative poverty definitions are used as robustness tests. The PMT method used in the pilot slightly outperforms other targeting methods (hybrid, alternative PMT, and universal targeting with equal budget), but errors remain high when selecting 35% of the population for program participation. The results suggest caution is needed in employing CBT methods to select households with low per capita consumption in an environment where poverty levels are high and administrative capacities are limited. CBT performance may be improved through more uniform and consistent guidance on program selection criteria and process, including explicit criteria that enable CBT monitoring, as well as a better integration between PMT and CBT.

Comparison of Private Incentive Mechanisms for Improving Sustainability of Filipino Tuna Fisheries

- World Development---2016---Frazen Tolentino-Zondervan,Paul Berentsen,Simon Bush,Joseph Idemne,Ricardo Babaran,Alfons Oude Lansink

This paper analyzes the influence of three private incentive mechanisms over decision making related to improved sustainability of fishing practices in Filipino tuna fisheries. The three mechanisms compared are the World Wildlife Fund for Nature's fishery improvement project model, Marine Stewardship Council certification, and the International Seafood Sustainability Foundation Pro-Active Vessel Register. The main question addressed in this paper is how and to what extent the private incentive mechanisms support the development of fisher capabilities to respond to the requirements set out by these mechanisms. Applying a global value chain approach to analyze results collected from key actors involved in Philippine tuna fishers contributing to both domestic and regional economic development in the Western Pacific, we explore the structure and function of these private incentive mechanisms in achieving both environmental and economic development outcomes. Our results show that

these private incentive mechanisms deliver different direct and indirect incentives for changing to more sustainable fishing practices, and that the success of these mechanisms is dependent on the extent to which the mechanisms support the development of target fisher capabilities to comply with their sustainability requirements. We conclude that the future success of these incentive mechanisms depends for a large part on stricter sustainability requirements, but also on the capacity of the mechanisms to incentivize the inclusion of more developing country fishers. These findings contribute to a wider understanding of how the capabilities of developing country producers are influenced by their relationship with chain and non-chain actors, and with the wide institutional arrangements that the producers operate in.

Civil Society and Gender Mainstreaming: Empirical Evidence and Theory-Building from Twelve Post-Conflict Countries 2005–15

- World Development---2016---Paul Chaney

Using critical discourse analysis, this twelve-country study addresses a key lacuna by examining civil society perspectives on the implementation of the Participative Democratic Model (PDM) of gender mainstreaming in post-conflict states. The findings reveal specific data, transitional justice, and governance challenges in war-affected states as policy actors press for heightened attention to issues such as the effects on women of war-induced poverty, human rights violations, and women's empowerment in state reconstruction and peace-building. The analysis shows the aftermath of war accentuates frame misalignment between civil society and governing elites. In order to address this a Transformative Model (TM) of Participative Mainstreaming in Post-conflict States is proposed. Building on conflict theory it argues for the engendering of "transitional justice" in order to secure equality in public policy and law-making. In particular, it details how future attempts to apply the PDM need to be adapted across four Transformational Domains: actors, issues, rules, and structures. Each is populated by "post-conflict issues/actions". When CSOs success-

fully advance claims for modifying policy and practice "frame-alignment" occurs and the implementation of PDM may be adapted to the specificities of war-affected states.

Gender, Assets, and Agricultural Development: Lessons from Eight Projects

- World Development---2016---Nancy L. Johnson, Chiara Kovarik, Ruth Meinzen-Dick, Jemimah Njuki, Agnes Quisumbing

Ownership of assets is important for poverty reduction, and women's control of assets is associated with positive development outcomes at the household and individual levels. This research was undertaken to provide guidance for agricultural development programs on how to incorporate gender and assets in the design, implementation, and evaluation of interventions. This paper synthesizes the findings of eight mixed-method evaluations of the impacts of agricultural development projects on individual and household assets in seven countries in Africa and South Asia. The results show that assets both affect and are affected by projects, indicating that it is both feasible and important to consider assets in the design, implementation, and evaluation of projects. All projects were associated with increases in asset levels and other benefits at the household level; however, only four projects documented significant, positive impacts on women's ownership or control of some types of assets relative to a control group, and of those only one project provided evidence of a reduction in the gender asset gap. The quantitative and qualitative findings suggest ways that greater attention to gender and assets by researchers and development implementers could improve outcomes for women in future projects.

The Role of Risk Perception in Child Mobility Decisions in West Africa, Empirical Evidence From Benin

- World Development---2016---Anne Kielland

Ethnographic research suggests that child mobility serves as a social risk management strategy for vul-

nerable, uninsured rural households. In line with this research, and as a supplement to previous empirical research on child mobility, this article suggests that child mobility is not only implemented as response to shocks and poverty, but also ex-ante such situations. That is, it is assumed that when households perceive themselves to be at heightened risk of critical poverty or shock, the likelihood of child-relocation increases. The hypothesis is tested by looking at the statistical association between child mobility and household head risk perception, operationalized as his or her level of worry about not being able to provide the family with food in the upcoming 12 months. Data from 2,078 households with eligible children in rural Benin, 2012, are analyzed. In 2010, Benin was struck by a massive flood that affected almost half the sampled households. In the OLS presented, child mobility is regressed on poverty, being shocked by the 2010 floods, and risk—understood as level of worry about the future food situation—and a set of socioeconomic controls. Household head risk perception is systematically associated with child mobility, while poverty and shock are not. If future risk perception indeed also predicts high-risk child relocations, then predictable social safety nets should be an adequate policy response.

African Mining, Gender, and Local Employment

- World Development---2016---Andreas Kot-sadam, Anja Tolonen

The discovery of natural resources across the African continent brings hope for millions of poor people, but there are long-standing fears that the resources will be a curse rather than a blessing. One of the most frequently claimed effects is that gender inequality in economic opportunities may increase with mining. This paper is the first multi-country quantitative analysis of the local employment impacts for men and women of large-scale mining in the African continent. Using exact mine locations, we merge survey data for 800,000 individuals with data on all mine openings and closings across the continent, which enables a highly localized analysis of spillover effects. We employ a geographic difference-in-difference estimation exploiting the spa-

tial and temporal variation in mining. We show that industrial mine opening is a mixed blessing for women. It triggers a local structural shift, whereby women shift from agricultural self-employment (25% decrease) to the service sector (50% increase), and are 16% more likely to earn cash. However, overall female employment decreases by 8% as agriculture is a larger sector than services. Male partners shift to skilled manual labor, and some find jobs in the mining sector. The effects of mine openings diminish with distance and are close to zero at 50km from a mine. Mine closure causes the service and skilled sectors to contract. The results are robust to a wide battery of robustness checks, such as using different measures of distance and excluding migrants from the sample. This paper shows that large-scale mining can stimulate nonagricultural sectors in Africa, although it creates local boom-bust economies with transient and gender-specific employment effects.

FDI and Business Internationalization of the Unorganized Sector: Evidence from Indian Manufacturing

- World Development---2016---Hamid Be-ladi, Meghna Dutta, Saibal Kar

Available evidence, though limited to the organized sector only, suggests that FDI flowing in with MNE activities or direct FIIs generate technological and market access spillovers for firms outside the core group in destination countries. We investigate the organizational link between formal and informal sectors in India and argue that the spread of internationalization is more when production outsourcing prevails between such units. Higher wage in the organized sector is a factor that breaks standard institutional barriers leading to outsourcing of production to informal units. The evidence is puzzling to the extent that foreign capital and better know-how as drivers of international business to developing countries usually relax the credit constraint facing formal sector units at the destination and cause expansion of formal units. Using a measure of technology and a panel data for a large number of industrial units in India, we show that FDI transmitted through technology spillover leads to significant

increase in the gross value added for several industries located in the informal sector. The paper points out that production re-organization associated with international capital movements should provide additional insights for standard measures of internationalization of production and services.

The Effect of State–Local Complementarity and Local Governance on Development: A Comparative Analysis from Post-War Guatemala

- World Development---2016---Matthew T. Klick

What accounts for variation in human development levels across similar communities? Why, for example, have some equally poor, indigenous, highland communities in Guatemala made advances in health and education while others have stagnated or regressed? This paper argues that, contrary to an emerging recognition of the role of “ordinary citizens” in peacebuilding or crime reduction, human development requires the complementarity of non-state leaders and government resources. Results are demonstrated through a quantitative analysis of all of Guatemala’s 334 municipalities, combined with a qualitative analysis, including over 250 key informant interviews and focus group participants from four paired communities throughout the Western Highlands, which effectively traces the implementation of a widely acclaimed government anti-hunger program. This paper underscores the variability in local governance present across short distances in Guatemala, with dramatic influence on local development outcomes. In most communities, the role of traditional leaders and other non-state actors is increasingly crowded out by political conflicts exacerbated by growing, and shifting political party and religious affiliations. In these instances, development governance has broken down and development resources are distributed along locally derived lines of patronage versus need. Elsewhere, however, where state actors have identified and incorporated the legitimacy, informal authority, and networks of traditional leaders at the village level, the implementation of the anti-hunger program is visibly more effective. The role of local, informal leaders is pivotal in legitimizing the

program, mobilizing citizen participation, and overseeing more equitable distribution of key resources. The paper concludes with an exploration of what explains variation in the quality of local governance across space and its implications for development practice.

Is Eco-Certification a Win–Win for Developing Country Agriculture? Organic Coffee Certification in Colombia

- World Development---2016---Marcela Ibanez, Allen Blackman

According to advocates, eco-certification is a win–win solution to the problem of environmental degradation caused by developing country agriculture, improving both the environmental and the economic performance of farmers. However, these notional benefits can be undercut by the tendency of relatively wealthy farmers already meeting eco-certification standards to disproportionately participate. Using original farm-level survey data along with matching and matched difference-in-differences models, we analyze the producer-level effects of organic coffee certification in southeastern Colombia. We find that certification is associated with changes in farm practices linked to improved environmental outcomes. It significantly reduces sewage disposal in the fields and increases the adoption of organic fertilizer. However, we are not able to discern economic benefits.

Export Market Diversification and Firm Productivity: Evidence from a Large Developing Country

- World Development---2016---Qian Xuefeng, Mahmut Yasar

This paper first provides information on the distribution of Chinese firms’ export destinations. It then examines the relationship between firms’ export market diversification and their productivity by using trade and production data from the Customs Trade Statistics and the Annual Survey of Industrial Firms in China from the years 2000 to 2006. We check the robustness

of the results by controlling for potential endogeneity and estimating various specifications. We find that there is a U-shaped relationship between the diversification of export markets and firm productivity. As firms begin to export, they face higher costs (and thus lower productivity) initially because they lack the knowledge and experience. Eventually, as diversification of the export market moves beyond a threshold level and investments cumulate, export market expansion results in lower long-run average costs and thus higher productivity owing to the learning curve and economies of scope, as well as economies of scale. This U-shaped relationship, however, is less pronounced for firms with higher share of intermediate products in total exports, for firms engaged in processing trade, and for firms exporting to Hong Kong. The results have significant implications for firm export dynamics and behavior, and can help target policies that will boost the performance of the firms. They are significant for policy makers who have emphasized the importance of export diversification for mitigating the impact of global shocks.

Rural Electrification and Household Labor Supply: Evidence from Nigeria

- World Development---2016---Claire Salmon,Jeremy Tanguy

In Nigeria, the most populated African country, rural electrification is a critical issue because of the low household electrification rate and the poor quality of the grid. This energy poverty has harmful economic and social consequences in rural areas, such as low productivity, lack of income-generating opportunities and poor housing conditions.

Weather Shocks and Health at Birth in Colombia

- World Development---2016---Mabel An-dalón,João Pedro Azevedo,Carlos Rodríguez-Castelán,Viviane Sanfelice,Daniel Valderrama-Gonzalez

This paper investigates the relationship between health outcomes at birth and fetal exposure to temperature

shocks in rural Colombia during 1999–2008. We overcome a limitation of previous studies, confined by small samples and restricted areas, by using records on nearly 1.5million births. We exploit variations in exposure to temperature shocks by municipality and by year and month of conception in a fixed effects model. We find that exposure to moderate heat waves during the third trimester of pregnancy reduces the birthweight of the infant by about 4.1g. Furthermore, exposure to moderate cold shocks during the first and second trimesters of pregnancy reduces the length at birth by 0.014–0.018cm. We also find evidence of the negative effects of heat waves in Apgar tests at a magnitude of 0.2 to 0.6 percentage points of the normal Apgar score.

Interpreting the Evolution of the Energy-Saving Target Allocation System in China (2006–13): A View of Policy Learning

- World Development---2016---Xiaofan Zhao,Liang Wu

This paper examines how the efficacy of energy-saving policies can be improved through learning. Effective allocation of energy-saving targets is key to achieving China’ s reduction targets for energy intensity. Despite growing research interest in the energy-saving target allocation system, details regarding the logic and rationale behind the modifications to the system since the 11th FYP period remain unclear. This paper contributes to the previous literature by applying the concept of policy learning to an analysis of how and from what sources the Chinese government has learned to improve its energy-saving target allocation system over the 2006–13 period. Our study finds that the Chinese government has developed a distinct policy style of “learning from multiple sources” that involves three primary sources: previous experience, local practice, and expert knowledge. Although the extant literature has previously identified these three sources of learning, most of this literature has focused on only one—or at most two—sources of learning at any given time. The uniqueness of policy learning in the energy-saving target allocation system consists of

the co-existence of these three sources of learning in one case. This learning-oriented policy style is characterized by reflexivity, which allows current policies to be adjusted in a timely manner in order to alleviate prospective risks.

Economic Growth and the Optimal Level of Entrepreneurship

- World Development---2016---James Prieger,Catherine Bampoky,Luisa R. Blanco,Aolong Liu

Using data from the Global Entrepreneurship Monitor (GEM), we examine data from developed and developing countries to estimate the “growth penalty” over 2003–11 when a country’s entrepreneurship deviates from its optimal level. We account for heterogeneity among countries in the optimal entrepreneurship rate, in the growth penalty from deviating from that optimum, and in other factors affecting growth. Notwithstanding that developing countries have more of their population running nascent small firms than in developed countries, a marginal increase in the entrepreneurship rate in developing countries has a positive effect on growth. On the contrary, in developed countries, there is no evident growth penalty. Supplemental results suggest that is because in developed countries as a whole, entrepreneurship is now close to its optimal level, whereas in developing countries the optimal rates of entrepreneurship are much higher. We also explore how the growth penalty varies with characteristics of the country, allowing us to test theories regarding the relationship between entrepreneurship and growth. We show that higher levels of R&D capability decrease the growth penalty of having too few entrepreneurs, suggesting that entrepreneurship and R&D are substitutes. Availability of venture capital also increases the growth penalty, but only in developing countries, where our data on venture capital best proxy its availability to start-ups.

A New Politics of Development Cooperation? Chinese and Brazilian Engagements in African Agriculture

- World Development---2016---Ian Scoones,Kojo Amanor,Arlison Favareto,Gubo Qi

This paper introduces a Special Section on Chinese and Brazilian engagements in African agriculture. The paper asks if a new paradigm for development cooperation is emerging, and argues that we must move beyond the simplistic narratives of either “South–South” collaboration or “neo-imperial” expansion of “rising powers” to look at the dynamic and contested politics of engagement, as new forms of capital and technology enter African contexts. Historical experiences in Brazil and China, as well as domestic political and economic debates, affect how interventions are framed, and by whom, and so influence what technologies are chosen, which investments are funded, and who gets trained. There are both political and economic drivers at the heart of these choices, but these are not uniform or uncontested, either in Brazil and China or in Africa. The Special Section argues for a focus on the encounters on the ground, moving beyond the broader rhetoric and generic policy statements. A key feature of Brazilian and Chinese engagements in African agriculture is the role of state–business relations in shaping and steering development, suggesting new forms of developmentalism. The paper concludes that there is a growing opportunity for learning from the Brazilian and Chinese experience, as this will be a long-run feature of African agricultural development.

South–South Cooperation, Agribusiness, and African Agricultural Development: Brazil and China in Ghana and Mozambique

- World Development---2016---Kojo S. Amanor,Sérgio Chichava

The rise of new powers in development has generated much debate on the extent to which South–South Cooperation (SSC) constitutes a new paradigm of development more relevant to African needs or a disguise

for a new form of imperialism. This paper critically examines the rise of Chinese and Brazilian technical and economic cooperation in African agriculture with two cases drawn from Ghana and Mozambique. Using a historical framework, policy documents, case studies, and an analysis of the political economy of agrarian development, we trace the role of agricultural development in the relations of China and Brazil in Africa, and the extents to which recent developments in agribusiness and structural neoliberal reforms of African economies have influenced Brazilian and Chinese contemporary engagements with African agriculture. We examine the extent to which the different policy frameworks, political interests in agriculture, and institutional frameworks influence and impede the outcomes of Chinese and Brazilian development intents. We find that China and Brazil have different histories of experience within African agriculture, which influences the nature of their technical and development cooperation. Although they have distinct agrarian structures, the development of agribusiness and commercial seed, input and machinery sectors in China and Brazil influence engagements within Africa. These are often variants of the same interests that underlie the programs of northern donors, and frequently the two rising powers engage in trilateral arrangements with other donors and international agencies, particularly in the case of Brazil.

Chinese State Capitalism? Rethinking the Role of the State and Business in Chinese Development Cooperation in Africa

- World Development---2016---Jing Gu, Chuanhong Zhang, Alcides Vaz, Langton Mukwereza

The growing involvement of the Chinese state and business in Africa has generated significant debate about China's Africa strategy and the benefits for Africa's development. What is the nature of Chinese state capitalism in Africa? This study examines Chinese state-business relations and argues that China's involvement in Africa is more complex than often portrayed. It aims to build a closer understanding of the diverse factors that influence the Chinese state-business relations as it is implemented in Africa.

This paper focuses on how state-business interactions influence agricultural development outcomes, using six case-studies from Zimbabwe and Mozambique. It explores the question of how far the state can control business and direct development by identifying the key relationships that influence the decision-making processes of state and business actors within China and its African engagement. The paper challenges the conventional wisdom of homogenized, unitary relations. It argues that these relations are, in practice, heterogeneous, as a result of the state being disaggregated into a multiplicity of provincial relations and central state agencies, and tensions arising between commercial market and political interests. The active role of African governments in agricultural schemes is also affecting outcomes. China's engagement is multivariate, involving a multiplicity of agencies, operating at different levels, structures, and processes with sometimes contrary interests and goals. The findings of an analysis of six state-business projects in the agricultural sectors of Zimbabwe and Mozambique suggest that where agriculture is concerned, a wide range of Chinese agencies are involved, with businesses being driven by either market forces or national state interests, which together make outcomes less open to generalization.

Imagining Agricultural Development in South-South Cooperation: The Contestation and Transformation of ProSAVANA

- World Development---2016---Alex Shankland, Euclides Gonçalves

This paper discusses South-South cooperation by examining ProSAVANA, a flagship agricultural development program seeking to apply Brazilian experience to Mozambique. ProSAVANA is a joint Japan-Brazil-Mozambique initiative in the savannah zone of Mozambique's Nacala Corridor region that was initially inspired by the Japan-Brazil PRODECER program in Brazil's Cerrado region. ProSAVANA subsequently became the focus of fears about land-grabbing in the Nacala Corridor, attracting strong civil society contestation. We show how distinct imaginaries of agricultural development in Mozambique and Brazil

were used to mobilize for and against ProSAVANA, thus revealing the contentious nature of the similarity claims underpinning South–South cooperation. In particular, we focus on the role of landscape imaginaries associated with the savannah and the Cerrado. We examine the use in the promotion and contestation of ProSAVANA of visual representations that draw on these imaginaries, including GIS maps of Mozambique’s savannah region made by Brazilian agribusiness consultants and an advocacy video of Brazil’s Cerrado region filmed by Mozambican land rights activists. Noting that the latest ProSAVANA planning documents differ significantly from those expressing its initial vision, we argue that the contestation of ProSAVANA has had a series of productive effects even before the program has moved to full implementation. These productive effects are visible not only in the program itself but also in the wider context of state-society relations shaping debates on South–South cooperation in Mozambique, Brazil, and beyond.

Brazil’s Agricultural Politics in Africa: More Food International and the Disputed Meanings of “Family Farming”

- World Development---2016---Lídia Cabral, Arilson Favareto, Langton Mukwereza, Kojo Amanor

Brazil’s influence in agricultural development in Africa has become noticeable in recent years. South–South cooperation is one of the instruments for engagement, and affinities between Brazil and African countries are invoked to justify the transfer of technology and public policies. In this article, we take the case of one of Brazil’s development cooperation programs, More Food International (MFI), to illustrate why policy concepts and ideas that emerge in particular settings, such as family farming in Brazil, do not travel easily across space and socio-political realities. Taking a discourse-analytical perspective, we consider actors’ narratives of family farming and the MFI program, and how these narratives navigate between Brazil and three African countries – Ghana, Mozambique, and Zimbabwe. We find that in Brazil, family farming has multiple meanings that expose contrast-

ing visions of agricultural development as determined by history, geography and class-based power struggles. These multiple meanings are reflected in the disparate ways MFI is portrayed and practiced by Brazilian actors who emphasize commercial opportunity, political advocacy, or technological modernization. We also find that African countries adopt their own interpretations of family farming and MFI, and that these are more attuned with mercantilist and modernization perspectives, and less mindful of Brazil’s domestic political struggles. This has prompted a reaction from those on the Brazilian side fighting for an alternative agricultural development trajectory. The significance of this reaction is yet to be determined.

Chinese Migrants in Africa: Facts and Fictions from the Agri-Food Sector in Ethiopia and Ghana

- World Development---2016---Seth Cook, Jixia Lu, Henry Tugendhat, Dawit Alemu

This paper makes an empirical and ethnographic contribution to the literature on Chinese migrants in Africa by using five case studies to explore their role in the agri-food sector in Ethiopia and Ghana. We find that the realities of Chinese migrants in this sector matches neither popular media stereotypes of empire building and land grabbing, nor Chinese government narratives of South–South cooperation, technology transfer, and agricultural development. Far from being a “silent army” promoting larger Chinese state objectives, they operate independently and serve no agenda other than their own. Many migrants have little if any contact with the Chinese Embassy or other official Chinese presence in Africa. While none of our informants have received support from the Chinese government, they are nonetheless affected by government regulatory frameworks in African countries and their activities are shaped accordingly. The regulatory policy environment is very different in the two countries, and this has implications for the livelihood strategies of Chinese migrants. While the impacts of their presence on local development are modest overall, these impacts do appear to be positive in the sense that they are creating economic opportunities, both for themselves and for

local people.

Chinese Agricultural Training Courses for African Officials: Between Power and Partnerships

- World Development---2016---Henry Tugendhat,Dawit Alemu

Each year around 10,000 African officials are trained in China, across a range of themes. Among these, agriculture and development policy are prominent. In this paper we ask what lies behind this program, and how it fits with wider commercial, diplomatic, and geopolitical ambitions of China in Africa. Through work carried out in China, Ethiopia, Ghana, and Zimbabwe, involving attending courses, interviewing participants and lecturers, examining curricula and reviewing policy documents, we assess Chinese agricultural development courses, supported by China's Ministry of Commerce. Contrary to the argument that a singular "Beijing Consensus" is being pushed, we find a wide range of course offerings from a range of institutions across China, and extensive debate about agricultural development. This reflects the internal Chinese debate, and an approach to development emphasizing demonstration, experiment, and learning. Course participation involves officials from across Africa, and does not correlate with Chinese commercial interests in Africa. Commercial opportunities may be linked to training, and some courses are run by companies, although instances of take-up are few. The overall direct and immediate impact on agricultural development in Africa appears limited; instead the training program must be seen in relation to building relationships among a large group of African officials, and so the exertion of "soft power" in foreign policy, as part of development cooperation.

Science, Technology, and the Politics of Knowledge: The Case of China's Agricultural Technology Demonstration Centers in Africa

- World Development---2016---Xiuli Xu,Xiaoyun Li,Gubo Qi,Lixia Tang,Langton Mukwereza

Agricultural Technology Demonstration Centre (ATDC) has been considered as an alternative model

to pursue sustainability of Chinese foreign aid to African countries in the new era. This paper attempts to examine the ATDC scheme, particularly focus on the knowledge construction at macro level of design and the knowledge encounter at micro level of daily operation based on the case studies in Tanzania, Ethiopia, Zimbabwe, and Mozambique. Our study finds multiple facets of the ATDC, i.e., the cleavage between the macro-level of policy design and micro level of implementation realities; the interplay between knowledge and politics, and appearance of possible alternative development pathways stimulated by ATDCs in African countries. The paper argues that even though the ATDC is a technology-centered scheme, it is inevitably a social and political process in implementation, resulting in the discontinuity of the policy results. With a whole set of ideas and imaginaries being delivered, frustrated, and negotiated, the ATDC creates a very different vision to the established CG system, or the western bilateral aid programs. As an embodiment of a "traveling technocratic rationality", the ATDCs are important sites for negotiations over knowledge and politics, and the meanings of aid, investment, and development, as part of the wider playing out of China's engagement in Africa.

Intellectual Property Rights and International Trade of Agricultural Products

- World Development---2016---Mercedes Campi,Marco Duenas

The signing of the agreement on Trade-Related Aspects on Intellectual Property Rights (TRIPS) had led to a process of global harmonization and tightening of intellectual property rights (IPRs) systems. As part of this process, the use of IPRs in agriculture has been increasing in the last decades. This paper studies the effect of intellectual property rights on agricultural trade, for the post-TRIPS period (1995–2011), using a new yearly index of IPRs, for 60 developed and developing countries. We study the effect of stronger IPRs on total trade, bilateral trade, and trade margins using different econometric techniques. We found that

the strengthening of IPRs has been having a negative and uneven effect on agricultural trade at different levels of disaggregation. The gravity estimation showed that both the IPRs of the importer and the exporter have negative effects on total bilateral trade and that the probability of creating new bilateral trade links increases with the importer's IPRs. Finally, we found that stronger IPRs have a negative effect on the intensive margin of trade and a positive impact on the extensive margin. Overall, the evidence shows that agricultural trade related to the developing world has been more negatively affected, which calls the attention to the idea that a common system can equally work for all countries.

Repopulating Development: An Agent-Based Approach to Studying Development Interventions

- World Development---2016---Erin Beck

When analyzing development projects, applied and critical scholars alike often place inordinate emphasis on the outcomes, depicting development projects as happening to people and overlooking the interactional nature of projects. This article offers an agent-based approach as a corrective, drawing on actor-oriented sociology, actor-network theory and alternative theories of power. An agent-based approach views development projects as socially constructed processes constituted by the interactions of policymakers, workers, “beneficiaries,” and their socio-material environments. Such an approach is able to provide a nuanced analysis of power in development projects and generate generalizations about the landscape of development NGOs, which is characterized by two types of tensions: the first deriving from the interactions of various life-worlds at development interfaces; the second deriving from the conflicting organizational and development goals. The utility of an agent-based approach is then illustrated through a comparative, ethnographic analysis of two microcredit non-governmental organizations (NGOs) in Guatemala. While both offer small loans and classes to women, the two NGOs operate according to divergent organizational values, structures, and developmental models. This comparative analysis reveals

the interactional origins of organizational characteristics and developmental models across contrasting NGOs and shows that these in turn affect, but do not fully determine what happens on the ground. Even though policymakers exercise disproportionate power, the tensions inherent in both development NGOs ensure significant room for maneuver and negotiation on the part of workers and “beneficiaries.” Thus, the two NGOs' trajectories and outcomes are products of top-down values, structures and models and the creative, emergent interactions between actors involved at various levels of development.

The Impact of Conditional Cash Transfers on the Amount and Type of Child Labor

- World Development---2016---Ximena Del Carpio, Norman Loayza, Tomoko Wada

This paper analyzes the impact of conditional cash transfers on the amount and type of child labor in poor households. It first develops a simple theoretical model where child labor and training are chosen to maximize inter-temporal household income, given constraints to social, household, and child endowments. Then, it conducts an empirical analysis using the randomized trial data collected to evaluate the 2006 Nicaragua conditional cash transfer (CCT) program. This social program transferred wealth to poor families in rural areas of the country conditional on children's school attendance and health check-ups. One-third of the beneficiaries received, in addition, a wealth transfer to begin a non-agricultural business. The paper finds that the CCT program had a selective impact on the volume and quality of child labor, reducing it in the aggregate and steering it toward skill-forming activities. Specifically, the program appears to have reduced child labor for household chores and traditional farming while increasing it for non-traditional activities related to commerce and retail. These require the child to develop basic skills in reading and writing, arithmetic, and interpersonal relationships. Moreover, the paper finds that the source behind the increase in the better-quality type of child labor is not the basic component of the program but distinctively its

business-grant intervention.

Reassessing Tax and Development Research: A New Dataset, New Findings, and Lessons for Research

- World Development---2016---Wilson Prichard

There is growing concern with the weaknesses of economic statistics relating to developing countries, and the risks that poor data have generated misleading research findings and poor policy advice. Cross-country tax data offer a striking example, with existing datasets frequently highly incomplete, analytically imprecise, plagued by errors, and sharply lacking in transparency. This paper introduces the new Government Revenue Dataset from the International Centre for Tax and Development, which provides a more reliable, transparent, and comprehensive basis for cross-national research. This new dataset has initially been used to re-examine major questions about the relationships between tax and aid, elections, economic growth, and democratization. The results deepen some previous conclusions and call others seriously into question—notably the assertion that aid dependence consistently undermines domestic revenue efforts. Above all, the research demonstrates the value of the new dataset, the broader sensitivity of many results to changes in data quality and coverage, and the consequent importance of expanded attention to, and investments in, data quality.

Credit for Low-Income Students and Access to and Academic Performance in Higher Education in Colombia: A Regression Discontinuity Approach

- World Development---2016---Tatiana Melguizo, Fabio Sanchez Torres, Tatiana Velasco

This study evaluates the impact of a national-level subsidized loan program, ACCES (Access with Quality to Higher Education), on a number of higher education outcomes (i.e., increase in enrollment rates, decrease in dropout rates, and increase in academic performance) of low-income students. The program intends to tackle

Colombia's wide disparities in access to postsecondary education by socioeconomic status and by region. We use national-level data along with a regression discontinuity design (RDD) to estimate the impact of the program. We provide intent to treat and the local average treatment effect estimates of the program on enrollment and dropout rates, and on academic performance. Our RDD design takes advantage of the fact that the beneficiaries of the program are selected based on a government mandated procedure to rank individuals at the “department” (similar to geographic regions in the U.S.) level based on a cutoff score in their high school exit exams. The results confirm that the program has been effective in terms of increasing the potential number of low-income students at the margin who would have enrolled in college, decreasing the number of students who dropped out, and increasing their academic outcomes. Nonetheless, the effects of the credit program on enrollment exhibit the largest magnitude and with clearly positive heterogeneous impact on the poorest applicants. The results are less compelling for dropout, yet in the expected direction.

Constructing a Ladder for Growth: Policy, Markets, and Industrial Upgrading in China

- World Development---2016---Loren Brandt, Eric Thun

Indigenous firms in developing countries with large domestic markets have unique advantages: the low end provides “natural” protection from foreign competition, while higher-end segments provide incentives for foreign firms to localize activities and develop channels for future capability building. Paradoxically, in their eagerness to support development efforts of local firms, states often nullify these advantages and limit the opportunities and capabilities that local firms can leverage in the upgrading process. Using the case studies of three large industrial sectors in China that faced similar prospects but had widely different outcomes, this paper develops a framework for understanding how policy shapes the growth and segmentation of markets, and thus the opportunity for industrial upgrading of indigenous firms. The cases show how restrictive demand-

and supply-side policies often inadvertently limited the opportunities for upgrading through their effect on the availability of know-how, inputs, and resources required for industrial upgrading (the supply side), and through their effect on the incentives for upgrading (the demand side). Given that each segment is a crucial rung on the development ladder, industrial upgrading efforts stall when state policy inadvertently knocks out rungs on the development ladder.

Rethinking Indonesia' s Informal Sector

- World Development---2016---Alexander D. Rothenberg,Arya Gaduh,Nicholas E. Burger,Charina Chazali,Indrasari Tjandraningsih,Rini Radikun,Cole Sutura,Sarah Weilant

This paper reviews competing theories about the causes of informality in developing countries and uses new data to determine which theory best explains the persistence and scale of Indonesia' s informal sector. Using nationally representative survey data on micro, small, and medium-sized firms, we find that most of Indonesia' s informal firms are very small, micro firms, with less than five employees. These firms pay low wages, are relatively unproductive when compared to large firms, are managed by individuals with low educational attainment, predominantly supply products to local markets, and have not recently attempted to expand their operations. From a small-scale, qualitative survey of firms, we find that many informal firms do not register their businesses either because they have no desire to expand or borrow from formal financial sources, or because they are avoiding taxes. Finally, we evaluate the impact of Indonesia' s one-stop-shops for business registration program, a large-scale program that attempted to reduce registration costs. We find both that the program had no effects on firms' informality rates, and we also find that it did not reduce the probability that workers were informally employed. Taken together, the evidence suggests that a combination of the rational exit and the dual economy theories best explains why so many firms in Indonesia are informal.

Capacity Development Evaluation: The Challenge of the Results Agenda and Measuring Return on Investment in the Global South

- World Development---2016---Bertha Vallejo,Uta Wehn

This study reviews the evaluation of capacity development, identifying capacity development (CD) modalities and the schools of evaluation currently in place. The research joins the results agenda debate, arguing that in dealing with CD interventions, pre-defined indicators fail to represent the process and the key elements that take CD recipients toward patterns of change. The study highlights the fact that CD deals with projects that, by their nature (consisting of change processes designed to initiate change in people, organizations, and/or their enabling environment), rely more on non-planned changes than on the pre-defined indicators and results to contribute to livelihood improvements and social transformation. The study recognizes the difficulty of evaluating CD under straightforward mechanisms. It concludes that the existing approaches are not adequate to truly capture or measure impact, as CD projects, restricted by previously agreed budgets, resources, and time frames, are usually not designed to evaluate the sustainability of change and its impact over the medium or long term. As resources are scarce, donor agencies and policy-makers need to know the value of CD in order to best prioritize their investments. However, due to the nature of these projects, measuring the return rate between the project cost and its impact remains a difficult task. There is a need for new, multi-path approaches to capturing changes in capacity in order to serve as a basis for decision-making regarding CD investments.

Can Informal Water Vendors Deliver on the Promise of A Human Right to Water? Results From Cochabamba, Bolivia

- World Development---2016---Amber Wutich,Melissa Beresford,Cinthia Carvajal

We examine the role of informal water vendors in the urban poor' s efforts to secure safe and affordable wa-

ter in the squatter settlements of Cochabamba, Bolivia. Using an economic justice framework, we evaluate (1) how informal water markets operate, (2) differences in client and vendor perceptions of distributive, procedural, and interactional (in)justice, and (3) how cooperation among water vendors impedes or assists in achieving justice in water delivery. The research includes a comparative institutional analysis of three key data sets: long-term participant-observation in water-scarce squatter settlements; interviews with 12 water vendors; and interviews with 41 clients from 23 squatter settlements. We find that informal water vendors organize themselves to safeguard distributive justice (e.g., fair pricing, good water quality), but clients are distressed by procedural and interactional injustices (e.g., unreliable and inequitable service). Our research also shows that unionized vendors are more effective than non-unionized vendors in creating and enforcing rules that advance distributive, procedural, and interactional justice. We make concrete recommendations for improving justice in informal water markets, including a larger role for unions and community consultation. We conclude that, despite challenges, the informal economy may play an important role in advancing the human right to water.

The Effect of Population Pressure and Internal Migration on Land Conflicts: Implications for Agricultural Productivity in Uganda

- World Development---2016---Francis Mwesigye, Tomoya Matsumoto

Despite the increasing incidence of land-conflicts in sub-Saharan Africa and their deleterious effects on agricultural performance, empirical studies on their determinants and consequences are scant. This study uses community-, household-, and parcel-level data from rural Uganda to examine the causes and consequences of different forms of land-related conflicts. We pay special attention to how population pressure and internal migration affects land conflicts. We find more land conflict cases in migrant host and ethnically diverse communities. We also find a higher probability of having land conflicts in districts that have had high

population growth rates. As a consequence, we find that the yield is 22% lower on parcels with land conflicts than on parcels without conflicts, owned by the same household. After unbundling conflicts, we find that eviction conflicts hurt productivity more than other conflict types. Parcels with eviction conflicts have 45% lower yield compared with those without conflicts. Our results suggest that population pressure and internal migration weakens social cohesion and hence negatively affects community-specific informal land arrangements and conflict resolution mechanisms, which in turn, result in land conflicts. Ethnic diversity increases the likelihood of eviction-related conflicts which hurts production. Indeed we find that farmers in migrant host communities are less likely to consult informal conflict resolution channels when faced with conflicts.

Intersections of Gender and Marital Status in Accessing Climate Change Adaptation: Evidence from Rural Tanzania

- World Development---2016---Katrien Van Aelst, Nathalie Holvoet

Climate scholars are increasingly recognizing the importance of gender in climate change vulnerability, but often either dichotomize men and women as homogeneous categories or limit themselves to comparing male- and female-headed households. We use an intersectionality framework to examine how the adaptive strategies of Tanzanian farmers are mediated through their gender and marital statuses. Drawing on focus group discussions and using logistic regression to analyze questionnaire data, we compare the relative adoption of the different adaptive strategies of single, married, divorced, and widowed men and women. Our study shows that, while a woman's marital status is a vital factor in determining her access to adaptive strategies, it is a less important factor in the case of men. We show that, compared with other women, widows and female divorcees are disadvantaged in the field of agricultural water management, and divorced women assume relatively more income-earning activities outside the farming sector. Finally, we find ev-

idence of livelihood diversification at the household level through specialization by individual household members. Based on the empirical evidence, we develop a typology with which to synthesize the linkages between gender, marital status, and adaptive strategies; and we subsequently emphasize the importance of an intersectionality approach to gender and climate change policy and practice.

Coups d' État and Foreign Aid

- World Development---2016---Takaaki Masaki

Do international donors penalize coups d' état by reducing aid? How significant is the impact of coups on aid flows? These questions have become increasingly important over the past three decades as the concept of political conditionality has gradually permeated the donor community, pushing for stringent actions to be taken against democratic transgressions like coups. I argue that the end of the Cold War was a historical juncture that reshaped the international donor community's aid-based sanctioning policy toward coups. However, I also posit that the U.S. does not comply with the growing international norm of political conditionality due to its geopolitical interests trumping its rhetorical commitment to penalizing coups. This paper exploits exogenous variation in the success and failure of coups to estimate the causal effect of coup-led regime change on aid flows. My empirical evidence supports the preposition that since the end of the Cold War, the donor community on average has reduced the amounts of aid disbursements in response to coups d' état although the U.S. has been inconsistent in applying aid sanctions against coups both during the Cold War and post-Cold War periods. While demonstrating a genuine shift in the international community's collective responses toward coups since the end of the Cold War, my findings also attest to potential heterogeneity across major bilateral donors, which may undermine the overall effectiveness of aid and political conditionality.

A Success of Some Sort: Social Enterprises and Drip Irrigation in the Developing World

- World Development---2016---Jean-Philippe Venot

This paper explains the processes behind the framing of drip irrigation as a promising technology to address current poverty and environmental challenges in the developing world. I draw from critical development and science and technology studies and highlight that this imagery has been actively performed. Insiders elaborated a compelling narrative calling upon a will to improve through technology and the moral legitimacy of social entrepreneurship in development; they worked hard to establish a supportive coalition in an ever wider network. This story hinges on several assumptions, which upon closer scrutiny appear to be problematic: the unicity of smallholder farming, the attribution of inherent technical characteristics to a specific object—the “drip kit”—regardless of the context in which it is used, and the framing of social entrepreneurship and market-based approaches as alternative models even though these rather constitute a re-working of existing arrangements within the international development community. Nonetheless, the pro-poor and environmentally friendly smallholder drip irrigation narrative still continues to be successful in harnessing the support of the international development community, despite the little capacity drip irrigation has had to transform smallholder farming, especially in sub-Saharan Africa. Unpacking the origins, actors, and building blocks of the discursive success of smallholder drip irrigation provides fresh perspectives on the practices of development in the sector and is the first step toward more meaningful engagement with smallholder farmers in the developing world.

Busting the Boom–Bust Pattern of Development in the Brazilian Amazon

- World Development---2016---Jill Caviglia-Harris, Erin Sills, Andrew Bell, Daniel Harris, Katrina Mullan, Dar Roberts

Global ecosystem services are clearly threatened by deforestation associated with human occupation and

economic development of the Brazilian Amazon. However, the prognosis for the socioeconomic wellbeing of inhabitants remains unclear. In an empirical regularity that has been termed the boom–bust pattern or the resource curse, the exploitation of natural resources is associated with short-run gains in welfare that dissipate over time. This “coupling hypothesis” asserts that deforestation and development are correlated such that deforestation leads to only short-term advances in economic welfare that are not sustained once natural forests (along with their mature timber and soil inputs) are exhausted. In contrast, the “decoupling hypothesis” asserts that deforestation and development need not be correlated over time. In this context, growth that is initially based on deforestation may be sustained and translated into prolonged welfare gains, even once the forest is exhausted. Using census and deforestation data from 1991, 2000 and 2010 for municipalities (i.e., counties) in the Amazon region we confirm that this boom–bust pattern appears in cross-sectional data. However, using panel data we show that socioeconomic welfare has become decoupled from environmental factors and is converging to rising national averages. Our findings contradict the conventional wisdom that the exploitation of tropical forests is required to promote Amazonian development.

Mining Conflict and the Politics of Obtaining a Social License: Insight from Guatemala

- World Development---2016---Jennifer Noel Costanza

Mining as a development strategy has become ubiquitous throughout the developing world. However, if mining firms want to take advantage of the most mineral-rich terrain in developing countries, they must engage with the communities living near projected mining operations. Firms may sometimes use violence to quiet local opposition, but increasingly, they will seek a “social license to operate.” This term refers not to the legal requirements firm must obtain, such as governmental and environmental clearances, but rather the elusive support of the affected local population that will help a firm avoid project delays, maintain a

positive public image, and prevent further regulation of the mining industry. There is a lack of research on how firms pursue a social license to operate. Through a qualitative case study of a mining conflict in Guatemala, this article addresses two questions: First, how do mining firms obtain a social license to operate, in practice? Second, what results from this process? Using a mix of qualitative data collected in 2009–2011, the article analyzes how a large Guatemalan construction materials firm, Cementos Progreso, sought a social license to operate in the indigenous municipality of San Juan Sacatepéquez, Guatemala, and with what results. An alliance of firm and state constructed new institutions for citizen participation in local governance, promoted from within them the idea that mining was complementary with development, and backed up this discourse with tangible results. Government transparency and accountability improved, as did provision of basic services. The findings suggest that the local state, especially institutions designed to encourage citizen participation in local governance, can play a crucial role in determining whether and how mining firms can operate.

The Green Economy and Constructions of the “Idle” and “Unproductive” Uplands in the Philippines

- World Development---2016---Marvin Joseph F. Montefrio, Wolfram H. Dressler

In the Philippines, green economy projects encourage the production of agro-industrial commodities ostensibly for climate change mitigation, environmental rehabilitation, and inclusive rural economic growth. This paper illustrates, however, how elite constructions of the uplands as being “idle” and “unproductive” precipitate low-carbon, agro-industrial crop production in the Philippine frontier. Based on field research from 2010 to 2012 (i.e., in-depth interviews with policy and market elites, participant observation, and archival document analysis), we argue that elites constructions of and discourses on the uplands as idle and unproductive have been carried over from the colonial period, albeit in more complex ways, to inform and legitimize

agro-industrial policies and programs couched in the green economy vision of the country. Such discourses simplify green economy policies and undermine upland dwellers' constructions of place. Our findings raise critical questions about the realization of the vision of the green economy in the Philippines and much of the Global South. Regardless of the inclusive growth discourse in the green economy program, elite constructions of the idle and unproductive uplands pose serious risks to upland environments and populations.

Mobile Money, Remittances, and Household Welfare: Panel Evidence from Rural Uganda

- World Development---2016---Ggombe Kasim Munyegera, Tomoya Matsumoto

Access to financial services is crucial for development as it enhances resource mobilization needed for productive investment and facilitates consumption smoothing. With a vast majority of adult Ugandans having no access to formal financial services, mobile money is expected to bridge this gap especially in rural areas. This financial product allows users to make financial transactions using their mobile phones. Within five years of its inception in Uganda since 2009, the mobile money service has been used by over 35% of the adult population and the rate of penetration is rapidly increasing. We investigate its impact on household welfare using panel data covering 846 rural households. Using a combination of household fixed effects, instrumental variable and propensity score matching methods, we find a positive and significant effect of mobile money access on household welfare, measured by real per capita consumption. The mechanism of this impact is the facilitation of remittances; user households are more likely to receive remittances, receive remittances more frequently, and the total value received is significantly higher than that of non-user households. We attribute this impact on the reduction in transaction, transport, and time costs associated with mobile phone-based financial transactions. Our results are robust to changes in model specifications and alternative explanations.

Does Governance Cause Growth? Evidence from China

- World Development---2016---Ross Wilson

This study tests the causal relationships between quality of governance and economic growth at the provincial level in China during the post-Mao reform era. Exploiting the wide cross-provincial variation and rapid change over time in governance institutions and economic performance in China during this period (covering 1985–2005), the study provides a new perspective on the relationship between governance and growth. Whereas a large body of prior literature has demonstrated a strong positive association between high-quality governance institutions and good economic performance at the cross-country level, few quantitative studies have explicitly tested the direction of causality between changes in governance quality and changes in economic outcomes. This study aims to address this gap in the literature by testing two causal hypotheses on the interplay between provincial-level governance and economic performance in China: (i) improvements in provincial quality of governance predict subsequent economic growth rates, and (ii) increases in provincial economic growth rates predict subsequent changes in quality of governance. Using new heterogeneous Granger causality tests that allow for potential differences in the causal relations across provinces, I show a significant and positive effect of economic growth on subsequent quality of governance, largely driven by growth in the secondary sector, but no significant effect of quality of governance on economic growth. These findings suggest that improvements in formal governance have not been a key factor driving China's rapid growth; instead, the observed positive association between governance and growth reflects the ability of provincial governments to harness the potential created by economic growth to implement subsequent governance improvements. For researchers studying the effect of governance on growth, the results suggest that greater attention should be paid to possible reverse causality from economic outcomes to governance changes.

An Empirical Assessment of the Export—Financial Constraint Relationship: How Different are Small and Medium Enterprises?

- World Development---2016---Yothin Jin-jarak,Ganeshan Wignaraja

We analyze the financial constraint—export relationship in a framework that is consistent with stylized features of data. The analysis accounts for whether firms need loans or have sufficient capital, and studies the use of bank loans (quantity of finance) and availability of overdraft facilities (flexibility of finance). We develop a two-stage estimation procedure that uses an equation of bank financing in the first stage and an export equation in the second. We find that export participation (extensive margin) and the share of exports in total sales (intensive margin) increase with the availability of overdraft facilities, particularly so for SMEs with loan needs. The percentage of foreign ownership, ISO certification, and operation in manufacturing sector are also significant and positively associated with a firm's export participation and firm's share of exports in total sales. The main results are robust to a battery of econometric specifications and statistical tests applied on the firm-level data from our sample countries. The finding of a large economic significance of the overdraft facility variable is consistent with a growing concern from SMEs that the regulatory response to the Global Financial Crisis has forced banks to tighten risk management, thereby raising the rejection rates of overdraft and loan applications from SMEs. For SMEs in developing countries and emerging markets, the improvement of alternative financing forms and supportive government interventions has become ever more challenging.

Water User Associations and the Politics of Water in Jordan

- World Development---2016---Daanish Mustafa,Amelia Altz-Stamm,Laura Mapstone Scott

Jordan is often held up as one of the most water scarce countries in the world. The water scarcity in the coun-

try is not an absolute, but rather a politically mediated reality. The cubic meter numbers for Jordan may very well point toward absolute scarcity, but those numbers hide as much as they reveal. They hide the worlds of meaning, emotion, and social interactions centered around water. It is no surprise then that despite donor-driven push for greater economic rationality in water resources management, political stability continues to be the prime objective of water management in Jordan. Through a case study of Water User Associations (WUAs) in the Jordan Valley we try to demonstrate the political imperatives of water management in Jordan. The WUAs are an example of donor-instigated institutions for water management at the local scale. The WUAs have had variable success in the Jordan valley and some fear that they will not outlast the donors' and the government's financial support to them. The WUAs have been appropriated by the elites where their tribal dominance allows for it, while in other places larger farmers operate outside of them. Farmers nevertheless prefer WUAs because they are helpful in gaining access to patronage and water. The future of WUAs in the Jordan Valley is going to be constricted by the Jordanian state's (in)tolerance of them also becoming politicized spaces for claim-making on the state.

Contribution of Fisheries and Aquaculture to Food Security and Poverty Reduction: Assessing the Current Evidence

- World Development---2016---Christophe Béné,Robert Arthur,Hannah Norbury,Edward H. Allison,Malcolm Beveridge,Simon Bush,Liam Campling,Will Leschen,David Little,Dale Squires,Shakuntala H. Thilsted,Max Troell,Meryl Williams

Following a precise evaluation protocol that was applied to a pool of 202 articles published between 2003 and 2014, this paper evaluates the existing evidence of how and to what extent capture fisheries and aquaculture contribute to improving nutrition, food security, and economic growth in developing and emergent countries. In doing so we evaluate the quality and scientific

rigor of that evidence, identify the key conclusions that emerge from the literature, and assess whether these conclusions are consistent across the sources. The results of the assessment show that while some specific topics are consistently and rigorously documented, thus substantiating some of the claims found in the literature, other areas of research still lack the level of disaggregated data or an appropriate methodology to reach consistency and robust conclusions. More specifically, the analysis reveals that while fish contributes undeniably to nutrition and food security, the links between fisheries/aquaculture and poverty alleviation are complex and still unclear. In particular national and household level studies on fisheries' contributions to poverty alleviation lack good conceptual models and produce inconsistent results. For aquaculture, national and household studies tend to focus on export value chains and use diverse approaches. They suggest some degree of poverty alleviation and possibly other positive outcomes for adopters, but these outcomes also depend on the small-scale farming contexts and on whether adoption was emergent or due to development assistance interventions. Impacts of fish trade on food security and poverty alleviation are ambiguous and confounded by a focus on international trade and a lack of consistent methods. The influences of major drivers (decentralization, climate change, demographic transition) are still insufficiently documented and therefore poorly understood. Finally the evaluation reveals that evidence-based research and policy narratives are often disconnected, with some of the strongest and long-lasting policy narratives lacking any strong and rigorous evidence-based validation. Building on these different results, this paper identifies six key gaps facing policy-makers, development practitioners, and researchers.

Environmental Stressors and Migration: Evidence from Vietnam

- World Development---2016---Vally Koubi,Gabriele Spilker,Lena Schaffer,Thomas Bernauer

The argument that environmental change is an important driving force of migration has experienced a strong

revival in the climate change context. While various studies predict large environmental migration flows due to climate change and other environmental events, the ex post empirical evidence for this phenomenon is inconclusive. We contribute to the extant literature by focusing on the micro-level. We examine whether and how individual perceptions of different types of environmental stressors induce internal migration. The analysis relies on original survey data from Vietnam including both migrants and non-migrants. The results suggest that individual perceptions of long-term environmental events, such as droughts, significantly reduce migration while perceptions of sudden-onset environmental events, such as floods, significantly increase the likelihood of migration controlling for other determinants of migration. These findings also imply that improving the targeting of aid to environmental disaster-affected areas and the financial and technical support for adaptation to environmental change could be the most productive policy-options. Policymakers, thus, need to implement a wide range of developmental policies in combination with environmental ones in order to improve society' s ability to effectively cope with environmental change and minimize its effect on migration.

Oil and Civil Conflict: Can Public Spending Have a Mitigation Effect?

- World Development---2016---Cristina Bodea,Masaaki Higashijima,Raju Singh

This paper explores the conditions under which public spending could minimize violent conflict related to oil wealth. Previous work on the resource curse suggests that oil can lead to violent conflict because it increases the value of the state as a prize or because it undermines the state' s bureaucratic penetration. On the other hand, the rentier state literature has long argued that oil might provide states with resources to deliver public and private goods, and stabilize political regimes. The empirical evidence to settle these conflicting predictions is limited. This paper argues that the effect of oil on civil conflict is conditional on the size of government expenditure and the allocation of

government spending for welfare or the military. To test these hypotheses, logit models of conflict onset are used and a global sample of 148 countries from 1960 to 2009 is examined. Higher levels of military spending are found to be associated with lower risks of both minor and major conflict onset in countries rich in oil and gas. By contrast, in countries with little oil or gas resources, increases in military spending are associated with a higher risk of conflict. Welfare expenditure is associated with a lower risk of small-scale conflict, irrespective of the level of oil revenue. However, general government spending does not appear to have any robust mitigating effects. Consistent with the focus in the more recent literature to disentangle the average effect of natural resources, these results nuance the conditions under which there may be a resource curse. The results point to what governments can do with resource revenues to mitigate conflict risk.

Potential Links Between Certified Organic Coffee and Deforestation in a Protected Area in Chiapas, Mexico

- World Development---2016---Matthew Jonas, Katie Crossman, Jennifer Solomon, Walter Lopez Baez

This study considers organic coffee certification and deforestation in the El Triunfo Biosphere Reserve of Chiapas, Mexico. Land reform, dating back to the revolution, has created a complex context for measuring land use change. The locally improved price of organic production, maintained yield, and plantation growth rate—twice that of conventional producers—raise questions about potential deforestation. While consumers believe organic does not deforest, no measurements are taken during inspection. As communal land privatizes without an established baseline for land use change, improved organic certification inspections are needed to verify good practices and advance forest conservation in the coffee sector.

Mining away the Preston curve

- World Development---2016---Ryan Edwards

I estimate the long-term national health and education impacts of having a larger mining share in the economy. By instrumenting the relative size of the mining sector with the natural geological variation in countries' fossil fuel endowments, I provide evidence suggestive of a causal relationship. The findings suggest that countries with larger mining shares tend to have poorer health and education outcomes than countries with similar per capita incomes, geographic characteristics, and institutional quality. Doubling the mining share of an economy corresponds to, on average, the infant death rate being 20% higher, life expectancy being 5% lower, total years of education being 20% lower, and 70% more people having no formal education. Divergences from the Preston curve—the concave relationship between cross-country income and life expectancy that has long been of interest to economists, demographers, and epidemiologists—are thus partly explained by the size of the mining sector. Within-country evidence from Indonesia paints a similar picture. My results provide support for a growing body of evidence linking mining to poorer average living standards, particularly vis-à-vis other types of income. I also estimate the effects of national mining dependence on non-mining income, health and education investment, and institutions.

Too Certain to Invest? Public Safety Nets and Insurance Markets in Ethiopia

- World Development---2016---Maya Joan Duru

Researchers' efforts to introduce index insurance in developing countries have met with little demand despite its great potential to help farmers mitigate economic risk. I argue that researchers have overlooked institutional context's critical role in the formation of private markets when designing insurance contracts. Using micro-level evidence from Ethiopia, I show that recipients of a preexisting effective, large-scale public safety net fail to take-up a new highly subsidized private insurance offer. Government safety net programs can decrease demand for private index insurance, forming an additional barrier to index insurance take-up. A direct implication of this research is that policymakers should design private and public insurance products

that account for, or even complement, each other.

Institutional Change in Value Chains: Evidence from Tea in Nepal

- World Development---2016---Sarah Mohan

Local conditions in developing countries have long played a part in determining whether their small-scale firms can benefit from deepening their participation in global value chains (GVCs). Institutional theory allows us to characterize these local conditions not simply as particularistic oddities but rather as elements of an institutional matrix that affects the livelihoods of chain participants. However, the institutional dimension of GVC analysis has been traditionally neglected in the literature, to the detriment of our understanding of the impacts of upgrading in GVCs. This study aims to remedy this failure by illustrating how institutional context mediates between value chain upgrading and the livelihoods of chain participants. In particular, it seeks to elucidate how value chain upgrading spurs a process of change in the institutions that govern the livelihoods of suppliers in developing countries. This examination sheds light on the more general question of how value chain upgrading sometimes helps, but sometimes hurts, the welfare of chain participants. This theoretical contribution to the value chain literature is based upon an institutional analysis of primary qualitative data from more than 80 small-scale tea farmers in Nepal, some of whom had upgraded from conventional to organically certified production. Our study finds that value chain upgrading launches a process of institutional change that can be summarized in a general typology. The typology highlights how rules, strategies, organizations, and informal norms affect whether a given upgrading intervention yields livelihood benefits in a particular place. Upgrading can yield positive impacts in chain-linked livelihood dimensions, such as price, and yet induce negative changes in other livelihood dimensions, such as risk, and thereby yield overall adverse livelihood implications, in a process we dub “immiserizing upgrading”. These findings contribute to advancing the conceptual literature on global value chains (GVCs) by suggesting a general typology for

cycles of institutional change that influence livelihood outcomes. The typology provides a framework to analyze such processes that is also of use to development practitioners seeking to understand the conditions under which upgrading worsens or improves the welfare of value chain participants. The research findings provide an interesting window into how certification schemes interact with the daily lives of the rural poor.

To Lobby or to Partner? Investigating the Shifting Political Strategies of Biopharmaceutical Industry Associations in Innovation Systems of South Africa and India

- World Development---2016---Theo Papaioannou, Andrew Watkins, Julius Mugwagwa, Dinar Kale

The role of industry associations in shaping policy through various lobbying activities is well established. In most cases, while such activities are deemed essential from an industry perspective, they also carry negative connotations connected to narrow rent-seeking and the pursuit of elites’ interests which run counter to the public good and discourage competition and subsequent innovation. As such, industry associations have long been excluded from discussions regarding the relational dynamics and evolution of innovation systems. In contrast, this paper builds upon more recent work that places industry associations as key intermediary actors that facilitate knowledge exchange and institutional capacity building, particularly in the context of developing countries where limited institutional capacities and substantial knowledge gaps can limit both innovation and development. Employing a qualitative cross-national comparison, this paper examines the changing roles and activities of biopharmaceutical industry associations in the development of the South African and Indian pharmaceutical industries, with a particular focus on government–industry relations. For doing so, the paper captures developments during three main periods through which both the South African and Indian biopharmaceutical industries have similarly evolved, although within different national contexts: (1) pre-liberalization, (2) expanding pluralism, and (3)

increasing partnership. We argue that in South Africa and India, particular historical trajectories and lack of institutional capacities are shifting industry associations away from ineffective lobbying to a new political approach that emphasizes partnering with government in the pursuit of not only narrow industry objectives, but also broader development aims.

Natural Resource Use, Incomes, and Poverty Along the Rural–Urban Continuum of Two Medium-Sized, South African Towns

- World Development---2016---Catherine D. Ward, Charlie M. Shackleton

Urbanization is a significant driver of global change, reshaping livelihoods, productive activities, and incomes. Yet, many elements of what are typically regarded as rural activities can be found in urban places and vice versa. We report on the incomes from land- and cash-based activities along the rural–urban gradient of two South African towns. Although the dominant income strategies varied, all households had more than one income source. Use of wild resources and agriculture were common in urban settings, although variable between and within towns. Poverty levels would be 5–10% higher in the absence of natural resource-based incomes.

Theorizing the Land–Violent Conflict Nexus

- World Development---2016---Mathijs Van Leeuwen, Gemma Van Der Haar

While disputes over land are prominent in many situations of protracted violent conflict, questions remain about the precise relationships between land and violent conflict. Political ecology and legal anthropology have rightly questioned dominant approaches in theorizing land-related conflict that are centered on scarcity and institutional failure. While underlining the contribution of these critical approaches, we argue that questions about what is actually at stake in so-called “land-conflicts”, and in particular how localized land disputes and large-scale violence get connected, are not yet adequately addressed. To further theorizing

on this point the paper proposes to take on board advances made in the wider field of conflict studies, notably the notions of war as a “social project” and “warscapes”. We emphasize the importance of “alliances” between local disputes and broader cleavages, and of processes of “framing”. The added value of such a perspective is then illustrated by case-studies based on original fieldwork in Burundi and Chiapas (Mexico), that bring out how sense-making of social actors at different levels, including development interveners, interlocks through alliances and framing. We suggest that academic research should analyze how particular land-related conflicts are performed, stimulated, interpreted, and used. Our argument also implies that policy makers and development practitioners should be aware that their work is not neutral, and should be more attentive to how their programs feed into processes of sense-making and mobilization. More generally, the paper de-naturalizes the link between land and conflict and draws land conflict analysis into the realm of social practice.

Does Community-Driven Development Improve Inclusiveness in Peasant Organizations? – Evidence from Senegal

- World Development---2016---Jean-Louis Arcaud, Natascha Wagner

Using panel village census data from Senegal, we assess the impact of a decentralized agricultural development program—the Programme de Services Agricoles et Organisations de Producteurs (PSAOP)—on membership and assortative matching in community-based organizations (CBOs). We find that channeling agricultural assistance through CBOs makes these organizations more inclusive in the sense that several tradition-bound assortative matching patterns are broken: homophily in ethnicity and wealth are reduced. Traditionally marginalized groups such as men of nomadic background, women with small landholdings and little education and those residing in female-headed households become CBO members whereas the position of previous CBO leaders is not reinforced. Similarly, those households that received services from a CBO before

the PSAOP was in place are less likely to stay. This leads to more heterogeneous CBOs and is in line with the terms and conditions of the program. On the other hand, the likelihood of CBO membership is reduced in project villages, with significant differences between men and women. Women disproportionately drop out of CBOs which receive PSAOP benefits. We conclude that for grassroots-level development projects to be successful, contextual factors need to be integrated into program design and implementation, since they shape local participation. Understanding local power relations and the potential for changing preferences due to external support are key to inclusive participation and development at the local.

Oil Extraction and Indigenous Livelihoods in the Northern Ecuadorian Amazon

- World Development---2016---Matthew Bozi-gar, Clark L. Gray, Richard E. Bilsborrow

Globally, the extraction of minerals and fossil fuels is increasingly penetrating into isolated regions inhabited by indigenous peoples, potentially undermining their livelihoods and well-being. To provide new insight to this issue, we draw on a unique longitudinal dataset collected in the Ecuadorian Amazon over an 11-year period from 484 indigenous households with varying degrees of exposure to oil extraction. Fixed and random effects regression models of the consequences of oil activities for livelihood outcomes reveal mixed and multidimensional effects. These results challenge common assumptions about these processes and are only partly consistent with hypotheses drawn from the Dutch disease literature.

Re-Thinking the Child Labor “Problem” in Rural sub-Saharan Africa: The Case of Sierra Leone’ s Half Shovels

- World Development---2016---Roy Ma-conachie, Gavin Hilson

This article contributes to evolving debates on Sierra Leone’ s post-war “crisis of youth” by providing an extended analysis of the role that young boys and girls

assume in negotiating household poverty and enhancing their livelihood opportunities in small-scale mining communities. Child miners – or “half shovels” as they are locally known – are both directly and indirectly involved in small-scale gold extraction in Kono District, Sierra Leone’ s main diamond-producing area. But the implications of their involvement are often far more nuanced and complex than international children’ s rights advocates understand them to be. Drawing upon recent fieldwork carried out in and around the Kono mining village of Bandafayie, the article argues that children’ s participation in the rural economy not only generates much-needed household income, but in many cases is the only way in which they can earn the monies needed to attend school. A blind and uncritical acceptance of international codes and agreements on child labor could have an adverse impact on children and, by extension, poor communities in rural Sierra Leone. Western notions of “progress” and development, as encapsulated in the post-conflict reconstruction programming of international NGOs and donor organizations, often do not match up with the complex realities or competing visions of local people.

“Fire in Cairo” : Authoritarian–Redistributive Social Contracts, Structural Change, and the Arab Spring

- World Development---2016---Eric Rougier

Around 2011, several Middle-East and North-African (MENA) previously stable regimes have been challenged, sometimes violently, by unprecedented waves of civil protests. The so-called “Arab Springs” have generally been motivated by the growing gap between young adults’ aspirations to climb up the social ladder and the dearth of socioeconomic opportunities consecutive to the slow pace of structural change featured by the economies of the region. The present paper argues that this slow pace of structural change, measured by export sophistication and diversification, may well be the consequence of the authoritarian–redistributive social contracts that were established after the Independence and were subsequently only marginally reformed. MENA social contracts are generally described as po-

litical bargains by which socioeconomic security, based on high levels of redistribution and state control of the economy, were traded against the absence of political freedom. We show in this paper that although redistribution and political authoritarianism have an impact on structural change, by their own, their combination certainly explains the deficit of structural transformation of MENA economies. More specifically, we provide cross-sectional and dynamic-panel evidence that the positive impact of redistribution on structural change, measured by export diversification and sophistication, vanishes for the very high levels of authoritarianism characterizing the MENA region. Our results hold for different specifications of the estimated equations and of the social contract variable, as well as when endogeneity issues are addressed. The paper finally describes the political economy that sustained, over the last three decades, this combination of political authoritarianism and slow productive diversification and sophistication throughout the region, before explaining how these features could well have inhibited the political capacities and willingness of most MENA incumbent regimes to reform the social contract in a radical and timely manner.

Barriers to Prosperity: Parasitic and Infectious Diseases, IQ, and Economic Development

- World Development---2016---Jakob Madsen

IQ scores differ substantially across nations. This study argues that cross-country variations in IQ scores, to a large extent, reflect the burden of parasitic and infectious diseases (PIDs) and iron and iodine deficiency (IID) in infancy and in utero. Furthermore, it is shown that the prevalence of health insults, through the channel of cognitive ability, is influential for the level as well as the growth in productivity across the world. Using data for 181 countries and an instrumental variable approach, regressions reveal that the prevalence of PID-IIDs is influential for growth and income inequalities globally.

Understanding the Evidence Base for Poverty–Environment Relationships using Remotely Sensed Satellite Data: An Example from Assam, India

- World Development---2016---Gary R. Wamough, Peter M. Atkinson, Arupjyoti Saikia, Craig W. Hutton

This article presents results from an investigation of the relationships between welfare and geographic metrics from over 14,000 villages in Assam, India. Geographic metrics accounted for 61% of the variation in the lowest welfare quintile and 57% in the highest welfare quintile. Travel time to market towns, percentage of a village covered with woodland, and percentage of a village covered with winter crop were significantly related to welfare. These results support findings in the literature across a range of different developing countries. Model accuracy is unprecedented considering that the majority of geographic metrics were derived from remotely sensed data.

Green Revolution in Sub-Saharan Africa: Implications of Imposed Innovation for the Wellbeing of Rural Smallholders

- World Development---2016---Neil Dawson, Adrian Martin, Thomas Sikor

Green Revolution policies are again being pursued to drive agricultural growth and reduce poverty in Sub-Saharan Africa. However conditions have changed since the well-documented successes of the 1960s and 1970s benefitted smallholders in southern Asia and beyond. We argue that under contemporary constraints the mechanisms for achieving improvements in the lives of smallholder farmers through such policies are unclear and that both policy rationale and means of governing agricultural innovation are crucial for pro-poor impacts. To critically analyze Rwanda's Green Revolution policies and impacts from a local perspective, a mixed methods, multidimensional wellbeing approach is applied in rural areas in mountainous western Rwanda. Here Malthusian policy framing has been

used to justify imposed rather than “induced innovation”. The policies involve a substantial transformation for rural farmers from a traditional polyculture system supporting subsistence and local trade to the adoption of modern seed varieties, inputs, and credit in order to specialize in marketable crops and achieve increased production and income. Although policies have been deemed successful in raising yields and conventionally measured poverty rates have fallen over the same period, such trends were found to be quite incongruous with local experiences. Disaggregated results reveal that only a relatively wealthy minority were able to adhere to the enforced modernization and policies appear to be exacerbating landlessness and inequality for poorer rural inhabitants. Negative impacts were evident for the majority of households as subsistence practices were disrupted, poverty exacerbated, local systems of knowledge, trade, and labor were impaired, and land tenure security and autonomy were curtailed. In order to mitigate the effects we recommend that inventive pro-poor forms of tenure and cooperation (none of which preclude improvements to input availability, market linkages, and infrastructure) may provide positive outcomes for rural people, and importantly in Rwanda, for those who have become landless in recent years. We conclude that policies promoting a Green Revolution in Sub-Saharan Africa should not all be considered to be pro-poor or even to be of a similar type, but rather should be the subject of rigorous impact assessment. Such assessment should be based not only on consistent, objective indicators but pay attention to localized impacts on land tenure, agricultural practices, and the wellbeing of socially differentiated people.

Tenure Insecurity and Investment in Soil Conservation. Evidence from Malawi

- World Development---2016---Stefania Lovo

Tenure insecurity can have important consequences for the conservation of natural resources. This paper focuses on two main sources of tenure insecurity, informal short-term tenancy contracts, and customary gender-biased inheritance practices. Using a large

plot-level dataset from Malawi, the analysis employs a linear probability model with household fixed effects and finds that both sources of insecurity have a negative effect on soil conservation investments. These findings suggest that future land reforms should deal with the informality of the land rental market and address the gap between users and owners of land created by existing customary practices.

Aid, Infrastructure, and FDI: Assessing the Transmission Channel with a New Index of Infrastructure

- World Development---2016---Julian Donaubauer,Birgit Meyer,Peter Nunnenkamp

Official development assistance (ODA) and foreign direct investment (FDI) are widely perceived to be alternative means of supplementing domestic savings and promoting economic development in low- and middle-income countries. However, possible complementarities of aid and FDI have received limited attention so far. It remains open to debate whether aid could render recipient countries more attractive to FDI by removing specific bottlenecks that prevent higher FDI inflows. In particular, we raise the hypothesis that aid specifically targeted at economic infrastructure helps developing countries attract higher FDI inflows through improving their endowment with infrastructure in transportation, communication, energy, and finance. By performing 3SLS estimations we explicitly account for dependencies between three structural equations on the allocation of sector-specific aid, the determinants of infrastructure, and the determinants of FDI. We find strong and robust evidence that aid in infrastructure is effective in improving the recipient countries’ endowment with infrastructure. In sharp contrast, other aid is not effective in improving infrastructure. Infrastructure consistently proves to be an important determinant of developing countries’ attractiveness to FDI. Consequently, only targeted aid promotes FDI indirectly through the infrastructure channel. In addition, aid in infrastructure has direct effects on FDI. It appears that foreign investors anticipate longer term effects of aid on the country’ s endowment with infrastructure

and expect aid-financed infrastructure to serve them particularly well.

Ecosystem Services and REDD: Estimating the Benefits of Non-Carbon Services in Worldwide Forests

- World Development---2016---Elena Ojea,Maria Loureiro,Maria Alló,Melina Barrio

Forest ecosystems are playing an increasingly important role in climate change mitigation through programs on Reducing Emissions from Deforestation and Forest Degradation (REDD), which targets carbon sequestration. However, decades of environmental valuation studies evidence the economic benefits of other forest ecosystem services different than carbon, and there is no evidence on how these economic benefits differ in countries where REDD is to be implemented. To respond to this question, we conduct a global meta-analysis of forest primary studies published over the past 30years in which we estimate the economic benefits related to different forest ecosystem services in targeted REDD countries, and discuss the implications of considering these economic figures in REDD decision making. A systematic review of the scientific literature leads to the selection of 52 original studies to conduct a meta-analysis on 205 observations. We obtain that the economic benefits of forest ecosystem services in REDD countries are always greater than in other countries, and provide economic ranges of services to serve as a reference to REDD decision making in relation to co-benefits and opportunity costs. The results have implications for future avoided deforestation programs, which should take co-benefits into account in order to better articulate payments for ecosystems and create proper incentives for forest conservation and sustain local livelihoods.

Their Suffering, Our Burden? How Congolese Refugees Affect the Ugandan Population

- World Development---2016---Merle Kreibbaum

This paper analyzes the impact of both the long-term presence and additional influxes of refugees on the lo-

cal population in Uganda. Uganda has a unique legal framework of local integration which makes it an interesting case study. Refugees are allowed to work and move freely. The political aim is to integrate them economically and socially into the host communities. The impact of this approach on Ugandan households' objective and subjective welfare as well as their access to public services is the focus of this study. Two different household surveys covering the years 2002–10 are used in order to employ a difference-in-differences approach. In doing so, the natural experiment of two sudden inflows is exploited, while simultaneously controlling for the long-term trends in refugee numbers. The findings presented here suggest that the Ugandan population living near refugee settlements benefits both in terms of consumption and public service provisions. However, their negative perceptions regarding their own economic situation and their alienation from their national state in favor of their ethnic identity contradict this objective improvement of livelihoods. This is the first study to empirically analyze the effect of a long-term presence of displaced populations on local communities. With refugee situations becoming increasingly protracted, the findings offer important policy insights and point toward an interesting new field of research.

Effects of Protected Areas on Forest Cover Change and Local Communities: Evidence from the Peruvian Amazon

- World Development---2016---Juan Jose Miranda,Leonardo Corral,Allen Blackman,Gregory Asner,Eirivelthon Lima

Protected areas are a cornerstone of forest conservation in developing countries. Yet little is known about their effects on forest cover change or the socioeconomic status of local communities. This paper assesses whether “win-win” scenarios are possible—that is, whether protected areas can both stem forest cover change and alleviate poverty. We examine protected areas in the Peruvian Amazon during the early 2000s. We find that protected areas reduce deforestation. We do not find a robust effect on poverty. Protected areas that allow

sustainable extractive activities are more effective in reducing deforestation but less effective in reducing poverty.

Ethnic Heterogeneity and Public Goods

Provision in Zambia: Evidence of a Subnational “Diversity Dividend”

- World Development---2016---Rachel M. Gisselquist, Stefan Leiderer, Miguel Niño-Zarazúa

The “diversity debit” hypothesis – that ethnic diversity has a negative impact on social, economic, and political outcomes – has been widely accepted in the literature. Indeed, with respect to public goods provision – the focus of this article – the conventional wisdom holds that a negative relationship between ethnic heterogeneity and public goods provision is so well-established empirically that future research should abandon examination of whether such a relationship exists and focus instead on why it exists, that is, on the mechanisms underlying a negative relationship. This article challenges the conventional wisdom on empirical grounds. It demonstrates at the sub-national level strong evidence for a “diversity dividend” – that is, a positive relationship between ethnic heterogeneity and some measures of public goods provision, in particular welfare outcomes related to publicly provided goods and services. Building on the literature, the article draws on new analysis at district level for Zambia, using a new dataset compiled by the authors from administrative, budget, and survey data, which cover a broader range of public goods outcomes than previous work, including information on both budgetary and welfare outcomes. The article explores why relationships may differ for sub-national budgetary and welfare outcomes, considering separate models for each. Analysis shows results to be robust across a variety of alternative specifications and models. Given the more nuanced relationship between ethnic diversity and public goods provision documented, the article argues that the key task for future work is not to address why the relationship is negative, but to study under what conditions such direction holds true, and the mechanisms that underlie a diversity dividend. It

concludes by considering key explanatory hypotheses against the Zambian data to identify promising areas for such theory development. More broadly, while the diversity debit hypothesis highlights the costs of diversity and could be interpreted as providing support for policies that minimize it, the findings in this article are consistent with a view that diversity can be good for communities, not only for normative reasons, but also because, under some conditions, it can support concrete welfare gains.

Experimental Evidence on the Drivers of Index-Based Livestock Insurance Demand in Southern Ethiopia

- World Development---2016---Kazushi Takahashi, Munenobu Ikegami, Megan Sheahan, Christopher Barrett

While index-based microinsurance has attracted considerable attention, uptake rates have been weak in many low-income countries. We explore the purchase patterns of index-based livestock insurance in southern Ethiopia, focusing on the role of accurate product comprehension and price. We find that randomly distributed learning kits improve subjects’ knowledge of the products; however, we do not find strong evidence that the improved knowledge per se causes greater insurance uptake. We also find that reduced price due to randomly distributed discount coupons has an immediate, positive impact on uptake, without dampening subsequent period demand due to reference-dependence associated with price anchoring effects.

Effects of FDI Flows on Institutional Development: Does It Matter Where the Investors are from?

- World Development---2016---Firat Demir

Global FDI flows to and from developing countries have increased significantly since the 1990s. While developing countries saw this as a positive development, many economists and policy makers in developed countries have raised concerns regarding the institutional effects of developing country investments in other developing

countries. In this paper we explore the effects of bilateral FDI flows on institutional development gaps between countries and whether such effects are conditional on the direction of flows including South–South, South–North, North–South, and North–North directions. The empirical results using bilateral flows between 134 countries and a variety of institutional development measures during 1990–2009 suggest that the institutional development effects of FDI flows in any direction including the North–South or South–South directions are not significant. In any case we do not find any significant convergence or divergence effect of FDI flows on the institutional distance between host and home countries. We also fail to find any significant effect of aggregate North–South FDI flows on host country institutions. In contrast, we find that aggregate South–South FDI flows have a significantly negative effect on host country institutions. Furthermore, we find some evidence that South–South FDI flows may be harmful to institutional development in natural resource-rich countries while the opposite is true for North–South flows. Overall, the results suggest that there is no strong evidence of any benevolent or malevolent effects of bilateral FDI flows from developed or developing countries to developing countries.

Does Women’ s Land Ownership Promote Their Empowerment? Empirical Evidence from Nepal

- World Development---2016---Khushbu Mishra,Abdoul G. Sam

Land rights equity is seen as an important tool for increasing empowerment and economic welfare for women in developing countries. Accordingly, the objective of this paper is to empirically examine the role of women’ s land ownership, either alone or jointly, as a means of improving their intra-household bargaining power in the areas of own healthcare, major household purchases, and visiting family or relatives. Using the 2001 and 2011 Nepal Demographic and Health Surveys and relevant econometric techniques, we find that land ownership has a positive and significant impact on women’ s empowerment. In particular, we find two important patterns of results. First, accounting

for the endogeneity of land ownership with inverse probability weighting, coarsened exact matching and instrumental variable methods makes its impact on empowerment higher. Previous research in this area had largely ignored the potential endogeneity of land ownership. Second, the impact is generally stronger in 2011 than in 2001. As evidenced in a number of empirical studies, the increase in women’ s bargaining power can in turn translate into a redirection of resources toward women’ s preferences, including higher investment in human capital of the household such as education, health, and nutrition. Therefore, our study indicates that in places where agriculture is the main source of economy for women, policies enhancing land rights equity have the potential to increase women’ s empowerment and associated beneficial welfare effects.

The Missing Link Between Parents’ Preferences and Daughters’ Survival: The Moderator Effect of Societal Discrimination

- World Development---2016---Rebeca Echávarri,Javier Husillos

The premature mortality of female children is an alarming demographic outcome in many countries of the world. The most popular explanation for this phenomenon is the prevalence of son preference. However, empirical findings indicate that the assumption of a positive relationship between wanted daughters and female children’ s survival is not found in every scenario, and it does not have a clear explanation in the literature. To fill this gap, we present a simple model that provides insights into how the positive marginal effect of wanted daughters on their survival might decrease with higher societal discrimination against young females. The model draws on the emerging literature that examines the erosion of cognitive and noncognitive skills that results from poverty and discrimination. Our theoretical findings are tested for the case of India, using the third round of the National Family Health Survey, with Zero-Inflated Poisson models. Our estimates provide support for the interaction of parents’ preferences and societal discrimination against female children. In particular, we show that the statistical

significance of the marginal effect of wanted daughters on their survival disappears in contexts of high societal discrimination against female children. Our study contributes to the literature by questioning the commonly held assumption of additive separability between the effect of family and societal characteristics. One central implication is that the alleviation of poverty alone might fail to automatically reduce sex-based discriminatory practices, and that multidimensional interventions are required that target the individual and society.

A Meta-Analytic Reassessment of the Effects of Inequality on Growth

- World Development---2016---Pedro Cunha Neves, Óscar Afonso, Sandra Tavares Silva

This paper develops a meta-analysis of the empirical literature that estimates the effect of inequality on growth. It covers studies published in scientific journals during 1994–2014 that examine the impact on growth of inequality in income, land, and human capital distribution. We find traces of publication bias in this literature, as authors and journals are more willing to report and publish statistically significant findings, and the results tend to follow a predictable time pattern over time according to which negative and positive effects are cyclically reported. After correcting for these two forms of publication bias, we conclude that the high degree of heterogeneity of the reported effect sizes is explained by study conditions, namely the structure of the data, the type of countries included in the sample, the inclusion of regional dummies, the concept of inequality and the definition of income. In particular, our meta-regression analysis suggests that: cross-section studies systematically report a stronger negative impact than panel data studies; the effect of inequality on growth is negative and more pronounced in less developed countries than in rich countries; the inclusion of regional dummies in the growth regression of the primary studies considerably weakens such effect; expenditure and gross income inequality tend to lead to different estimates of the effect size; land and human inequality are more pernicious to subsequent growth than income inequality is. We also find that

the estimation technique, the quality of data on income distribution, and the specification of the growth regression do not significantly influence the estimation of the effect sizes. These results provide new insights into the nature of the inequality–growth relationship and offer important guidelines for policy makers.

The Determinants of Social Conflict in the Latin American Mining Sector: New Evidence with Quantitative Data

- World Development---2016---Paul Alexander Haslam, Nasser Ary Tanimoune

This paper builds on the case study work into conflict between mining firms and nearby communities through a statistical analysis of the determinants of social conflict at the local level in the mining sector in Latin America. The analysis is based on an original dataset of 640 geo-located mining properties at the advanced exploration stage and above, which includes GIS information on environment and land-use patterns around the property, sub-national socio-economic characteristics of the population, firm and mining property characteristics, as well as information about known social conflicts.

Marginality as a Root Cause of Poverty: Identifying Marginality Hotspots in Ethiopia

- World Development---2016---Christine Husmann

Marginality refers to a position at the margins of social, political, economic, ecological, and biophysical systems. The paper applies this concept to the case of Ethiopia. Marginality hotspots are mapped by overlaying seven different indicators using Geographic Information System software. Results show that people in the South-West and in the North are most marginalized. Overlaying marginality hotspots with a map of agro-ecological belts shows that a large share of marginality hotspots is located in areas with low agricultural potential. Marginality is not bound to specific ethnic groups but ethnic fractionalization is significantly lower in marginality hotspots than in other areas.

Do Female Instructors Reduce Gender Bias in Diffusion of Sustainable Land Management Techniques? Experimental Evidence From Mozambique

- World Development---2016---Florence Kondylis, Valerie Mueller, Glenn Sheriff, Siyao Zhu

Agricultural innovation is essential to meet the food requirements of Africa's growing population. One pathway to increasing yields may be to enhance female farmer productivity. In many settings, married women cultivate plots separated from those of other family members. They face different challenges to productivity, such as deficiencies in inputs, weak property rights, and time constraints. It has long been argued that traditionally male-dominated extension services may also contribute to a gender bias in adoption of new agricultural techniques. If this is true, placing women in extension positions may help other women overcome barriers to adoption posed by inequitable access to agricultural extension services or exposure to inapt information. To better understand the role of gender in the dissemination of sustainable land management (SLM) techniques, this study uses a randomized policy experiment conducted in 200 communities in Mozambique. We examine the impact of training female messengers of SLM techniques on the awareness, knowledge, and adoption of SLM practices by other female farmers. Communities were randomly selected in 2010 to have a female messenger trained in SLM who was encouraged to teach other women the techniques. Using data from panel surveys collected in the experimental areas, we find women's awareness of pit planting farming techniques increased by 9 percentage points in 2012 and adoption of the technology by 5 percentage points in 2013 in communities with female messengers.

The Failures of Privatization: A Comparative Investigation of Tuberculosis Rates and the Structure of Healthcare in Less-Developed Nations, 1995–2010

- World Development---2016---Kelly F. Austin, Cristina DeScisciolo, Lene Samuelson

Tuberculosis remains a persistent global health problem and key threat to development in poor countries. While many nations pursue privatization of healthcare, some accounts suggest that private health services are inadequate in addressing the TB burden. We utilize panel regression to empirically investigate data from 99 less-developed nations from 1995 to 2010. The results illustrate private health expenditures do not significantly impact TB rates, while public health expenditures reduce TB rates in developing nations over time. Thus, we caution against international development strategies which promote cuts in public spending and encourage privatization of healthcare as a means to stimulate growth or efficiency.

Informality, property rights, and poverty in China's "favelas"

- World Development---2016---Chris Webster, Fulong Wu, Fangzhu Zhang, Chinmoy Sarkar

In this study of households living in informal settlements in three principal Chinese cities, we analyze the associations between informality, property rights, and poverty. We propose that informality can be understood in terms of property rights (presence/absence, strength, completeness, and ambiguity). Drawing on the property rights (entitlements) theories of Sen, de Soto, Ostrom, Alchian, and Coase, we refine a list of property rights effects that can be tested empirically. Using a household questionnaire survey of 1,208 respondents from a representative sample of 60 urban villages in Beijing, Shanghai, and Guangzhou, we use robust regression models to detect statistical relationships between household performance on six poverty domains as a function of four property rights domains, controlling for income, human capital, and other influences. We

find evidence for what we call Sen effects and de Soto effects. Our models show that some property rights are associated with lower poverty indicators. But we also find evidence to show that the absence, weakness, or ambiguity of property rights also reduce poverty indicators on particular domains, through what we assume to be a substitution effect. Informal settlements permit poorer household to live at lower costs than is usually, or officially, acceptable, and thus spend more on other welfare-enhancing expenditures. The distribution of property rights determines the size, distribution, and impacts of these trade-offs and shapes the economic and social performance of informal settlements.

Votes and Regional Economic Growth: Evidence from Turkey

- World Development---2016---Davide Luca

In countries where governments' disproportionate power over the bureaucracy is coupled with a strong political polarization, can votes for the national incumbent party "buy" preferential policy treatment and faster regional economic growth? The article tests such question on Turkey's 81 provinces over 2004–12. Results uncover a link between votes and faster regional growth, as well as a small influence of preferential allocations in explaining it. Yet, after addressing potential endogeneity, economic performance is almost entirely explained by standard drivers, primarily human capital endowment. Results suggest that the impact of electorally motivated distributive politics on regions' economic performance is extremely limited.

Preschool Education in Brazil: Does Public Supply Crowd Out Private Enrollment?

- World Development---2016---Paulo Bastos, Odd Rune Straume

Expanding access to preschool education is a particularly important policy issue in developing countries, where enrollment rates are generally much lower, and where private institutions constitute a much larger share of the formal preschool sector, than in developed countries. This paper examines if an expansion in the

supply of public preschool crowds-out private enrollment using rich data for municipalities in Brazil from 2000 to 2006, where federal transfers to local governments change discontinuously with given population thresholds. Results from a regression-discontinuity design reveal that larger federal transfers lead to a significant expansion of local public preschool services, but show no evidence of crowding-out of private enrollment, nor of negative impacts on the quality of private providers. This finding is consistent with a theory in which households differ in willingness-to-pay for preschool services, and private suppliers optimally adjust prices in response to an expansion of lower-quality, free-of-charge public supply. In the context of the model, the absence of crowding-out effects of more public preschool providers can be rationalized by the existence of relatively large differences in willingness-to-pay for preschool services across different demand segments. Our theoretical and empirical findings therefore suggest that in developing country settings characterized by relatively high income inequality, an expansion in public preschool supply will likely significantly increase enrollment among the poorest segments of society, and need not have adverse effects on the quantity or quality of local private supply.

Catalyzing Aid? The IMF and Donor Behavior in Aid Allocation

- World Development---2016---Thomas H. Stubbs, Alexander E. Kentikelenis, Lawrence P. King

The International Monetary Fund (IMF) has often asserted that its programs encourage aid by signaling policy credibility, commonly referred to as aid catalysis. Our study investigates this claim for sector-specific aid and for bilateral and multilateral donors using data on 136 recipient countries for the 1986–2009 period. We employ a two-part quantitative model to match the donor decision-making process, consisting of a first-stage recipient selection equation and a second-stage allocation equation on selected recipients. We find strong support that IMF programs catalyze aid on aggregate, but the evidence varies across different

types of aid. Aid catalysis is stronger and more robust in sectors linked to the IMF's core competency areas, namely debt-related relief and general budget support, but weaker and less robust for infrastructure, production, multisector, and humanitarian aid, and non-existent for health and education. Across donors, IMF programs are associated with increases in aid by countries with larger voting shares in the IMF, such as the United States and Japan, but less so by countries with few votes or for multilateral agencies. This finding is consistent with research in international political economy arguing that the IMF's powerful stakeholders drive the organization's decisions and policies. Taken together, our findings emphasize the IMF's multi-dimensional impact on the global development agenda—an erstwhile overlooked factor in studies of aid allocation—while refuting the purported positive effects of IMF programs on aid for social policy.

Defining a Global Urban Development Agenda

- World Development---2016---Susan Parnell

The United Nation's recent endorsement of a standalone urban Sustainable Development Goal and the immanent formulation of Habitat III marks a watershed in global development discourse on cities. The New Urban Agenda, currently under debate, is located in its historical context to reveal who the major actors and institutions were that defined global urban policy; what the shifting normative positions on cities are; and why the increasingly complex process of the global policy environment makes defining a universal agreement on urban development so hard. At stake in UN negotiations are fundamental issues about the centrality of urban pathways to sustainable development. A historical view of the Habitat process reveals that even at the global scale it is possible for those with strong convictions to change the normative base and mode of working on urban issues, but that the compromise politics of the international system also masks important compromises and contradictions. Looking back over the decades of international debate on development priorities shows not only that there is now greater acceptance of the importance of defining and

agreeing to “an urban agenda” but that global policy on urban and regional issues has indeed evolved. There is no longer a question of whether cities are important for sustainable development, but rather why and how the urban condition affects our common future.

Transient Poverty, Poverty Dynamics, and Vulnerability to Poverty: An Empirical Analysis Using a Balanced Panel from Rural China

- World Development---2016---Patrick Ward

China's economic reforms starting in the late 1970s have resulted in rapid economic growth, with annual growth in gross domestic product averaging greater than 10% per year for more than 30 years. Accompanying this rapid growth in national accounts have been rapid and widespread reductions in poverty. With these reductions in poverty, however, there has often been observed an increase in income inequality, both between as well as within rural and urban sectors. This rising income gap challenges the notion that economic reforms in China have been as successful as the poverty statistics would suggest.

What We Miss By Missing Data: Aid Effectiveness Revisited

- World Development---2016---Anja Bre-itwieser, Katharina Wick

Missing data is an issue in many empirical applications, as it may entail efficiency losses as well as biased results. We address these problems within the literature that investigates the effect of foreign aid on welfare. Using multiple imputation techniques to account for the missing data, we find lower aid effectiveness. In addition, imputation allows for comparison of different welfare indicators within the same framework. We find that the respective indicator choice can matter for the ensuing results.

Networks of Rural Producer Organizations in Uganda: What Can be Done to Make Them Work Better?

- World Development---2016---Evgeny Latynskiy, Thomas Berger

Rural producer organizations (RPOs) are currently seen as mechanisms of reducing transaction costs and improving market access of smallholder farmers. Yet little is known about the determinants of RPO effectiveness, especially in Sub-Saharan African countries. In this article we assess functioning of Ugandan RPO using a combination of participatory research and survey methods. We recommend areas for development interventions that would enhance the positive impact of RPO on livelihoods of their members. The proposed interventions refer to monetary transactions between RPO and their members, information channels within RPO, access to inputs and finance, member knowledge capacity and motivation of leaders.

Has the Internet Fostered Inclusive Innovation in the Developing World?

- World Development---2016---Caroline Paunov, Valentina Rollo

The adoption of the Internet has been widespread across countries, making much more information available and thus facilitating knowledge diffusion among businesses to boost their innovation performance. However, differences in firms' capabilities to use this newly available knowledge could create a new "digital divide" instead. Using 50,013 firm observations covering 117 developing and emerging countries over the 2006–11 period, this paper tests for knowledge spillover effects from industries' adoption of the Internet on firms' productivity and innovation performance. We test for heterogeneous spillover impacts on groups of firms that are commonly less engaged in innovation and on firms with different productivity levels. Our specification regresses firm productivity and innovation performance – i.e., their investment in equipment and ownership of quality certificates and patents – on industries' use of the Internet. Spillover effects are

identified by controlling for firms' own investment in Internet technology, industry and country-year fixed effects as well as extensive firm-level controls. Our results show that industries' use of the Internet positively affects the average firm's productivity and its investment in equipment. We also identify modest impacts of industries' use of the Internet on the likelihood that firms obtain quality certificates and patents. On average, we find that the returns to productivity are larger for firms that commonly engage less in innovation, including single-plant establishments, non-exporters, and firms located in small agglomerations. However, results from quantile regressions show that only the most productive firms reap productivity gains from Internet-enabled knowledge access. Firms with productivity levels below the 50th percentile do not benefit much. The spillover effects from industries' adoption of the Internet identified in our work justify public policies aimed at fostering industries' use of the Internet. However, since we show that only firms with adequate absorptive capabilities benefit from the widespread Internet adoption, policy support should also focus on facilitating firms' access to networks and strengthening their capacities to use them.

The Road to Specialization in Agricultural Production: Evidence from Rural China

- World Development---2016---Yu Qin, Xiaobo Zhang

Many rural poor in developing countries live in areas far away from markets and isolation is a key limiting factor to their livelihood. In this paper, we use four waves of a primary panel household survey conducted in 17 remote natural villages in China to study how road access shapes farmers' production patterns, input use, and rural poverty. We adopt a difference-in-difference approach by comparing the outcomes of the households in villages with and without road access, before and after the introduction of each road. Our results show that access to roads facilitates specialization in agricultural production. In natural villages with better road access, farmers plant fewer numbers of crops, purchase more fertilizer, and hire more labor. Consequently, road con-

nections improve household agricultural income and reduce poverty. In addition, road access significantly increases local nonfarm income for the relatively poor households, but not the rich. Overall, our research provides empirical justification on the importance of rural road on agricultural specialization and poverty reduction, especially in isolated and impoverished regions.

How Does the Choice of the Gender Indicator Affect the Analysis of Gender Differences in Agricultural Productivity? Evidence from Uganda

- World Development---2016---Ana Paula de la O Campos,Katia Covarrubias,Alberto Prieto Patron

We use OLS and decomposition techniques to investigate gender differences in agricultural productivity in Uganda. Using nationally representative surveys from years 2009–2012, the analysis applies different gender dummies – female head of household, female plot holder, and female plot manager- to investigate how the variable of choice affects the calculation of the gender gap. Our analysis obtains different results depending on the gender variable of choice. The study finds that regardless of the variable of choice, the gender gap in agricultural productivity decreases or disappears when factors of production and crop choice are controlled for. The conditional gender gap is about 10% and significant when using female plot manager as the gender variable, while we find no conditional gender gap when using the other gender variables. The use of time fixed-effects and decomposition contributes evidence that the typically available gender variables are insufficient for identifying how gender and decision-making of different household members play a role in productivity. This finding is problematic for targeting effective interventions to increase agricultural productivity and reduce gender inequalities in agriculture. Finally, we find that the older status of female heads, holders and manager of plots, child dependency ratio, and limited access to adult male labor are factors decreasing productivity in female plots in Uganda.

Building Participatory Organizations for Common Pool Resource Management: Water User Group Promotion in Indonesia

- World Development---2016---Jacob I. Ricks

States are increasingly striving to create participatory local organizations for joint management of common pool resources. What local conditions determine success of such state efforts? What effect do these efforts have? Drawing on controlled comparisons between three districts in Indonesia and an original survey of 92 water user groups, I demonstrate that local political contexts condition the effectiveness of participatory irrigation policies. When irrigation is politically salient, local politicians pressure bureaucrats to better engage with farmers. The data also show that training programs are not as effective at increasing water user organization activity as frequent contact between bureaucrats and farmers.

Environmental and Social Impacts of Hydroelectric Dams in Brazilian Amazonia: Implications for the Aluminum Industry

- World Development---2016---Philip Fearnside

Aluminum smelting consumes large amounts of electricity and helps drive dam-building worldwide. Brazil plans to build dozens of hydroelectric dams in its Amazon region and in neighboring countries. Benefits are much less than is portrayed, partly because electricity is exported in electro-intensive products such as aluminum, creating little employment in Brazil. Dams perversely affect politics and social policies. Aluminum export offers an example of how a rethinking of energy use needs to be the starting point for revising energy policy. Dam impacts have been systematically underestimated, including population displacement and loss of livelihood (especially fisheries), biodiversity loss, and greenhouse-gas emissions.

Public Opinion and Foreign Aid Cuts in Economic Crises

- World Development---2016---Tobias Heinrich,Yoshiharu Kobayashi,Kristin A. Bryant

Economic crises generally lead to reductions in foreign aid. However, the widely held view that budgetary constraints caused by economic crises reduce aid is inaccurate because donor government outlays actually tend to increase. We develop an argument that aid cuts occur because voters place a lower priority on aid during economic downturns and politicians respond by cutting aid. Using data from Eurobarometer, we demonstrate that economic downturns lead to reduced public support for helping the poor abroad. These findings are robust across a large number of alternative specifications. Our findings have implications for how advocates may prevent aid reductions during economic recessions.

Remittances and the Use of Formal and Informal Financial Services

- World Development---2016---Christian Ambrosius, Alfredo Cuecuecha

While recent literature has pointed to a positive effect of migrants' remittances on the financial development of receiving countries, findings with respect to access to and the use of loans have been ambiguous. This paper investigates the effect of remittances on the use of formal and informal financial services using Mexican household data and finds positive and statistically significant effects of remittances on the ownership of savings accounts, the existence of debts, and on recent borrowing. The fact that the effect of remittances on borrowing is driven by informal finance rather than by traditional bank loans points to deficiencies of the formal financial sector in addressing the financial needs of remittance-receiving households. We address methodological concerns of selection bias and reverse causality through household fixed effects and an instrumental strategy that exploits distance to train lines and labor market conditions in the US as exogenous determinants of remittances.

Milk in the Data: Food Security Impacts from a Livestock Field Experiment in Zambia

- World Development---2016---Margaret Jodlowski, Alex Winter-Nelson, Kathy Baylis, Peter D.

Goldsmith

Smallholder livestock ownership has potential to enhance food security by raising incomes of the poor and by increasing the availability of nutrient-dense foods. This paper exploits the staggered rollout of livestock distribution by Heifer International in Zambia to identify the effects of livestock using statistically similar treatment and control groups in a balanced panel of households. Results indicate that livestock ownership improves dietary diversity through both direct consumption of animal products produced on farm and through increased consumption expenditures. Further results indicate that expanded livestock ownership alters the local food economy to influence food consumption by households lacking farm animals.

Estimating Price Discounts for Low-Quality Maize in sub-Saharan Africa: Evidence from Benin

- World Development---2016---Didier Kadjo, Jacob Ricker-Gilbert, Corinne Alexander

This article uses household data from Benin to estimate the extent that markets in sub-Saharan Africa discount damaged maize. Stated preference methods indicate that a 10% increase in insect damage results in a 9% maize price discount. However, revealed preference methods indicate that this discount is only 3%. Discounts are larger immediately after harvest than they are in the lean period when maize is scarce. Our results help explain why many smallholder farmers sell maize at harvest rather than making the effort to preserve grain of good quality for later in the season when it may fetch a higher price.

Trade, Institution Quality and Income Inequality

- World Development---2016---Fa Qin Lin, Dahai Fu

We examine the effect of trade on income inequality in small developing countries. We use two well-accepted trade cost variables for identification: one is based on Baltic Dry Index and another is commodities' price index. Our main finding is that trade leads to a

significant reduction (increase) in income inequality in autocracies (democracies). To explain such different effects, we provide supporting evidence that autocracies export more primary commodities and may follow the Stolper–Samuelson theorem in HO framework, while democracies active in manufacturing outsourcing may follow Feenstra and Hanson (1996) task model.

Rules and Exceptions: Regulatory Challenges to Private Tree Felling in Northern India

- World Development---2016---Pushpendra Rana,Ashwini Chhatre

Sale of trees from privately owned forest patches is an important source of income for smallholders in developing countries. These private stands are scattered across mixed-use landscapes that include valuable public forests, presenting monitoring and enforcement challenges for state agencies and unique opportunities for traders and farmers to circumvent regulations. We use spatial econometric models and matching methods to show how traders in northern India exploit gaps in regulatory policy, with potential for illegal and pre-mature harvesting of trees. Our findings suggest collusion among traders, large landowners, and local forest officials, especially at higher distances from the location of regulatory offices.

Authoritarian Survival and Poverty Traps: Land Reform in Mexico

- World Development---2016---Michael Albertus,Alberto Diaz-Cayeros,Beatriz Magaloni,Barry Weingast

Why do governments in underdeveloped countries pursue policies that undercut long-term economic growth? Focusing on Mexico's massive but inefficient land reform, we argue that governments do so to underpin political survival. Using a panel dataset of Mexican states from 1917 to 1992, we find that land distribution was higher during election years and where the threat of rural unrest was greater. Furthermore, PRI support eroded more slowly in states receiving more reform. The program, which carried restrictive property

rights, thus served the PRI regime's electoral interests. But while land distribution generated a loyal political clientele, it generated steep costs – lower long-term economic growth.

Declining Nutrient Intake in a Growing China: Does Household Heterogeneity Matter?

- World Development---2016---Jing You,Katsushi Imai,Raghav Gaiha

This paper uses Chinese household data for 1989–2009 to explain why mean nutrient intake has declined despite economic growth. We focus on household heterogeneity in nutrient intake response to increases in household income allowing for its endogeneity. A quantile instrumental-variable fixed-effects panel estimation shows that rising income tends to reduce inequality in macronutrient intake in both urban and rural areas in 2004–09. This is driven by increases in nutrient intake for the urban nutrient poor and falls in nutrient intake for the rural nutrient non-poor. On the other hand, fluctuations in prices of meat, eggs, and oil increase nutrition poverty.

Is Co-Invention Expediting Technological Catch Up? A Study of Collaboration between Emerging Country Firms and EU Inventors

- World Development---2016---Elisa Giuliani,Arianna Martinelli,Roberta Rabellotti

Firms from emerging countries are going global, and Europe is attracting around one-third of their direct outward investments. Growing internationalization constitutes an opportunity for technological catch up. In this paper we analyze Brazilian, Indian, and Chinese cross-border inventions with European Union (EU-27) inventors, during the period 1990–2012. Our results suggest that these inventions represent an opportunity for emerging country firms to accumulate technological capabilities, access frontier knowledge, and appropriate the property rights of co-inventions. This paper contributes to understanding catching up by emerging country firms.

Organic Agriculture and Fair Trade: A Happy Marriage? A Case Study of Certified Smallholder Black Pepper Farmers in India

- World Development---2016---Priyanka Parvathi,Hermann Waibel

This study examines whether the joint adoption of organic and fair trade systems adds additional benefits to smallholders in developing countries. We use panel data collected from 300 smallholder rural black pepper growers in Kerala, India to assess household welfare impacts. We apply a multinomial endogenous switching regression model along with a counterfactual analysis to estimate certification effects. Results show that both certification systems have a significant impact on income compared to conventional black pepper farming. However, membership in fair trade marketing systems does not increase income of organic farmers, but has positive effects on asset accumulation of smallholder farmers.

The Welfare Effects of Trade in Phytomedicines: A Multi-Disciplinary Analysis of Turmeric Production

- World Development---2016---Anthony Booker,Deborah Johnston,Michael Heinrich

International trade in medicinal herbal products is growing, while value chains are becoming more complex and governed by a range of public and private standards. There is a debate over the extent to which phytomedicine production can be beneficial for farmers in low- and middle-income countries. More generally, there are varied views about the extent to which small farmers are disadvantaged by stringent public health and private consumer standards in northern markets for agricultural products. This paper proves a comparative analysis of value chains, using case studies of turmeric production in India. It marries a qualitative investigation of turmeric producing sites in India with an investigation into the chemical quality of various turmeric products. The aim of the paper is to understand the way that varied structure and governance of value chains changes the benefits to both producer and

consumer. When production is for the organic northern market, we found evidence of a “captive” value chain, where the lead firm requires strict adherence to conditions of production and processing. Prices for farmers were relatively stable, at a reasonably high level. In contrast, where farmers were producing for local markets, including the major auction at Erode, prices were volatile and farmers bore considerable risk. We found that competition and volatility in the market-based chain can lead to turmeric adulteration and contamination, both intentional and unintentional. Our case study suggests that many small turmeric farmers would find it difficult to meet both public and private health standards, in contrast to some academic literature that argues that public health standards do not discriminate against small farmers. More than this, our study adds to the discussion of the impact of standards, suggesting clear consumer benefits in northern markets. However, there are also indications that only larger and more dynamic farmers can participate in the lucrative phytomedicine trade. As such, our study tentatively supports previous literature suggesting that the application of standards in northern markets lead to increasing farmer differentiation.

Micro-Incentives and Municipal Behavior: Political Decentralization and Fiscal Federalism in Argentina and Mexico

- World Development---2016---Heidi Smith,Keith D. Revell

This article analyzes the mixed results of political and fiscal decentralization in Latin America by comparing taxing and spending policies in six cities in Argentina and Mexico. Consistent with previous studies, we find that decentralization has been frustrated by overconcentration of power at the provincial level and large vertical fiscal imbalances, though we characterize these as functional elements in a system of redistributive policy-making that benefits a wide array of provincial and municipal actors. We seek to add a new dimension to the literature by arguing that micro-level incentives (conditions and circumstances particular to specific places) are more important determinants of municipal

behavior than macro-level structures (those policy and institutional changes intended to make officials more responsive to local conditions – federalism, local elections, intergovernmental transfers, and own-source revenues). We conclude that the theory of decentralization relies on a flawed conception of the causal mechanisms that are hypothesized to create responsiveness in local officials.

The Politics of Indigenous Participation Through “Free Prior Informed Consent” : Reflections from the Bolivian Case

- World Development---2016---Lorenza B. Fontana, Jean Grugel

This article explores the challenges of ethnic-based participation and its potential for creating inclusive and effective forms of decision-making for marginalized social groups. Empirically, it examines a recent attempt to establish more participative forms of resource and development governance for indigenous communities in Bolivia through Free Prior and Informed Consent/Consultation (FPIC). Rooted in international human rights law, FPIC aims at achieving more effective bottom-up participation by establishing an obligation to consult – or obtain the consent of – indigenous peoples before large development projects and legal reforms that would affect them can proceed. Interest in FPIC initiatives has been growing for reasons that range from efforts to build more equitable management of natural resources to attempts to introduce more effective local-scale practices of participation and active citizenship. We argue that the idea of prior consultation and FPIC itself are not neutral instruments; they will not automatically lead to better or more democratic governance and a more equal society. The way in which FPIC is currently being implemented and framed in Bolivia is in tension with broader ideas of representation and legitimacy, inclusiveness, and management of public and common goods because there is no real clarity as to who is entitled to participation, why they do, and whether they are doing so as a corrective to exclusion, a promotion of citizenship, or as a mechanism for redistribution. As we show here, FPIC

implementation can have unintended consequences and consultation can sometimes embed existing social, cultural, and economic tensions. The paper offers some broader reflections on participatory governance and collective rights especially in relation to the tensions between inclusive participation and exclusive rights or – put differently – the challenges for building cultures of participation and inclusion in complex and ethnic diverse democracies.

Cost-Effectiveness Analysis in Development: Accounting for Local Costs and Noisy Impacts

- World Development---2016---David Evans, Anna Popova

Effective evidence-based policy making in development requires rigorous measurement of costs as well as impacts. This paper discusses important challenges and relevant solutions for implementing cost-effectiveness analysis and comparing the relative cost-effectiveness of programs across settings in the context of education. Adapting development programs from one context to another requires many assumptions. Most of the discussion of those assumptions, to date, has focused on the context-specificity (or external validity) of impact estimates. This study examines the sensitivity of cost-effectiveness analysis to errors in impact estimates, as well as the sensitivity of costs to context, and explores how biases such as recall and pilot bias may lead to over- or under-estimates of cost-effectiveness. We use data on the cost-effectiveness of 27 student learning programs and 16 attendance-boosting programs across Africa and Asia to demonstrate the magnitude of these challenges, as well as potential solutions. We show that comparing Monte Carlo simulations of cost-effectiveness to certain benchmarks and adapting the largest cost elements to local prices (i.e., parameter variation analysis) can remove much of the uncertainty surrounding cost-effectiveness estimates, and we propose that biases can be minimized through the use of detailed templates for cost reporting at the time of program implementation. Thus, this paper not only provides evidence of previously neglected challenges for cost-effectiveness analysis, but – more importantly

– provides practical recommendations for undertaking this crucial stage in development planning well.

The Ambivalent Impact of Coffee Certification on Farmers' Welfare: A Matched Panel Approach for Cooperatives in Central Kenya

- World Development---2016---Bart van Rijsbergen,Willem Elbers,Ruerd Ruben,Samuel N. Njunga

Certification is promoted to improve rural welfare through better market access and improved agricultural practices. We compare net effects of Fairtrade and Utz-Certified coffee production in Central Kenya, using a matched panel from 218 farm-households that belong to three cooperatives and were visited twice in 2009 and 2013. We distinguish between effects at field, farm, household, cooperative, community, and market levels. Both certification regimes improved coffee returns, but Fairtrade was more effective in coffee processing, whereas Utz contributed to productivity. Under stagnating coffee prices, Fairtrade farmers increased their coffee specialization, while Utz farmers reduced coffee areas but increased yield.

Establishing Local Government in Fragile States: Experimental Evidence from Afghanistan

- World Development---2016---Torsten Jochem,Ilia Murtazashvili,Jennifer Murtazashvili

International and domestic policy makers often promote elections to establish village government in fragile states. However, two additional options are available in such countries: formalization of self-governing village councils and formalization of community development councils (CDCs). We designed a survey experiment in Afghanistan that compares the consequences of elections to establish village councils to each alternative. We find that elections, and to a lesser extent formalization of CDCs, improve support for democracy, while formalization of customary councils improves support for reconciliation with the Taliban. Moreover, the consequences of transplanting elections are contingent on social norms and institutions supportive of democracy.

Entrepreneurship Education and Entry into Self-Employment Among University Graduates

- World Development---2016---Patrick Premand,Stefanie Brodmann,Rita Almeida,Rebekka Grun,Mahdi Barouni

Entrepreneurship education has the potential to enable youth to gain skills and create their own jobs. In Tunisia, a curricular reform created an entrepreneurship track providing business training and coaching to help university students prepare a business plan. We rely on randomized assignment of the entrepreneurship track to identify impacts on students' labor market outcomes one year after graduation. The entrepreneurship track led to a small increase in self-employment, but overall employment rates remained unchanged. Although business skills improved, effects on personality and entrepreneurial traits were mixed. The program nevertheless increased graduates' aspirations toward the future.

How Investor Portfolios Shape Regulatory Outcomes: Privatized Infrastructure After Crises

- World Development---2016---Alison E. Post,María Victoria Murillo

Many developing countries privatized utilities during the 1990s. Their weak institutional environments, however, make them prone to crises that generate incentives for governments to renege on contractual commitments to investors. To understand variation in post-crisis regulatory outcomes in such contexts, scholars must consider investors' prior choices regarding portfolio structure. Investors facing high reputational costs from exit are more likely to remain following expropriation, and those holding diverse assets in their contract jurisdiction, to secure compensation. These factors account for significant unexplained within-sector and subnational variation, for which we provide qualitative and quantitative evidence from Argentina's water and electricity sectors following the 2001 crisis.

A CGE Analysis of the Impact of Foreign Direct Investment and Tariff Reform on Female and Male Workers in Tanzania

- World Development---2016---María Latorre

This study analyzes the impact on female and male workers of tariff reform and the reduction of regulatory barriers faced by domestic and foreign firms operating in business services. It develops a data set that distinguishes labor by gender for 52 sectors and four skill categories. The model is the first to incorporate modern trade theory to assess its gender implications. The Dixit–Stiglitz framework results in productivity gains, which increase remunerations across all worker categories. However, this is less beneficial for women because the less skilled workers and the ones that are less involved in business services gain less.

Beyond Property: Co-Management and Pastoral Resource Access in Mongolia

- World Development---2016---Sandagsuren Undargaa, John F. McCarthy

A critique of property theory points to the limitations of policies that seek to specify property rights, to strengthen or to re-establish common property institutions. Drawing on property theory and its critique, this paper presents a detailed case study of two waves of reform that attempted to reorganize property relations in Mongolia. Despite their analytical sophistication, property theories face particular challenges when translated into policy prescriptions. Reforms need to build on a broader understanding of the practices and mechanisms involved in governing resources, thereby providing a means to improve resource management.

Does Microcredit Increase Household Welfare in the Absence of Microinsurance?

- World Development---2016---Joseph Oscar Akotey, Charles Adjasi

This study answers the question: Does a combination of microcredit and microinsurance improve the wellbeing of low-income households? We examine this challenge

through Heckman sample selection, instrumental variable and treatment effect models. The findings indicate that households using microcredit in combination with microinsurance derive significant gains in terms of welfare improvement. Microcredit may be good but its benefit to the poor is enhanced and sustained if the poverty trapping risks are covered with microinsurance. To this extent, combining microcredit with microinsurance will empower the poor to make a sustainable exit from poverty.

Public Procurement and Rent-Seeking: The Case of Paraguay

- World Development---2016---Emmanuelle Auriol, Stephane Straub, Thomas Flochel

A model of entrepreneurial choices in an economy with a corrupt public procurement sector is built, providing predictions along two dimensions. First, corrupt public institutions operate by offering contracts without competition and more corrupt entities channel larger share of their budget in this way. Second, these firms enjoy extra returns, so that procurement related activities attract the best entrepreneurs. A large-scale microeconomic database, including all public procurement operations over a 4-year period in Paraguay, amounting annually to approximately 6% of the country's GDP, is then used to corroborate these predictions.

Financial Crises and Labor: Does Tight Money Loosen Labor Rights?

- World Development---2015---Robert G. Blanton, Shannon Lindsey Blanton, Dursun Peksen

Despite copious research on financial crises, many of their effects remain poorly understood. In this study, we examine how financial crises affect collective labor rights. We posit that the economic effects of these crises likely undermine the protection of collective labor rights. To test these propositions, we examine the impact of financial crises on collective labor rights in 46 developing countries from 1985 through 2002. We find that crises are detrimental to labor rights practices while having no significant effect on labor rights laws,

and that their effect persists for up to five years after the crisis subsides. Our analysis thus suggests that financial crises pose a challenge to supporters of labor rights, as they are pivotal events that call into question the balance that exists between the state, capital, and labor, and that labor loses power in both the short and medium terms.

Hydropower, Anti-Politics, and the Opening of New Political Spaces in the Eastern Himalayas

- World Development---2015---Amelie Huber,Deepa Joshi

Hydropower has lately been advocated by a multi-scalar public-private policy nexus for marrying objectives of green growth and climate mitigation. Such discursive constructions are reminiscent of a consensual development politics, which contradicts and overlooks long-standing socio-environmental controversies surrounding large dams. Here we argue that anti-political hydropower governance also risks fueling inherent societal antagonisms, with unexpected outcomes. Drawing on qualitative empirical research in Sikkim, Northeast India, we illustrate how attempts by state and private actors to restrict contestation of hydropower projects were countered with unprecedented voice and agency of affected communities, indicating nascent processes of politicization and democratization “from below”.

Ensuring Sustainable Access to Drinking Water in Sub Saharan Africa: Conflict Between Financial and Social Objectives

- World Development---2015---Marta Marson,Ivan Savin

We study a model explaining dynamics in water coverage that accounts for financial performances of utilities. Our dataset covers 25 Sub-Saharan countries from 1996 to 2012. Results suggest that access to water depends upon financial results, but this relationship is not linear: we find important access increases for relatively low levels of capital cost recovery and deterioration of access performances beyond a certain threshold. Our results are consistent with the literature about risks of

corporatization and potential conflict between financial and social objectives in the water sector, and they provide supporting quantitative evidence and recommendations for sector policies in the region.

Patriarchal Norms, Religion, and Female Labor Supply: Evidence from Turkey

- World Development---2015---Yasemin Dildar

Despite significant structural and social change, the share of women working or seeking jobs in Turkey has declined. This paper focuses on the role of social conservatism as a constraint for women’s labor force participation using 2008 Demographic and Health Survey data. In analyzing labor supply model, I incorporate cultural constraints, specifically the sexual division of labor in the household and broader gender ideology into the analysis. I find that both patriarchal norms and religiosity are negatively associated with female labor force participation, and that the impact of patriarchal norms is statistically significant after controlling for endogeneity.

Equal Access to Education: An Evaluation of the Roma Teaching Assistant Program in Serbia

- World Development---2015---Marianna Battaglia,Lara Lebedinski

This paper investigates the effects of a remedial education program—the Roma Teaching Assistant Program—targeting the socially excluded Roma minority in Serbia. By using first-hand collected data, we find evidence that children exposed to the program went more to school. We do not find an effect on dropouts or marks for all grades. An examination of heterogeneous effects suggests that children in the first grade benefited more from the program as compared to their older peers through lower dropouts and better marks. Overall, our results suggest that well-targeted remedial education programs can boost outcomes of low performers.

The Experience of Survival: Determinants of Export Survival in Lao PDR

- World Development---2015---Liviu Stirbat,Richard Record,Konesawang Nghardsaysone

This paper explores monthly, firm-level customs records from Laos in the period 2005–10. We analyze the role of two important and related determinants of export survival, experience, and networks, which are particularly relevant for developing countries. We go beyond previous studies by disaggregating contract terminations to consider the possibility of upgrades to superior products. Having prior experience with the export product and destination and strong networks of similar firms has a strong positive impact on chances of simple export survival. The likelihood of upgrading is boosted by destination experience but lowered by familiarity with the product.

Which Countries' Citizens Are Better Off With Trade?

- World Development---2015---Stephen Kosack,Jennifer L. Tobin

We attempt to reconcile competing arguments regarding international trade's implications for citizen well-being: that trade either erodes citizen welfare by decreasing the incentives and resources for welfare improvements or leads to higher welfare by increasing those incentives and resources. We find that which of these two dynamics a country experiences depends on its level of human capital. In countries already well-endowed with human capital, greater international trade reinforces further improvements in welfare. But in most countries, the workforce has not yet developed such capacities, and in these countries trade is associated with slower improvements in welfare.

Does Food Aid Disrupt Local Food Market? Evidence from Rural Ethiopia

- World Development---2015---Nathalie Ferrière,Akiko Suwa-Eisenmann

The paper examines the impact of food aid on households' marketing behavior, based on a panel of households followed during 1994–2009 in 15 villages of Ethiopia. The impact of aid is examined at the intensive margin (on quantities produced, sold or bought by the households) and at the extensive margin (on the number of producers, sellers and buyers). Food aid reduces the probability of being a producer. It also increases the probability of being a seller after a reform of aid policy in 2004 from “repeated emergency distributions” toward a multi-year program aiming at agricultural development.

Linking Mitigation and Adaptation in Carbon Forestry Projects: Evidence from Belize

- World Development---2015---Rico Kongsager,Estevé Corbera

Committed action to deal with climate change requires reducing greenhouse gas emissions, i.e., mitigation, as well as dealing with its ensuing consequences, i.e., adaptation. To date, most policies and projects have promoted mitigation and adaptation separately, and they have very rarely considered integrating these two objectives. In this article, we develop a multi-dimensional framework to explore the extent to which climate mitigation forestry projects bring adaptation concerns into their design and implementation phases, using three Belizean projects as case-study material. We demonstrate that linking mitigation and adaptation has not been possible, because the mandate of forest carbon markets does not incorporate adaptation concerns. The projects' contribution to forest ecosystems' adaptation, for instance, by reducing human encroachments and by increasing ecosystem connectivity, has been limited. The projects' contribution to improve local livelihoods has also been limited, and projects have even been contested by neighboring communities on the grounds of tenure conflicts and food security concerns. Furthermore, the projects' mitigation potential is constrained by their poor additionality and lack of rigorous enforcement. We then conclude that the integration of mitigation and adaptation in Belize's carbon forestry projects remains a laudable but elusive

goal. Consequently, we request climate change donors to refrain from providing support to narrowly designed projects and we urge them instead to promote more holistic and territorial-based approaches targeting both mitigation and adaptation goals.

The Balance of Power in Household Decision-Making: Encouraging News on Gender in Southern Sulawesi

- World Development---2015---Carol J. Pierce Colfer,Ramadhani Achdiawan,James M. Roshetko,Elok Mulyoutami,E. Linda Yuliani,Agus Mulyana,Moiria Moeliono,Hasantoha Adnan,Erni,

Analyses of intra-household decision-making in Sulawesi are linked to gender issues shown to affect involvement in landscape management. These include agriculture, food, money, life chances, and attitudes toward domestic violence. The picture portrayed is encouraging, showing the social sophistication of a group often marginalized: This group shows considerable female involvement in decision-making and strongly democratic elements. We identify three issues that need greater attention—for equitable landscape management to result: women’s spheres of decision-making must be ascertained and taken into account, men’s involvement in care needs to expand, and women’s agency requires enhancement and external support.

The Effectiveness of Health Expenditure on the Proximate and Ultimate Goals of Healthcare in Sub-Saharan Africa

- World Development---2015---John Ssozi,Shirin Amlani

Using the General Method of Moments technique we examine the effectiveness of health expenditure from 1995 to 2011 in 43 nations of Sub-Saharan Africa. Health expenditure is broken into resources to government and non-government entities, private not out-of-pocket, and private out-of-pocket, and we find that while it has a higher effect on the proximate targets such as immunization, malaria, HIV/AIDS, and nutrition, it

has a lower effect on the ultimate goals which are life expectancy, infant, and child mortality. Public health expenditure would become more effective if public service delivery improves, in addition to more female education and inclusive healthcare systems.

Why Do Some Oil-Producing Countries Succeed in Democracy While Others Fail?

- World Development---2015---Luc Omgba

Empirical studies examining the effect of oil on democracy have shown contradictory results. This paper offers an explanation. In measuring the number of years between the beginning of oil production and the attainment of political independence in oil-producing countries, we found that the greater the number of years, the higher the level of democracy *ceteris paribus*. The types of resources exploited in the colonial period were shown to have influenced institutions’ nature and the formation of elite, which acts to prevent subsequent political reforms. This pattern is mitigated in countries that started producing oil far away from their independence.

Does Community-Based Rehabilitation Enhance the Multidimensional Well-Being of Deprived Persons With Disabilities? A Multilevel Impact Evaluation

- World Development---2015---Vincenzo Mauro,Mario Biggeri,Leonardo Grilli

The aim of this paper is to explore the impact of community-based rehabilitation programs on the well-being of deprived persons with disabilities from a multidimensional perspective using a multilevel analysis. This approach explicitly takes into account potential bias due to the fact that persons with disabilities live and interact in different local contexts (villages).

Household Recovery from Internal Displacement in Northern Uganda

- World Development---2015---O’Reilly, Colin,Colin W. O’Reilly

Northern Uganda experienced violent conflict for over 15 years, resulting in the internal displacement of over 1,800,000 Ugandans. In the five years that followed a cease fire agreement in 2006 nearly all the displaced persons returned home. The difference in the growth of consumption between returnee households and a comparison group of non-displaced households is estimated using propensity score matching. After an initial shock to consumption and assets upon return, returnee households experience a period of catch-up growth. These results contribute to understanding the dynamics of recovery from displacement and have implications for the policy response during recovery.

Explaining Cross-State Disparities in Child Nutrition in Rural India

- World Development---2015---Elisa Cava-
torta, Bhavani Shankar, Artemisa Flores-Martinez

What drives the large disparities in height-for-age distributions among Indian states - variation in observed nutrition-related endowments, such as wealth or maternal education, or differential strengths of relationships across states between endowments and height-for-age? We explore this question by comparing a set of states with poor nutrition outcomes with the benchmark of Tamil Nadu, a good performer. Applying counterfactual decomposition methods to National Family Health Survey data, we find that surprisingly modest proportions of HAZ differences are attributable to endowment differences. We discuss our results in light of the superior track record of food and nutrition policies in Tamil Nadu.

Claiming the Streets: Property Rights and Legal Empowerment in the Urban Informal Economy

- World Development---2015---Alison Brown

This paper looks at the concept of law and urban development with a focus on property rights and land, exploring the potential collective rights in the public domain to underpin a more equitable approach to the management of public space and challenge inappropriate regulation that criminalizes the lives of the poor.

The focus is on street trade and the informal economy. The hypotheses are that: collective use rights extend to public land and are crucial to the livelihoods of the urban poor; such use provides public good as well as private profit, and legal traditions in sub-Saharan Africa can often accommodate the broad definition of rights entailed. The literature review interrogates debates on property rights, legal empowerment, and public space, to suggest that urban public space should be considered as a common resource where open access remains. Fieldwork draws on comparative studies of Dakar, Senegal, and Dar es Salaam, Tanzania, based on in-depth interviews with street traders and key informants, and a legal review in each city.

Does the Chinese Diaspora Speed Up Growth in Host Countries?

- World Development---2015---Jan Priebe, Robert Rudolf

We compiled a new, enhanced data set on the population share of overseas Chinese covering 147 countries over the period 1970–2010. Linking the migration and economic growth literature, this article attempts to estimate the impact of the Chinese diaspora on economic growth in host countries. Regression results from both, “Barro-type” and dynamic panel data models suggest that a country’s initial relative endowment with overseas Chinese is positively related to subsequent growth. Results are robust to a number of sensitivity tests. The effect is transmitted via increased trade openness, enhanced investment, and general TFP effects.

Fiscal Policy, Inequality, and the Ethnic Divide in Guatemala

- World Development---2015---Maynor Cabrera, Nora Lustig, Hilda Morán

Guatemala is among the most unequal countries in Latin America. It also has the highest incidence of poverty, especially for the indigenous population. In this paper we do a fiscal incidence analysis using the 2009–10 household survey ENIGFAM. The results show that fiscal policy does very little to reduce inequality

and poverty overall and along ethnic lines. Persistently low tax revenues are the main limiting factor. Even worse, tax revenues are not only low but also regressive and burdensome on the poor. Consumption taxes are high enough to offset the benefits of cash transfers: poverty after taxes and cash transfers is higher than market income poverty.

Equate and Conflate: Political Commitment to Hunger and Undernutrition Reduction in Five High-Burden Countries

- World Development---2015---Dolf J.H. te Lin-
telo,Rajith Lakshman

As political commitment is an essential ingredient for elevating food and nutrition security onto policy agendas, commitment metrics have proliferated. Many conflate government commitment to fight hunger with combating undernutrition. We test the hypothesis that commitment to hunger reduction is empirically different from commitment to reducing undernutrition through expert surveys in five high-burden countries: Bangladesh, Malawi, Nepal, Tanzania, and Zambia. Our findings confirm the hypothesis. We conclude that sensitive commitment metrics are needed to guide government and donor policies and programmatic action. Without, historically inadequate prioritization of non-food aspects of malnutrition may persist to imperil achieving global nutrition targets.

Export Diversification Effects of the WTO Trade Facilitation Agreement

- World Development---2015---Cosimo
Beverelli,Simon Neumueller,Robert Teh

We estimate the effects of trade facilitation on export diversification, as measured by two extensive margins: the number of products exported by destination and the number of export destinations served by product. To address causality we use only exports of new products, or exports to new destinations. We find a positive impact of trade facilitation on the extensive margins of trade. The results are robust to alternative definitions of extensive margins, different sets of controls,

and various estimation methods. Simulation results suggest substantial extensive margin gains from trade facilitation reform in Sub-Saharan Africa and in Latin America and the Caribbean.

Sources of Income Growth and Inequality Across Ethnic Groups in Malaysia, 1970–2000

- World Development---2015---M. Yusof Saari,Erik
Dietzenbacher,Bart Los

This paper examines the sources of income growth for major ethnic groups in Malaysia. An input–output structural decomposition analysis is extended and applied to the social accounting matrices of 1970 and 2000. The results indicate that the expansion of exports and the changes in the compensation of labor and capital inputs are the main determinants for the income changes. The effects differ largely between rural and urban areas, between skilled and unskilled workers, and between the major ethnic groups. The combination of these two determinants, however, is a dominant factor in explaining the increase in income inequality in Malaysia.

Changes in Intergenerational Occupational Mobility in India: Evidence from National Sample Surveys, 1983–2012

- World Development---2015---A. Bheemeshwar
Reddy

The last two decades of high economic growth in India has been accompanied by increasing economic inequality. The rise in inequality raises concerns about fall in opportunities for social mobility. This paper examines changes in intergenerational occupational mobility for males in India over three decades (1983–2012). Once we control for changes in occupational structure across the years, we find a decline in intergenerational occupational mobility during 1983–2012 in India. However, the decline in intergenerational occupational mobility was sharper for Scheduled Castes and Scheduled Tribes, historically deprived sections of the Indian population, than for non-Scheduled Castes and Scheduled Tribes.

Aid Fragmentation or Aid Pluralism? The Effect of Multiple Donors on Child Survival in Developing Countries, 1990–2010

- World Development---2015---Lu Han, Mathias Koenig-Archibugi

While most policy-makers and researchers stress the negative impact of “aid fragmentation” on development outcomes in recipient countries, we argue that the greater diversity of perspectives entailed by higher multiplicity of donors can help select better policies. We hypothesize a U-shaped relationship: countries with a moderate number of donors fare better than countries with either few or many donors. The hypothesis is supported by a generalized method of moments (GMM) analysis of the relationship between health aid donors and child survival in 110 low- and middle-income countries during 1990–2010.

A Paradox of Redistribution in International Aid? The Determinants of Poverty-Oriented Development Assistance

- World Development---2015---Thilo Bodenstein, Achim Kemmerling

Donors differ in the amount of official development assistance dedicated to poverty reduction. We investigate the causes of variation over time and donors by employing both a regression approach with aggregate data on bilateral aid and two short country studies on Germany and the United Kingdom. We find that there is a trade-off between the total amount of money given, and the amount of money given to poor countries. The trade-off is similar to the paradox of redistribution of targeting vs. redistribution in rich welfare states. Case-study evidence illustrates how countries have managed this tradeoff.

Political Conditionality and Foreign Aid

- World Development---2015---Nadia Mole-naers, Sebastian Dellepiane, Jorg Faust

This article argues that a new generation of Political Conditionality has emerged during the last decade.

This requires an expansion of the original definition and research agenda. Beyond the traditional questions of use and effectiveness however, there is also a need to dig deeper into the dynamics surrounding political conditionalities, particularly the bargaining processes and outcomes along the aid chain -from domestic donor politics, donor harmonization fora, policy dialog spaces to the political economy of recipient institutional reform and donor-coping strategies- because they influence the set-up, use, follow-up, purpose, and effectiveness of PCs.

‘Does it Work?’ – Work for Whom? Britain and Political Conditionality since the Cold War

- World Development---2015---Jonathan Fisher

Evaluations of the political conditionality (PC) phenomenon have long focused on the question of instrumental efficacy – whether PC promotes policy reform in developing states. Evidence from the UK nevertheless suggests that this emphasis is misplaced and that donor officials increasingly use PC for ‘expressive’ reasons – to signal their putative commitment to delivering ‘value for money’ in a difficult international economic climate. This shift in rationale raises important questions; not least, what do we know about the effects of PC on public perceptions of aid and to what extent, within this dispensation, can contemporary PC be viewed as a ‘success’ ?

Diverging Visions on Political Conditionality: The Role of Domestic Politics and International Socialization in French and British Aid

- World Development---2015---Damiano de Felice

This article shows that and explains why the United Kingdom has internalized political conditionality to a larger extent than France. The assessment part is based on the analysis of policy documents, international agreements, and two “hard” cases (Mozambique and Zimbabwe). Variation between the two countries is explained by the existence of clearer lines of accountability for British aid decision-makers, stricter scrutiny by British media, and stronger social pressure

from Nordic donors. Evidence does not support the explanatory power of material interests, party politics, level of parliamentary control, and socialization processes within the Commonwealth (versus the International Organization of La Francophonie).

Foreign Aid Responses to Political Liberalization

- World Development---2015---Bernhard Reinsberg

This paper analyzes the impact of political liberalization on receipt of foreign aid. It distinguishes different types of donors facing different constraints in rewarding democratization with foreign aid, notably bilateral donors, the World Bank, and the European Commission. Based on a sample of 174 recipient countries from 1995 to 2009, the paper jointly examines short-term dynamics and long-term effects of sustained liberalization. Except for the World Bank, donors react to regime change. Bilateral donors are found to reward political liberalization in the second year after transition.

What Determines the Suspension of Budget Support?

- World Development---2015---N. Molenaers,A. Gagliano,Lodewijk Smets,S. Dellepiane

Although Budget Support (BS) was not designed to push political reform in recipient countries, donors have nonetheless used it to sanction democratic regress. An econometric analysis of all BS suspensions by bilateral donors in the period 2000–11 finds that suspensions effectively do reflect downward tendencies in voice and accountability, and in level of democratic functioning. The larger the in-country BS donor group, the more suspensions. Interestingly, ideological alignment between donor and recipient and aid dependence decrease the likelihood for suspensions, while domestic donor economic growth increases it; and multilateral suspensions have the largest positive effect of all.

Donor Interests or Developmental Performance? Explaining Sanctions in EU Democracy Promotion in sub-Saharan Africa

- World Development---2015---Karen Del Biondo

This article investigates why sanctions are applied unevenly in EU democracy promotion in Africa. Given the increased attention on good performers in development cooperation, we assume that not only strategic allies but also good development performers will be shielded from strong sanctions. This thesis is tested with a fuzzy-set Qualitative Comparative Analysis of 17 cases of violations of democratic principles and human rights in nine sub-Saharan African countries in 2000–11. The QCA confirms that sanctions are taken in the absence of donor interests and developmental performance, and are not taken in the presence of donor interests and developmental performance.

It's Domestic Politics, Stupid! EU Democracy Promotion Strategies Meet African Dominant Party Regimes

- World Development---2015---Christine Hackenesch

Dominant party systems trigger controversy about how the EU should engage with them. The examples of Ethiopia and Rwanda show that the willingness of authoritarian governments to engage with the EU on democratic reforms varies widely. The paper argues that the type of challenge to regime survival that authoritarian governments face affects both their coercive strategies and their openness to engaging with the EU, giving the EU different entry points to support reforms. Yet, due to EU domestic factors and difficulties with 'reading' authoritarian regimes' logic of political survival, the EU has problems making use of this dynamic.

A Typology of Political Conditionality Beyond Aid: Conceptual Horizons Based on Lessons from the European Union

- World Development---2015---Svea Koch

This paper asks how political conditionality needs to be conceptualized and researched to reflect global changes. It argues that a diversification of political conditionality "beyond aid" is now taking place. Political conditionality reaches across different external policy

fields and includes cooperative and punitive measures. It has also moved from political rights toward social and environmental rights. To capture this diversification conceptually, the article presents an ideal–typical typology that is then refined based on the example of the European Union (EU). A review of the literature on EU political conditionality reveals a gap in studying the interaction of different political conditionality instruments.

Human Capital and FDI Inflow: An Assessment of the African Case

- World Development---2015---Emmanuel A. Clevee,Yaw Debrah,Zelealem Yiheyis

This study assesses the role of human capital (HK) on FDI inflows to sub-Saharan Africa. It uses panel data for the period 1980–2012 to assess if changing skill needs influence FDI inflows. Several measures of HK are used to assess whether the quality of labor explains FDI flows over the study period. Various versions of an FDI model were estimated and the results show that all measures of HK have a significant influence on FDI, as are the traditional variables. There is no evidence of the increasing importance of HK on FDI over time, probably reflecting the type of FDI flowing into SSA.

Using Agriculture to Improve Child Health: Promoting Orange Sweet Potatoes Reduces Diarrhea

- World Development---2015---Kelly Jones,Alan de Brauw

Vitamin A deficiency (VAD) is prevalent throughout the developing world, and causes night blindness and increases child morbidity and mortality. We studied the health benefits of biofortification in reducing VAD, using a cluster-randomized impact evaluation in 36 villages in northern Mozambique. Based on a sample of 1,321 observations of children under the age 5, biofortification reduced diarrhea prevalence by 11.4 percentage points (95% CI 2.0–20.8), and by 18.9 percentage points in children under the age three (95% CI 6.6–68.3). Diarrhea duration was also reduced. This is

promising evidence that child health can be improved through agricultural interventions such as biofortification.

How Consumer Price Subsidies affect Nutrition

- World Development---2015---Neeraj Kaushal,Felix M. Muchomba

We study the effect of an exogenous increase in food grain subsidy from a program targeting the poor in rural India and find that the increase in income resulting from the subsidy increased consumption of the subsidized grains and certain more expensive sources of nutrition, lowered consumption of coarse grains, the cheaper, yet, unsubsidized staple food, and increased expenditures on nonfood items but had no effect on nutrition in poor households. Estimates of the price effect of the subsidy on nutrition are also negligible; the price subsidy increased consumption of wheat and rice and lowered consumption of coarse grains.

Foreign Direct Investment Inflows and the Industrialization of African Countries

- World Development---2015---Steve Gui-Diby,Mary-Françoise Renard

This paper examines the relationship between inward foreign direct investment (FDI) and the industrialization process in Africa. It uses panel data from 49 countries over the period of 1980–2009. The results indicate that FDI did not have a significant impact on the industrialization of these countries, while other variables, such as the size of the market, the financial sector, and international trade were important. This study concludes that the role of FDI in the transformation agenda, which is currently being discussed in Africa, should be carefully analyzed to maximize the impact of these capital inflows.

Enrollment in Ethiopia’ s Community-Based Health Insurance Scheme

- World Development---2015---Anagaw D. Mebratie,Robert Sparrow,Zelalem Yilma,Getnet Alemu,Arjun S. Bedi

In June 2011, the Ethiopian government launched a Community-Based Health Insurance scheme. By December 2012, enrollment reached 45.5%. This paper examines uptake. Socioeconomic status does not inhibit uptake and food-insecure households are more likely to enroll. Chronic diseases and self-assessed health status do not induce enrollment, while past expenditure does. A relative novelty is the identification of quality of care. Both the availability of equipment and waiting time to see medical professionals substantially influences enrollment. Focus-groups raise concerns about providers favoring uninsured households. Nevertheless, almost all insured households want to renew and majority of uninsured want to enroll.

Social Capital as Obstacle to Development: Brokering Land, Norms, and Trust in Rural India

- World Development---2015---Michael Levien

Based on a study of how rural land brokers mediate the arrival of a Special Economic Zone in rural Rajasthan, this paper argues that theories of collective social capital cannot explain how networks, norms, and trust interact in a process of economic change. It then reconstructs Bourdieu's distinct theory of individual social capital by showing how better-connected farmers are able to broker land and capture profits at the expense of fellow villagers, undermining trust, norms, and collective action. It argues that social capital is most plausibly seen as an aspect of social inequality that hinders inclusive development.

Analyzing Trade-offs in International Climate Policy Options: The Case of the Green Climate Fund

- World Development---2015---Anil Markandya,Alessandro Antimiani,Valeria Costantini,C. Martini,Alessandro Palma,M.C. Tommasino

We investigate the trade-offs between economic growth and low carbon targets for developing and developed countries in the period up to 2035. Policy options are evaluated with an original version of the dynamic CGE

model GDynE. Abatement costs appear to be strongly detrimental to economic growth for developing countries. We investigate options for reducing these costs that are consistent with the current negotiations. We show that the Green Climate Fund financed through a levy on carbon taxation can benefit all parties, and large benefits are associated with investment of the Green Climate Fund to foster energy efficiency in developing countries.

From Privatization to Deindustrialization: Implications of Chinese Rural Industry and the Ownership Debate Revisited

- World Development---2015---Shaohua Zhan

This paper examines the evolution of Chinese rural industry since the rural reform in the late 1970s and revisits the debate on the role of ownership. Based on a case study of W county in southern Jiangsu province as well as drawing on national data, the author shows that the community-based market dynamic had been a key factor in the expansion of rural enterprises and that its weakening in recent years has led to the closing of village enterprises and deindustrialization of the countryside. Large-scale land expropriation, sponsored by local government, is the principal factor responsible for the change.

Working Women Worldwide. Age Effects in Female Labor Force Participation in 117 Countries

- World Development---2015---Janna Besamusca,Kea Tjijdens,Maarten Keune,Stephanie Steinmetz

In this article, we investigate the effects of economic conditions, families, education, and gender ideologies on the labor force participation rates of women in eleven age groups in 117 countries. We find that participation rates of young and older women are partly explained by sector sizes and the level of economic development. However, to explain the labor force participation rates of women between 25 and 55 years, we need to study families and gender ideologies. We

find these women are more likely to participate when paid maternity leave schemes exist, enrollment in pre-primary education is higher, and countries are less religious.

Returns to Micro-Entrepreneurship in an Emerging Economy: A Quantile Study of Entrepreneurial Indonesian Households' Welfare

- World Development---2015---Virginie Vial,Julien Hanoteau

Presenting low individual returns, but providing households with livelihoods and means to cope with economic vulnerability, micro-entrepreneurship' s evaluation should include both context and heterogeneity. Using a four-wave panel of 9,157 Indonesian households, this study proposes a quantile estimation of micro-entrepreneurship' s effects on four household-level complementary measures of welfare – income, consumption, household, and total assets. It evidences substantial positive but decreasing effects on the four measures, with the highest relative returns for the poorest. For this category, micro-entrepreneurship primarily provides returns in the form of income, translating into higher relative consumption, but more importantly, into a greater relative assets accumulation.

Trade Liberalization in a Traditional Society: Implications for Relative Female Survival

- World Development---2015---Tanika Chakraborty

Trade openness has ambiguous implications for son preference in a traditional society. While it can work in favor of girls by improving relative female wages or average household income, it can worsen the relative preference for girls by changing marriage payments. This paper exploits an exogenous policy shock in India to study the impact of trade openness on son preference, as reflected in the sex-ratio. Survival chances of girls worsened in regions experiencing high trade openness, particularly for Hindus belonging to traditionally higher castes. I argue that Dowry inflation is

a possible channel through which trade liberalization affected sex-ratio.

Collective Action within the Household: Insights from Natural Resource Management

- World Development---2015---Cheryl Doss,Ruth Meinzen-Dick

Households face many collective action situations, with members working together to produce livelihoods and allocate goods. But neither unitary nor bargaining models of the household provide frameworks to analyze the conditions under which households work collectively and when they fail to do so. Drawing on the Institutional Analysis and Development Framework based in the natural resource management literature, this paper explores the factors that encourage and inhibit collective action and provides insights into how to understand collective action problems within the household as dynamic, multi-actor situations with outcomes that can be evaluated by multiple criteria, not just efficiency.

Policy Evaluation via Composite Indexes: Qualitative Lessons from International Transparency Policy Indexes

- World Development---2015---Gregory Michener

International transparency policy indexes (ITPIs) help determine billions in investment and aid, influence “authoritative” scholarship, and shape policy choices. Are ITPIs valid yardsticks of transparency, or do they encourage dissimulation? Most scholarship on index-based evaluations focuses on “concept indexes” (e.g., governance) from quantitative approaches. This paper presents qualitative insights about ITPIs in specific and “policy indexes” in general, analyzing three measurement-related pitfalls and proposing countermeasures. Most significantly, it shows how indexes presuppose substitutability while policies contain non-substitutable ‘necessary’ policy provisions. This dilemma of “ontological compatibility” means that policies can rank favorably on indexes notwithstanding the absence of lynchpin policy provisions.

Explaining Positive Deviance in Public Sector Reforms in Development

- World Development---2015---Matt Andrews

Public sector reforms are commonplace in developing countries. Much of the literature about these reforms reflects on their failures. This paper asks about the successes and investigates which of two competing theories best explain why some reforms are positive deviants: “solution- and leader-driven change” (SLDC) and “problem-driven iterative adaptation” (PDIA). The theories are used to analyze data emerging from a case survey involving thirty cases from Princeton University’s Innovations for Successful Society (ISS) program. The bulk of evidence from this study supports a PDIA explanation, but there is reason to believe that SLDC hypotheses also have value.

Barriers to Political Analysis in Aid Bureaucracies: From Principle to Practice in DFID and the World Bank

- World Development---2015---Pablo Yan-guas,David Hulme

Politics has become a central concern in development discourse, and yet the use of political analysis as a means for greater aid effectiveness remains limited and contested within development agencies. This article uses qualitative data from two governance “leaders” – the United Kingdom Department for International Development and the World Bank – to analyze the administrative hurdles facing the institutionalization of political analysis in aid bureaucracies. We find that programing, management, and training practices across headquarters and country offices remain largely untouched by a political analysis agenda which suffers from its identification with a small cross-national network of governance professionals.

Demography, Growth, and Global Income Inequality

- World Development---2015---Ward Rou-goor,Charles Marrewijk

Global income inequality has been declining for several decades. We argue that global income inequality will reach its lowest level around 2027 and then will rise again. This development is the result of both economic and demographic forces. By combining economic projections with demographic developments and by using GDP per worker instead of GDP per capita in projecting income levels we emphasize the role of demographics in income inequality. Especially in the long run (after 2030), differences in population growth and population structure between countries in different stages of development are shown to increase global income inequality.

Decomposing Intergenerational Income Elasticity: The Gender-differentiated Contribution of Capital Transmission in Rural Philippines

- World Development---2015---Leah E.M. Be-vis,Christopher Barrett

Using longitudinal data from rural Philippines, we decompose intergenerational income elasticity (IGE) into five distinct pathways: intergenerational transmissions of health, education, land, and spouse education capital, plus residual correlation in productivity. Intergenerational human capital transmissions from mothers are stronger than those from fathers; maternal education is the parental capital most strongly associated with IGE. While naïve IGE estimates are indistinguishable for sons and daughters, the pathways that generate these results differ strikingly. For sons, IGE is entirely explained by parent-to-child capital transmission. By contrast, strong income correlation exists between daughters and parents even after controlling for parent and child capital endowments.

Public Information and Performance: The Role of Spatial Dependence in the Worldwide Governance Indicators among African Countries

- World Development---2015---Hugh Ward,Han Dorussen

The Worldwide Governance Indicators (WGI) provide transparent and comparable country statistics for different dimensions of governance linked to (under)development. Yet, does the public availability of governance data actually enhance performance? If investors, donor agencies, and citizens are made aware of relative governance performance, competition for inward investment, such as FDI and ODA, and domestic legitimacy become plausible mechanisms for diffusion of good governance. We test whether such mechanisms operate using the WGI for Africa, and find evidence for spatial diffusion of democracy, rule of law, and corruption control. There is no evidence for diffusion of regulatory quality and government effectiveness.

“Low Profile” or Entrepreneurial? Gender, Class, and Cultural Adaptation in the Global Microfinance Industry

- World Development---2015---Smitha Radhakrishnan

This study examines how discourses of entrepreneurial womanhood, filtered through a chain of hierarchically positioned actors in global microfinance, translate into interactions with borrowers. Drawing from ethnography, interviews, and document analysis on a set of entrepreneurial trainings delivered to nonentrepreneurial borrowers in urban India, this study argues that parallel, conflicting processes of cultural adaptation within the organization, and tensions between various actors, create an environment in which there is no incentive to cater to the interests of working class clients. Commercialized microfinance, thus, may not necessarily produce accountability to client interests.

The Politics of Public Services: A Service Characteristics Approach

- World Development---2015---Richard Batley, Claire McLoughlin

Politics is widely regarded as affecting and being affected by the performance of public services, yet little research differentiates between services in exploring

these effects. The article addresses this gap by proposing a framework for understanding and comparing the politics of different services. It identifies how the nature of the good, type of market failure, tasks involved in delivery, and demand for a service—hitherto regarded largely as economic and managerial concerns—affect political commitment, organizational control, and user power. Policy responses can be targeted to address service characteristics where they present opportunities or constraints to better services.

The Effect of Democracy on Corruption: Income is Key

- World Development---2015---Michael Jetter, Alejandra Montoya Agudelo, Andrés Ramírez Hassan

This paper provides an explanation for the ambiguous relationship between democracy and corruption. Using rich panel data with annual observations from 1998 to 2012 allows us to control not only for country- and time-invariant factors but also for potential reverse causality between corruption and income levels in a 3SLS framework. Democracy reduces corruption but only in economies that have already crossed a GDP/capita level of approximately US\$2,000 (in 2005 US\$). For poorer nations, democratization is suggested to increase corruption. Other institutional characteristics are unlikely to drive this result and findings are robust to a variety of robustness checks and quantile regressions.

Does Shelter Assistance Reduce Poverty in Afghanistan?

- World Development---2015---Craig Loschmann, Christopher Parsons, Melissa Siegel

In this paper we assess the UNHCR post-return shelter assistance program in Afghanistan during 2009–11, motivated by the fact that the resolution of lost housing and property is commonly understood as a key ingredient in sustainable return and reintegration. We implement a variety of matching techniques in order to insulate our results from selection bias. Adopting a

multidimensional approach, our results show that shelter assistance reduces the multidimensional poverty index of benefiting households by three percentage points. Looking at individual indicators of deprivation we find that assistance has the biggest effect on dietary diversity, food security, and heating.

Transactional Fish-for-Sex Relationships Amid Declining Fish Access in Kenya

- World Development---2015---Kathryn J. Fiorella,Carol S. Camlin,Charles R. Salmen,Ruth Omondi,Matthew D. Hickey,Dan O. Omollo,Erin M. Milner,Elizabeth A. Bukusi,Lia C.H. Fer-nald,Justin S. Brashares

Women's access to natural resources for food and livelihoods is shaped by resource availability, income, and the gender dynamics that mediate access. In fisheries, where men often fish but women comprise 90% of traders, transactional sex is among the strategies women use to access resources. Using the case of Lake Victoria, we employed mixed methods (in-depth interviews, n=30; cross-sectional survey, n=303) to analyze the influence of fish declines on fish-for-sex relationships. We found that fish declines affect relationship duration and women's bargaining power. Our results have broad implications for the dynamics of economies dependent on increasingly scarce resources throughout the world.

The Dark Side of Chinese Growth: Declining Social Capital and Well-Being in Times of Economic Boom

- World Development---2015---Stefano Bartolini,Francesco Sarracino

Over the last two decades, subjective well-being in China declined. Using data from the World Values Survey, we identify predictors of the trend in life satisfaction in China during 1990–2007. Social comparisons and the decline of social capital explain the decrease in well-being, and they are strictly connected to the increasing orientation of Chinese people toward materialistic values. The increasing role of social comparisons

is also a key factor in the increase of well-being inequalities between income classes.

Livelihood Resilience and Adaptive Capacity: Tracing Changes in Household Access to Capital in Central Vietnam

- World Development---2015---Andreas Waaben Thulstrup

This article analyses the implementation and outcomes of national development programs in a mountainous commune in Vietnam. The article traces the history of State intervention and the capacity of households and the community to adapt to change. The assessment reveals unintended consequences of the programs which strongly influence the ability of households to adapt to change. Some households possess more adaptive capacity given their better access to capital while others remain vulnerable because they are constrained in accessing resources and engage in nondiversified livelihoods. If shock events become more frequent, the livelihoods that are nondiversified will be most at risk.

Linking Communities of Practice with Value Chain Development in Smallholder Farming Systems

- World Development---2015---Kristen Lowitt,Gordon M. Hickey,Wayne Ganpat,Leroy Phillip

Value chains are an increasingly popular approach to understanding complex policy challenges in agricultural development. However, value chain research and development has often been too narrowly focused on the structural elements of production, resulting in lack of adaptive capacity. Drawing on the concept of communities of practice, this paper seeks to operationalize an understanding of how the social relations that underpin smallholder-related value chains can be better supported to enhance resilience. Case studies from the Caribbean are then used to illustrate how a community of practice approach to value chain development might facilitate the formation of social capital.

Are Large Informal Firms More Productive than the Small Informal Firms? Evidence from Firm-Level Surveys in Africa

- World Development---2015---Mohammad Amin,Asif Islam

Using data for over 500 informal or unregistered firms in seven countries in Africa, this study explores how labor productivity varies between small and large informal firms. We find robust evidence that small informal firms have higher labor productivity than large informal firms. Thus, even though poor performance of informal firms is typically attributed to their small size vis-à-vis registered or formal sector firms, incremental increases in the size of informal firms does not necessarily imply a narrowing of the formal–informal firm productivity gap.

Development Conditions for Family Farming: Lessons From Brazil

- World Development---2015---Gabriel Medina,Camila Almeida,Evandro Novaes,Javier Godar,Benno Pokorny

There is a renewed global interest in support of family farming becoming a more competitive sector, contributing to poverty alleviation, food security, and economic growth. This paper explores the development conditions faced by family farmers across Brazil. We not only reveal a potential for development, represented by the great number of family-based rural households, but also present several structural constraints faced by most family farmers, as well as great discrepancies among regions. We argue for encouraging the existing family farming potential by designing policies that consciously target specific regional challenges and avoid excluding segments not fitting into the modernization paradigm.

Pump-Priming Payments for Sustainable Water Services in Rural Africa

- World Development---2015---Johanna Koehler,Patrick Thomson,Robert Hope

Locally managed handpumps provide water services to around 200million people in rural Africa. Hand-pump failures often result in extended service disruption leading to high but avoidable financial, health, and development costs. Using unique observational data from monitoring handpump usage in rural Kenya, we evaluate how dramatic improvements in maintenance services influence payment preferences across institutional, operational, and geographic factors. Public goods theory is applied to examine new institutional forms of handpump management. Results reveal steps to enhance rural water supply sustainability by pooling maintenance and financial risks at scale supported by advances in monitoring and payment technologies.

Quality of Higher Education and the Labor Market in Developing Countries: Evidence from an Education Reform in Senegal

- World Development---2015---Dorothee Boccanfuso,Alexandre Larouche,Mircea Trandafir

While many studies examine the effect of primary education quality on labor market outcomes in developing countries, little is known about the effects at higher levels. We exploit the quasi-experiment provided by a large-scale education reform launched in Senegal in 2000 to investigate how quality improvements at the university level affect employment. Our difference-in-difference estimates suggest that young high-skilled workers experienced a nine percentage-point employment gain relative to older workers. They are also more likely to have “better” jobs (in the service industry or government), suggesting a reduction in the mismatch between the quality of high-skilled labor demanded and supplied.

Avoiding the Resource Curse: Indigenous Communities and Canada’s Oil Sands

- World Development---2015---Brenda L. Parlee

Concerns about a resource curse in Canada have been raised in response to rapid growth in the petroleum sector in northern Alberta. In previous research, there

has been little consideration of how symptoms of the resource curse are experienced and managed at a regional scale and by Indigenous communities. An analysis of effects and responses is offered using a natural, financial, human and social capitals framework. Without consideration of how to manage the symptoms of the resource curse, oil and gas activity is likely to further disadvantage Indigenous populations already living on the margins of Canadian society.

Women Leaders and Social Performance: Evidence from Financial Cooperatives in Senegal

- World Development---2015---Anaïs Périlleux,Ariane Szafarz

How do women leaders such as board members and top managers influence the social performance of organizations? This paper addresses the question by exploiting a unique database from a Senegalese network of 36 financial cooperatives. We scrutinize the loan-granting decisions, made jointly by the locally elected board and the top manager assigned by the central union of the network. Our findings are threefold. First, female-dominated boards favor social orientation. Second, female managers tend to align their strategy with local boards' preferences. Third, the central union tends to assign male managers to female-dominated boards, probably to curb the boards' social orientation.

Labor Exclusion and the Erosion of Citizenship Responsibilities

- World Development---2015---Lucas Ronconi,Rodrigo Zarazaga S.J.

This paper shows that workers who do not receive legally mandated benefits due to employer noncompliance take a negative perspective – not only toward the employer as it has been documented – but also against the state. They consider that the state did not protect their rights, and hence feel fewer obligations to comply with their duties as citizens. Using a list experiment, as well as household data from nine Latin American countries, we show that nonregistered workers are less

likely to obey the law, pay taxes, and vote compared to registered workers.

Opening the Black Box of Carbon Finance “Additionality” : The Political Economy of Carbon Finance Effectiveness across Tanzania, Uganda, and Moldova

- World Development---2015---Mark Purdon

This paper identifies conditions under which the Clean Development Mechanism and other carbon finance projects effectively generate genuine, “additional” carbon credits—relying on a systematic empirical investigation of afforestation/reforestation and bioenergy carbon finance projects across Tanzania, Uganda, and Moldova. At low global carbon prices, additionality was related to the interests of project developers and their resulting capacities and motivations for project implementation. Certain organizations with capacity for mitigation projects were curiously not involved with carbon finance. A distinction between neo-developmental (Tanzania) and liberal neo-developmental (Uganda and Moldova) political economy preferences explains variation in the presence or absence of effective project developers.

Does NGO Presence Decrease Government Spending? A Look at Municipal Spending on Social Services in Brazil

- World Development---2015---Nichole Torpey-Saboe

Are NGOs becoming substitutes for government? In particular, as many NGOs have missions related to social outcomes such as education or health, what is their role in regard to government provision of these social goods? I examine municipal-level data from Brazil in order to explore the relationship between NGOs and social spending. I find that municipalities with higher concentrations of NGOs tend to have lower levels of social spending, except in areas of high poverty. This implies that NGOs may be crowding out the government in terms of social spending, at least in lower poverty municipalities.

Conceptualizing Spatial Diversity in Latin American Rural Development: Structures, Institutions, and Coalitions

- World Development---2015---Julio Berdegue,Anthony Bebbington,Javier Escobal

This article is the introduction to a volume containing findings from a program conducted over five years in 11 Latin America countries, to answer three questions: (1) Are there rural territories that have experienced simultaneous economic growth, poverty reduction, and improved distribution of income?; (2) What factors determine these territorial dynamics?, and; (3) What can be done to stimulate and promote this kind of territorial dynamics? The article outlines the analytical and policy issues and the methodology, summarizes the remaining 10 papers in the collection, and presents a conceptual framework that itself is one of the results of the program.

A Large-Scale Mapping of Territorial Development Dynamics in Latin America

- World Development---2015---Felix Modrego,Julio Berdegue

This paper summarizes a study of changes in per-capita income, monetary poverty, and income distribution in 9,045 subnational administrative units of nine Latin American countries between the mid-1990s and mid-2000s. The results largely support spatial convergence of mean household incomes, although the estimates indicate it has been slow. Territorial inequality is found to be persistent and reduces the pro-poor effect of local income growth. Although national-context specific, the estimates also indicate that territorial development dynamics are influenced by the structural features of the territories. In view of the evidence, territorial development policies in Latin America seem well warranted.

Extraterritorial Investments, Environmental Crisis, and Collective Action in Latin America

- World Development---2015---Pablo Ospina Peralta,Anthony Bebbington,Patric Hollenstein,Ilana

Nussbaum,Eduardo Ramírez

A growing number of extraterritorial private-sector actors, often in partnership with the state, are expanding the frontiers of extractive and primary export economies to new rural territories in Latin America. This paper analyzes the conditions that might drive meaningful efforts to address environmental problems in territories dominated by large, externally controlled natural resource-based activities. It studies three cases: salmon aquaculture in Chiloé (Chile), fruit growing in O' Higgins (Chile), and gas production in Tarija (Bolivia). We conclude that such efforts are unlikely to occur unless environmental problems directly threaten the short-term viability of the activities or social movements emerge to demand change.

Linkage to Dynamic Markets and Rural Territorial Development in Latin America

- World Development---2015---Javier Escobal,Arlison Favareto,Francisco Aguirre,Carmen Ponce

Linkage to dynamic markets is a key factor in understanding why different rural territories in Latin America perform differently. This paper combines two conceptual frameworks (from the new economic geography and economic sociology) for an in-depth analysis of the mechanisms that operate in this linkage and to identify key factors that allow for inclusive economic development. This analysis considers three rural territories that exemplify market linkages frequently observed in Latin America, where, although high transaction costs and limited access to financial capital prevail, other types of capital (social, cultural, and human capital) available to rural dwellers can be mobilized.

Cities, Territories, and Inclusive Growth: Unraveling Urban–Rural Linkages in Chile, Colombia, and Mexico

- World Development---2015---Julio Berdegue,Fernando Carriazo,Benjamín Jara,Felix Modrego,Isidro Soloaga

We explore the effects of the growing urbanization of rural areas in Chile, Colombia, and Mexico and investigate whether the presence of small- and medium-sized cities within rural–urban territories enhances economic growth and reduces poverty and income inequality compared to deep-rural and metropolitan territories. For Chile and Colombia, our results suggest that these urban centers can make a greater contribution to the rate of economic growth and poverty reduction in rural–urban territories compared to deep-rural ones, but in some cases with a rise in income inequality. The mechanisms through which urban centers affect the dynamics of territorial development are country-specific.

The Importance of Inequality for Natural Resource Governance: Evidence from Two Nicaraguan Territories

- World Development---2015---Helle Munk Ravn-borg,Ligia Ivette Gómez

Natural resources constitute an important axis around which rural territorial dynamics revolve. Based on empirical registration of how applications for and denouncements of natural resource use are dealt with in two Nicaraguan rural territories, this paper examines the importance of inequality for the institutional practices through which district-level governance of natural resource use takes place. Notable differences are identified. The paper concludes that institutional practices which promote rule-based natural resource governance and gradually curb the veto possibilities of powerful actors are more likely to emerge in territories where political voice is not restricted to the economic elite.

Territorial Coalitions and Rural Dynamics in Ecuador. Why History Matters

- World Development---2015---Pablo Ospina Peralta,Patric Hollenstein

This paper analyzes the extent to which transformative territorial coalitions can deliberately change the exclusive structures that afflict rural territories in Latin

America. A historical comparison of three rural territorial dynamics in Ecuador demonstrates that deliberate planning is not necessary to promote an inclusive and equitable economic dynamic if a long historical process has created favorable territorial social structures. When territories do not have such social structures, they are more likely to require a strong exogenous shock to create a new and inclusive economic organization.

Gender Systems and Women' s Labor Force Participation in the Salmon Industry in Chiloé, Chile

- World Development---2015---Eduardo Ramírez,Ruerd Ruben

This paper, which follows the emergence of the salmon industry in the 1990s in Chiloé, Chile, demonstrates that factors restricting women' s participation in labor force and wage differences between women and men are related to the gender systems operating in Chiloe. Results indicate that these systems reflect the territory' s demographic and agrarian history and that local gender systems have a positive influence on women' s participation in the labor market, though this is not accompanied by decreased salary discrimination in the salmon industry. The implication is that territory-specific and gender factors must be considered in national employment policies.

Gas and Development: Rural Territorial Dynamics in Tarija, Bolivia

- World Development---2015---Leonith Hinojosa,Anthony Bebbington,Guido Cortez,Juan Pablo Chumacero,Denise Humphreys Bebbington,Karl Hennermann

Framed by concepts of territorial project, social coalitions, and scalar relationships, we analyze rural territorial dynamics under conditions of rapid expansion in natural gas extraction. Analyzing recent economic, political, and territorial transformations of Bolivia' s gas-rich region, Tarija, we argue that pre-existing territorial projects of a diverse set of subnational and national actors have: (i) shaped the influence of the

gas industry on local dynamics; (ii) changed the scale relationships between local communities, the state, and companies; and (iii) mediated the transformation of territories in ways determined by the nature and aspirations of these territorial projects.

Poverty Reduction Through Dispossession: The Milk Boom and the Return of the Elite in Santo Tomás, Nicaragua

- World Development---2015---Helle Munk Ravn-borg,Ligia Ivette Gómez

Ideally, poverty indicators improve because poor people's livelihoods are improved. They can, however, also improve because poor people are expelled from the territory. This article explores the case of the cattle region of Chontales, Nicaragua, which during 1998–2005 experienced economic growth and declining poverty rates, spurred by investments and organizational development. The article argues that in the absence of pro-poor coalitions, these investments facilitated the return and strengthening of the local elite and that the observed decline in poverty rates emerges as the result of dispossession and subsequent exodus of the poor rather than of inclusive economic growth.

Explaining Spatial Diversity in Latin American Rural Development: Structures, Institutions, and Coalitions

- World Development---2015---Julio Berdegue,Javier Escobal,Anthony Bebbington

This article summarizes the results of a research program conducted in 11 Latin America countries, addressing two questions: (1) what factors determine territorial development dynamics that lead to economic growth, poverty reduction, and improved income distribution? (2) What can be done to stimulate this kind of territorial dynamics? We highlight five “bundles of factors” that we found in 19 case studies of territorial development¹. In fact, 20 case studies were started, but the final report of one of them was not accepted during the program's quality control process, and

thus we never considered this case study in our analyses. as well as the role of social territorial coalitions that appear to be necessary for territorial dynamics that lead to economic growth with social inclusion. The article calls for territorial development policies to complement sectoral policies.

The Rising Resilience of Emerging Market and Developing Economies

- World Development---2015---Abdul Abiad,John Bluedorn,Jaime Guajardo,Petia Topalova

Economic performance in many emerging market and developing economies (EMDEs) improved substantially over the past 20 years. In the past decade EMDEs spent more time in expansion and had smaller downturns than advanced economies for the first time. We document the history of EMDEs' resilience over the past 60 years, and investigate what factors have been associated with it. We find that their improved performance since the 2000s is accounted for by both good policies and a lower incidence of external and domestic shocks—better policies account for about three-fifths of their improved resilience, while less frequent shocks account for the remainder.

Intimate Partner Violence and HIV Infection in sub-Saharan Africa

- World Development---2015---Dick Durevall,Annika Lindskog

We investigate the relationship between intimate partner violence (IPV) and HIV among married and cohabiting women in sub-Saharan Africa. We find a strong association, and that it is primarily due to higher HIV risk among violent men; neither women's decreased ability to protect themselves from HIV within marriage, nor their risky sexual behavior, explains the link. Thus, it is not violence per se that spreads HIV, but that violent men are more likely to become HIV positive and then infect their wives. Programs that aim at reducing HIV by eliminating IPV should therefore also focus on men's risky sexual behavior.

Small Farmers in High-Value Chains: Binding or Relaxing Constraints to Inclusive Growth?

- World Development---2015---Roehlano Briones

Considerable empirical work relates participation in contract farming with farm profitability. However causation is far from settled as few studies control for endogeneity of participation. Moreover the link between contract farming and equity is ambiguous as the association between contract farming and farmer endowments is mixed. This case study of smallholders in the tobacco industry addresses these issues, and seems to be the first such econometric application in the Philippines. Based on a treatment effects regression, contract farming increases profitability, with participation biased toward smaller farm sizes, supporting the positive role of contract farming toward inclusive growth in rural areas.

The Welfare Impact of Land Redistribution: Evidence from a Quasi-Experimental Initiative in Malawi

- World Development---2015---Mariapia Mendola, Franklin Simtowe

Land reform may be an effective means of reducing poverty in many developing countries where policy efforts have recently embraced a decentralized market-based approach to land redistribution. We use household panel data combined with a quasi-experimental program to assess the impact of a joint Malawi/World Bank land program on household well-being. Double difference and matching methods are used to address identification sources of bias. Results point to average positive effects on several productive outcomes of beneficiaries, while no effects are found with respect to access to social services. There is also evidence of heterogeneous effects by gender and inheritance systems.

Assessing the Impact of Crop Diversification on Farm Poverty in India

- World Development---2015---Pratap BIRTHAL, Devesh Roy, Digvijay S. Negi

Crop diversification into high-value crops (HVCs) can be a strategy to improve livelihood outcomes for farmers. Using data from a nationally representative survey, we establish that households diversifying toward HVCs are less likely to be poor, the biggest impact being for smallholders. Furthermore, using continuous treatment matching, we establish the relationship between degree of diversification (share of area dedicated to HVC) and poverty. Growers of HVCs need to allocate at least 50% area to HVCs to escape poverty. Effect of diversification on poverty is in general positive but it withers after a threshold probably because of constraints i.e., capital on smaller farms and labor on larger ones.

Multidimensional Poverty Reduction in India between 1999 and 2006: Where and How?

- World Development---2015---Sabina Alkire, Suman Seth

India has witnessed high economic growth since the 1980s, and a confirmed reduction in monetary poverty, particularly in poorer states. Poverty, however, has multiple dimensions. This paper thoroughly analyzes the change in multidimensional poverty in India between 1999 and 2006. We find a strong reduction in national poverty and each of its dimensions, but this has not been uniform across regions, castes, or religions. Probing further, we analyze changes in the distribution among the poor people nationally as well as within population subgroups. We find strong reductions among the poorer population nationally, but slower progress for most of the poorest groups.

Economic Freedom and Productivity Growth in Resource-rich Economies

- World Development---2015---Minoo Farhadi, Md. Islam, Solmaz Moslehi

The focus of this paper is to test whether free market institutions that protect property rights and support freedom of choice and voluntary exchange can change the curse of natural resources into a blessing. To examine the above question, this paper uses the Fraser

Institute's economic freedom index and its five sub-indices, namely government size, property rights, access to sound money, freedom to trade, and setting proper regulations. Using data from 99 sample countries over the period 1970–2010, the system GMM estimates suggest that the negative growth effects of resource rents may turn positive in countries with greater economic freedom.

Building Capacity, Building Rights? State Capacity and Labor Rights in Developing Countries

- World Development---2015---Daniel Berliner, Anne Greenleaf, Milli Lake, Jennifer Noveck

Building state capacity has often been hailed as a cure-all for the ailments of the developing world and has been linked to human rights improvements, economic development, and the enforcement of property rights. Low state capacity, on the other hand, has been viewed as one of the primary impediments to improvements of labor rights and other social justice issues. We examine the relationship between state capacity and the protection of labor rights in panels of 85 developing countries, and 34 “supply-chain-relevant” countries. We find that changes in state capacity are only associated with changes in labor rights in countries where workers' interests are better represented in the political system – measured alternately as left party power, democracy, union density, and potential labor power. Our findings highlight the importance of combinations of state capacity and political will in leading to improved rights of workers in global supply chains.

Reviewing Composite Vulnerability and Resilience Indexes: A Sustainable Approach and Application

- World Development---2015---Valérie Angeon, Samuel Bates

Vulnerability–resilience indexes fail to grasp all dimensions of sustainability, whereas sustainable development has gained momentum. We fill this gap with a hierarchical multimetric composite index (Net Vulnerability

Resilience Index: NVRI) whose robustness relies on a mathematical algorithm based on graph theory. A worldwide application shows that (i) both vulnerability and resilience are policy-responsive and that (ii) there is no determinism for a country to remain vulnerable or resilient. The NVRI enables us to identify a country's strengths and weaknesses and determine the policy orientations that should be implemented to achieve sustainability.

Gender, Entrepreneurship, and the Formal–Informal Dilemma: Evidence from Indonesia

- World Development---2015---Laura G. Babbitt, Drusilla Brown, Nimah Mazaheri

This study analyzes the preferences of entrepreneurs about formality and focuses on the role of gender. Relying on original data collected in Indonesia, we unpack the differences between various types of female entrepreneurs (currently in the informal sector) according to their preferences about formalization. Contrary to the existing literature, we find that female entrepreneurs possess highly nuanced preferences about formalization that are conditional on many factors. The preference for formalization is strongest among female entrepreneurs who are older, married, rural-based, and have recently started their firms. Our work contributes to research that seeks to better understand entrepreneurial preferences and the role that gender plays.

Impacts of Large-scale Land Investments on Income, Prices, and Employment: Empirical Analyses in Ethiopia

- World Development---2015---Philipp Baumgartner, Joachim von Braun, Degnet Abebaw Ejigie, Marc Müller

We review the trend and types of large-scale land transaction in Ethiopia since 1992 and assess the impacts of one such investment using four scenarios: (i) a baseline scenario; (ii) the forest loss resulting from the land transfer; (iii) the operation of the investment at full

scale; and (iv) an alternative scenario of a smaller investment paired with a more inclusive rural development policy. Results showed that forest resources are important for the rural poor, but that losses can be offset by gains from employment generation and business opportunities. The alternative scenario indicated opportunities for better social and environmental sustainability.

Minding Weber More Than Ever? The Impacts of State Capacity and Bureaucratic Autonomy on Development Goals

- World Development---2015---Luciana Cingolani,Kaj Thomsson,Denis de Crombrughe

State capacity has attracted renewed interest over the last years, notably in the study of violent conflict. Yet, this concept is conceived differently depending on where the interest lies. In this article, we focus on bureaucratic autonomy as a distinct concept and discuss its connection to state capacity in detail. Using panel data over 1990–2010 and a novel indicator of autonomy, we estimate the separate effect of state capacity and bureaucratic autonomy on child mortality and tuberculosis prevalence. The evidence suggests that bureaucratic autonomy has a stronger impact than commonly used measures of state capacity or traditional macroeconomic variables.

Aspiration Failure: A Poverty Trap for Indigenous Children in Peru?

- World Development---2015---Laure Pasquier-Doumer,Fiorella Risso Brandon

This paper highlights a particular mechanism underlying the exclusion process of indigenous people in Peru by analyzing the role of aspirations in educational investment. Relying on the Young Lives dataset, we find that indigenous children do not limit their aspirations when compared to non-indigenous children with the same socio-economic background. Findings suggest that they do not have internalized racial schemas about their opportunities. However, aspirations are a channel of inequality persistence between ethnic groups,

exacerbating the effect of socioeconomic status on educational achievement. Indeed, socioeconomic status predicts the level of aspiration which in turn impacts progress in language acquisition.

Always Vote for Principle, Though You May Vote Alone: Explaining United States Political Support for Multilateral Development Loans

- World Development---2015---Jonathan R. Strand,Tina M. Zappile

What motivates the U.S. when casting votes and to what degree does its formal influence matter in final outcomes in multilateral development banks? We first assess the formal influence of the U.S. on final decisions and find that 64% of projects lacking U.S. support were nevertheless approved, suggesting U.S. influence is not as strong as previously thought. We then test several hypotheses explaining how the U.S. votes on projects in MDBs. We find recipient need is strongly related to U.S. support and some evidence for both economic and political factors, such as trade relations and human rights.

South–South Migration and Discrimination Against Women in Social Institutions: A Two-way Relationship

- World Development---2015---Gaëlle Ferrant,Michele Tuccio

Using the Social Institutions and Gender Index (SIGI) from the OECD Development Centre, this paper provides evidence on the two-way relationship between discrimination against women in social institutions and South–South migration. On the one hand, discriminatory social institutions in both origin and destination countries are an additional determinant of female migration. On the other hand, migration implies changes in discrimination against women according to the level of gender inequalities at destination. Specifically, migration toward countries with low levels of discrimination promotes gender equality in social institutions at home, while migration toward destinations with high levels of discrimination has the reverse effect.

Sickness and Death: Economic Consequences and Coping Strategies of the Urban Poor in Bangladesh

- World Development---2015---Farid Khan,Arjun S. Bedi,Robert Sparrow

We investigate the economic consequences of sickness and death and the manner in which poor urban households in Bangladesh respond to such events. Based on panel data we assess the effects of morbidity and mortality episodes on household income, medical spending, labor supply, and consumption. We find that despite maintaining household labor supply, serious illness exerts a negative effect on income for the poor. However, the estimates do not reject consumption smoothing. The most prominent responses to finance current needs are increasing household debt through borrowing and depleting productive assets, both of which have detrimental effects on future consumption.

Traditional Wealth, Modern Goods, and Demographic Behavior in Rural Senegal

- World Development---2015---Michel Garenne

The study investigates the relationships of demographic indicators (fertility, mortality, marriage, education) with modern and traditional wealth in rural Senegal. Data were based on rural households interviewed in the 2011 DHS survey. An Absolute Wealth Index was computed from a list of 15 modern goods. A Traditional Wealth Index was computed from data on land and livestock per capita. Modern wealth was always associated with modern demographic behavior (lower fertility, lower mortality, higher age at marriage, higher level of education), whereas traditional wealth was not associated with fertility and mortality, and was negatively associated with marriage and education.

Stopped in the Name of the Law: Administrative Burden and its Implications for Cash Transfer Program Effectiveness

- World Development---2015---Carolyn Heinrich,Robert Brill

Cash transfer programs have achieved wide-ranging success in reducing poverty, yet there is little empirical research on how program rules and administrative capacity might limit program effectiveness. We examine administrative burden and quantify its implications for grant access and impacts in the South African Child Support Grant (CSG) program, as the age of eligibility and application requirements changed over time. We find that approximately 60% of the sampled children experienced an interruption or disconnection in cash transfer receipt, and that both timing and “dosage” loss are associated with adolescent engagement in risky behaviors, and for females, lower educational attainment.

Return to Education for China’ s Return Migrant Entrepreneurs

- World Development---2015---Feng Hu

This paper examines the return to education for entrepreneurs in rural China with a large return migrant survey dataset. By exploiting the unique culture of male dominance in Chinese society, we use women’ s education to instrument their husbands’ schooling. The results show that the return to one additional year of schooling ranges between 12.6% and 18.8% for China’ s return migrant entrepreneurs, much larger than the estimated returns to education for off-farm wage workers documented in the literature. We also find that the return to education for entrepreneurs who hire paid workers more than doubles that for own-account workers.

Poverty–Food Security Nexus: Evidence from a Survey of Urban Slum Dwellers in Kolkata

- World Development---2015---Chandana Maitra,D.S. Prasada Rao

We explore the poverty–food security nexus, using an experience-based indicator of food security constructed using a cross-section sample of slum households in Kolkata, within the framework of a simultaneous ordered probit model. We find, a poor household is also

likely to be food insecure. Additionally education, gender, and household composition are major drivers of food insecurity among low-income urban households, with the policy implication that anti-poverty policies should be successful in eliminating household food insecurity, however, they need to be complemented with human capital investment and gender empowerment to be most effective.

Gender Preferences in Africa: A Comparative Analysis of Fertility Choices

- World Development---2015---Pauline Rossi,Léa Rouanet

This paper proposes a new method to infer gender preferences from birth spacing. We apply it to Africa, where the least is known about gender preferences. We show that son preference is strong and increasing in North Africa. By contrast, most Sub-Saharan African countries display a preference for variety or no preference at all. Further analysis concludes that traditional family systems predict well the nature of gender preferences, while religion does not. Last, the magnitude of preferences is stronger for wealthier and more educated women.

Social Accountability: What Does the Evidence Really Say?

- World Development---2015---Jonathan A. Fox

Empirical evidence of tangible impacts of social accountability initiatives is mixed. This meta-analysis reinterprets evaluations through a new lens: the distinction between tactical and strategic approaches to the promotion of citizen voice to contribute to improved public sector performance. Field experiments study bounded, tactical interventions based on optimistic assumptions about the power of information alone, both to motivate collective action and to influence the state. Enabling environments for collective action combined with bolstered state capacity to respond to citizen voice are more promising. Sandwich strategies can help ‘voice’ and ‘teeth’ to become mutually empowering, through state–society synergy.

Gender, Geography, and Generations: Intergenerational Educational Mobility in Post-Reform India

- World Development---2015---M. Shahe Emran,Forhad Shilpi

The existing studies report substantial improvements in educational mobility in post-reform India using intergenerational regression coefficient (IGRC) across age cohorts in a cross-section survey. In contrast, our estimates of sibling (SC) and intergenerational (IGC) correlations for the same age cohort from two surveys show strong persistence, stronger than in Latin America, which remained largely unchanged from 1991–92 to 2006. Only the women in urban areas experienced substantial improvements, with the lower caste urban women benefitting the most. As measures of mobility, IGC and SC are more informative and robust than IGRC, and the widely accepted conclusions based on IGRC alone may be misleading.

Living Care-Fully: The Potential for an Ethics of Care in Livelihoods Approaches

- World Development---2015---Kelsey B. Hanrahan

This article explores the potential contribution of a feminist ethics of care to livelihoods approaches. Current critiques argue that considerations of material outcomes have been prioritized at the expense of social well-being. I argue that autonomy and independence frame our current approaches to understanding how people support themselves. This has obscured the interdependent and contingent nature of connections that found our social lives and reduced social connections to an instrumental role. The potential for taking a care-full approach to livelihoods is examined through the unfolding negotiations of livelihood strategies between an elderly woman and her daughter-in-law in rural northern Ghana.

Impacts of Supermarkets on Farm Household Nutrition in Kenya

- World Development---2015---Christine G.K. Chege,Camilla I.M. Andersson,Matin Qaim

Many developing countries experience a food system transformation with a rapid growth of supermarkets. We analyze impacts of supermarkets on farm household nutrition with survey data from Kenya. Participation in supermarket channels is associated with significantly higher calorie, vitamin A, iron, and zinc consumption. We use simultaneous equation models to analyze impact pathways. Supermarket-supplying households have higher incomes, a higher share of land under vegetables, and a higher likelihood of male control of revenues. Furthermore, income and the share of land under vegetables have positive impacts, while male control of revenues has negative impacts on dietary quality. Policy and further research implications are discussed.

Benefit Sharing Among Local Resource Users: The Role of Property Rights

- World Development---2015---Nichole Torpey-Saboe, Krister Andersson, Esther Mwangi, Lauren Persha, Carl Salk, Glenn Wright

Skewed distributions of benefits from natural resources can fuel social exclusion and conflict, threatening sustainability. This paper analyzes how user-group property rights to harvest forest products affect the distribution of benefits from those products within user groups. We argue that groups with recognized harvesting rights share benefits more equally among group members than groups without such rights. We test this argument with data from 350 forest user groups in 14 developing countries. Our results suggest that securing harvesting rights for local user groups can contribute to more equal benefit sharing, especially in ethnically homogenous groups.

Poorer Countries and the Environment: Friends or Foes?

- World Development---2015---Robin Broad, John Cavanagh

This article focuses on delineating the conditions under which the governments of poorer countries become active defenders and protectors of the environment. It

does so based on field work in two poorer countries, El Salvador and Costa Rica, where the governments have instituted moratoria on financially lucrative but environmentally destructive mining in order to protect the environment. Building on these case studies and prior work, the article posits three conditions—related to civil society, the private sector, and the public sector—under which governments of poorer countries implement policies that favor environmental ends over shorter term economic rewards.

The Effect of Drought on Health Outcomes and Health Expenditures in Rural Vietnam

- World Development---2015---Steffen Lohmann, Tobias Lechtenfeld

This paper quantifies the short-term impact of drought on health conditions and health expenditures. Using panel data from rural Vietnam and rainfall data in an instrumental variable approach, the results suggest that populations face an increased risk of illness in the year they are exposed to drought. Households with reduced agricultural incomes and limited access to coping mechanisms seem particularly affected. Drought-related health shocks also cause financial burden for many households, with health expenditures increasing by 9–17% of total consumption. This paper contributes to a literature which so far has mostly focused on the long-term consequences of climate shocks.

Measuring Exposure to Downside Risk with an Application to Thailand and Vietnam

- World Development---2015---Felix Povel

In this paper we propose a new measure of exposure to downside risk. Its reference point is the current standard of living of a household as opposed to other benchmarks such as the poverty line in the case of measures of vulnerability. Using panel data from Thailand and Vietnam we develop an empirical approach to quantify our measure. More precisely, we predict truly forward looking probabilities and deprivation indices of different states of the world and aggregate them to country specific measures of exposure to downside

risk. We scrutinize the correlates of these measures in the periods 2007–08 and 2008–09 using regressions with household fixed effects. We examine vulnerability to poverty and “hybrid” vulnerability to poverty in an identical empirical framework. This allows us to draw conclusions with respect to the value added of our new measure. We find that the measure of exposure to downside risk indeed offers complimentary information that may be relevant from a policy perspective and recommend to incorporate its appraisal in holistic assessments of vulnerability and risk exposure.

Non-Sampling Error and Data Quality: What Can We Learn from Surveys to Collect Data for Vulnerability Measurements?

- World Development---2015---Tung Phung,B. Har-
eweg,S. Praneetvatakul,H. Waibel

This paper investigates the causes for non-response and measurement errors in household panel surveys designed for assessing vulnerability to poverty in Thailand and Vietnam. Using data from surveys conducted in 2007 and 2008 we show that interview environment, timing, interviewer, and some respondent characteristics significantly affect non-sampling errors. Investigating interviewer bias for household consumption we find no significant effect of interviewer variables, which suggests validity of the data collected. The paper maps out possibilities to reduce non-sampling errors such as observing suitable interview duration and timing and matching interviewer characteristics with those of respondents.

A Feminization of Vulnerability? Female Headship, Poverty, and Vulnerability in Thailand and Vietnam

- World Development---2015---Stephan
Klasen,Tobias Lechtenfeld,Felix Povel

This article investigates whether heterogeneous subgroups of female-headed households are worse off than households headed by men. It analyzes the correlates of consumption, shock exposure, and severity, as well as vulnerability to poverty. Using panel data of over

4000 rural households from Thailand and Vietnam, strong evidence of heterogeneity among subgroups of female-headed households are found. In particular, in comparison with male headed households de facto female-headed ones are found to be richer in Thailand, but prone to more severe shocks in both countries. Furthermore, our results suggest that in Thailand single female-headed households are less vulnerable to poverty than households headed by men. However, in Vietnam these households are particularly poor and vulnerable to poverty; we show that this is mostly due to their greater poverty rather than their higher risk exposure. Our findings suggest that differentiation by subgroups of headship is important for policy development and targeting as well as future research.

Shocks, Individual Risk Attitude, and Vulnerability to Poverty among Rural Households in Thailand and Vietnam

- World Development---2015---Oliver Gloede,Lukas
Menkhoff,Hermann Waibel

We examine whether the experience of shocks influences individual risk attitude. We measure the risk attitude of more than 4,000 households in Thailand and Vietnam via a simple survey item. The experience of adverse shocks, which is typical for poor and vulnerable households, is related to a higher degree of risk aversion, even when controlled for a large set of socio-demographic variables. Therefore, shocks perpetuate vulnerability to poverty via their effect on risk attitude. We extend this general finding to various categories of shocks and find differences between Thailand and Vietnam. This suggests that risk-coping strategies profit from case-specific design.

Rural–Urban Migration, Household Vulnerability, and Welfare in Vietnam

- World Development---2015---Loc Duc
Nguyen,Katharina Raabe,Ulrike Grote

This paper investigates the interaction of migration, vulnerability to poverty, and welfare of rural households in three provinces in Central Vietnam. It addresses

three questions. (1) To what extent do shocks motivate rural household members to move to urban areas?, (2) Are migrants in the new urban settings better off in terms of working conditions and quality of life?, and (3) What is the effect of migration on rural household' s welfare and vulnerability to poverty? The analysis uses panel data of 2200 households from rural Vietnam covering the period 2007–2010, and a tracking survey of 299 migrants from 2010. The empirical evidence from a probit model shows that migration, especially migration for employment, is a livelihood support strategy for households exposed to agricultural and economic shocks. Migration for education is more likely observed among households with higher human capital and being financially better off. Nevertheless, the probability of migration decreases with the employment opportunity in the village. Migrants perceive themselves to be better off at the place of destination, but income losses from shocks of their rural households may reduce their employment quality. The results from difference-in-difference specifications with propensity score matching techniques suggest that migration has positive income growth effects, and that these effects are more pronounced in provinces with fewer job opportunities. These effects help not only migrant households moving out of poverty, but it also improves the poverty situation in rural areas.

Determinants and Consequences of Internal Return Migration in Thailand and Vietnam

- World Development---2015---Vera Junge,Javier Revilla Diez,Ludwig Schätzl,Javier Revilla-Diez

This paper draws a distinction between local return migrants, who move back to their home village, and regional return migrants, who return to other places within their home provinces in Thailand and Vietnam. Using multinomial regressions we firstly analyze determinants of internal return migration and find that while local return migrants are lower educated than continuing migrants, this negative human capital selection cannot be found for regional return migrants. Secondly, after returning local return migrants often engage in agriculture, while regional return migrants

continue in nonfarm employment, thereby diversifying the household income and consequently bringing potential for future economic development.

Property Rights and Consumption Volatility: Evidence from a Land Reform in Vietnam

- World Development---2015---Niels Kemper,Luu Viet Ha,Rainer Klump

During Vietnam' s transition from a socialist to a market economy, household' s property rights over agricultural land were considerably strengthened through a land certification program. This resulted in active formal credit and land markets, either of which potentially affects consumption levels and volatility. This article evaluates the program impact with respect to consumption outcomes. In particular, it identifies the channel of impact through which improved property rights affect consumption volatility. We find that land certification increases consumption levels for rural households, but also consumption volatility for a subgroup of households identified by an instrument. We show that the certification program affects consumption outcomes of this subgroup through, presumably more risky, credit-based agricultural investment at the intensive margin.

“Show me the Numbers” : Examining the Dynamics Between Evaluation and Government Performance in Developing Countries

- World Development---2015---Lesli Hoey

This paper examines the dynamics between monitoring and evaluation (M&E) and government performance in developing countries, where M&E systems are expanding rapidly. Findings in Bolivia suggest that approaches to M&E can lower staff morale, create burdensome paperwork, blind managers to operational problems and emerging innovations, and reinforce self-censorship, contributing to the very problem M&E is intended to solve. Crafted appropriately, M&E can instead become a tool to build practical judgment, increase staff motivation, and improve implementation incrementally. Ultimately, these findings contribute to

efforts to design M&E that can support staff working under complex working conditions.

Revealed Corruption, Taxation, and Fiscal Accountability: Evidence from Brazil

- World Development---2015---Jeffrey F. Timmons, Francisco Garfias

Fiscal contract theories hypothesize that government performance affects tax collection and that institutions that foster representation and accountability link taxes and services. We use randomly generated municipal audit reports with objective measures of corruption from Brazil to assess whether new information about corruption affects municipal property tax collection and the structure of fiscal institutions. We find short-run effects consistent with this theory: property tax revenue rises with clean audit reports and falls as revealed corruption increases; furthermore revealed corruption increases the probability that a municipality adopts participatory budgeting. Our results indicate modest demand-side constraints on taxation and budgetary institutions.

Practice What You Preach: Microfinance Business Models and Operational Efficiency

- World Development---2015---J. Bos, Matteo Milone

The microfinance sector has room for pure for-profit microfinance institutions (MFIs), non-profit organizations, and “social” for-profit firms that aim to pursue a double bottom line. Depending on their business model, these institutions target different types of borrowers, change the size of their loans and adjust their loan pricing. We introduce a simple approach that accommodates a wide range of business models and allows us to estimate the operational efficiency of MFIs. Our empirical results show that MFIs with a high depth of outreach are most efficient, resulting in higher levels of outreach and profits for the same input mix.

Institutional Voids or Organizational Resilience? Business Groups, Innovation, and Market Development in Latin America

- World Development---2015---Fulvio Castellacci

The paper compares the innovativeness of group-affiliated firms (GAFs) and standalone firms (SAFs), and it investigates how country-specific institutional factors affect the group-innovation relationship. The paper analyzes the contrasting predictions of two competing views: the institutional voids and the organizational resilience theses. The empirical analysis focuses on a large sample of firms in Latin America. In line with the organizational resilience thesis, the results point out that the superior innovation performance of GAFs is stronger for national economies with more efficient financial, legal, and labor market institutions.

Natural Disasters, Household Welfare, and Resilience: Evidence from Rural Vietnam

- World Development---2015---Mohamed Aroui, Cuong Nguyen, Adel Ben Youssef

The study uses commune fixed-effects regressions to estimate the effect of natural disasters on welfare and poverty of rural households in Vietnam, and subsequently examines household and community characteristics that can strengthen resilience of households to natural disasters. We find that all the three disaster types considered in this study including storms, floods, and droughts have negative effects on household income and expenditure. Households in communes with higher mean expenditure and more equal expenditure distribution are more resilient to natural disasters. Access to micro-credit, internal remittances, and social allowances can help households strengthen the resilience to natural disasters.

Correlates of Maize Land and Livelihood Change Among Maize Farming Households in Mexico

- World Development---2015---Hallie Eakin, Kirsten Appendini, Stuart Sweeney, Hugo Perales

We use classification tree analysis to identify the primary predictors of a suite of maize land use and livelihood outcomes for smallholder farmers in three regions of Mexico (Sinaloa, Mexico state, and Chiapas). Our analysis identifies regionally specific correlates with change in maize area, yield, and income, spanning demographic, environmental, and social development factors. Our results indicate that there may be opportunities for surplus production and market participation in some rain fed areas. We confirm the significance of regional and inter-regional heterogeneity in farmers' responses and strategies, underscoring the value of regionally specific policy interventions.

The Intrinsic Value of Agency: The Case of Indonesia

- World Development---2015---Antonia Fernandez, Marina Della Giusta, Uma Kambhampati

This paper analyzes the relationship between agency and Indonesian women's well-being. The existing debate on empowerment mostly focuses on agency's instrumental value, how agency benefits development and household/women's welfare. We depart from this debate by considering the intrinsic value of agency for women using the Indonesia Family Life Survey. We measure agency based on the decisions women make within their households. We find the effects of agency are not unambiguously positive. Agency has intrinsic value, seen in its strong relationship to well-being in certain spheres, which is moderated by the 'burden of responsibility' that seems to be felt by decision-makers.

Entrepreneurship and the Allocation of Government Spending Under Imperfect Markets

- World Development---2015---Asif Islam

Previous studies have established a negative relationship between total government spending and entrepreneurship activity. However, the relationship between the composition of government spending and entrepreneurship has been woefully under-researched. We

fill this gap by empirically exploring the relationship between government spending in social and public goods and entrepreneurial activity under the assumption of credit market imperfections. By combining macroeconomic government spending data with individual-level entrepreneurship data we find a positive relationship between increasing the share of social and public goods at the cost of private subsidies and entrepreneurship while confirming a negative relationship between total government consumption and entrepreneurial activity.

Gender, Agrobiodiversity, and Climate Change: A Study of Adaptation Practices in the Nepal Himalayas

- World Development---2015---Basundhara Bhattarai, Ruth Beilin, Rebecca Ford

Gender is seminal to agrobiodiversity management, and inequities are likely to be exacerbated under a changing climate. Using in-depth interviews with farmers and officials from government and non-government organizations in Nepal, we explore how gender relations are influenced by wider socio-economic changes, and how alterations in gender relations shape responses to climate change. Combining feminist political ecology and critical social-ecological systems thinking, we analyze how gender and adaptation interact as households abandon certain crops, adopt high-yielding varieties and shift to cash crops. We argue that the prevailing development paradigm reinforces inequitable gender structures in agrobiodiversity management, undermining adaptation to the changing climate.

How Urban Segregation Distorts Chinese Migrants' Consumption?

- World Development---2015---Binkai Chen, Ming Lu, Ninghua Zhong

This paper provides a new explanation for China's low consumption-to-GDP ratio by highlighting the constraints of the "household registration system" (Hukou) on China's household consumption. Our baseline results show that the consumption of migrants is 16–20% lower than that of local urban residents. We

further find evidence suggesting that, caused by Hukou restrictions, migrants save more for precautionary purposes, have lower expectation of permanent income, and consume much less durable goods because of high mobility. Moreover, we have found no evidence that the consumption heterogeneity can be explained by migration effects, culture, or other forms of household heterogeneity. As both the number and income level of migrants are rising quickly, the constraining effects of Hukou on household consumption is increasing.

The Sloping Land Conversion Program in China: Effect on the Livelihood Diversification of Rural Households

- World Development---2015---Zhen Liu,Jing Lan

Through addressing the motivations behind rural households' livelihood diversification, this paper examines the effect of the Sloping Land Conversion Program (SLCP) on livelihood diversification using a longitudinal household survey data set spanning the overall implementation of the SLCP. Our results show that the SLCP works as a valid external policy intervention to increase rural livelihood diversification. In addition, the findings demonstrate that the implementation of the SLCP has had heterogeneous effects on livelihood diversification across different rural income groups. The lower income group was more affected by the program in terms of income diversification.

Assessing the Effectiveness of Projects Supporting On-Farm Conservation of Native Crops: Evidence From the High Andes of South America

- World Development---2015---Mauricio R. Bel-lon,Elisabetta Gotor,Francesco Caracciolo

This paper presents an approach for assessing the effectiveness of projects aimed at creating incentives for smallholder farmers to continue maintaining crop diversity under evolution on their farms in relevant centers of genetic diversity—a process known as on-farm conservation. It is applied to five projects involving native crops in the High Andes of South America. Results

show evidence that projects have been effective at supporting farmers to maintain crop diversity on-farm while generating positive livelihood outcomes. Implications and challenges of both the approach and the results for sustainable use and conservation of crop biodiversity are discussed.

Fifteen Years of Bt Cotton in China: The Economic Impact and its Dynamics

- World Development---2015---Fangbin Qiao

Even though the economic benefit of Bt cotton adoption in the short-run has been well documented, the dynamics of this benefit remain unclear. In particular, the possibility of pest resistance build-up and secondary pest outbreaks has caused concern regarding the sustainability of this economic benefit in the long run. Hence, this study analyzes the economic impact of Bt cotton and its dynamics in China. Using nationally representative long panel data for 1997–2012, we show that this economic benefit continues 15years after the commercialization of Bt cotton.

Going Back Home: Internal Return Migration in Rural Tanzania

- World Development---2015---Kalle Hirvo-nen,Helene Lilleør

While reasons for out-migration are relatively well understood, little is known about why people return to their rural origins. We contribute to filling this gap in the literature by using 19-year tracking data from rural Tanzania to estimate the patterns and determinants of return migration, and we find that return is largely associated with unsuccessful migration. For men, return is linked to poor job-market outcomes at the migration destination, and for women, to the ending of marriages. Female migrants who exchange transfers with relatives at home, and men who are financially supported by their families, are more likely to return.

Institutions and Co-Management in East African Inland and Malawi Fisheries: A Critical Perspective

- World Development---2015---Fiona Nunan,Mafaniso Hara,Paul Onyango

Institutions matter within natural resource management. While there are many examples of analyses of the nature and influence of institutions within fisheries, there are fewer examples of how institutions inform the practice and outcomes of co-management. This article reports on analysis of institutions and fisheries co-management in East African and Malawi inland fisheries informed by Critical Institutionalism. It concludes that relations between fisheries departments and local co-management structures, and between local government/traditional authorities and local co-management structures, and social, power, and gender relations within and beyond fisheries communities, particularly impact on the practice and outcomes of co-management.

The Impact of Contracting in and Contracting out Basic Health Services: The Guatemalan Experience

- World Development---2015---Julian Cris-tia,Ariadna García Prado,Cecilia Peluffo

This paper uses a difference-in-difference strategy to evaluate a program in Guatemala that expanded access to health services through two contracting modalities. In the contracting-out model NGOs were responsible for all administrative and clinical procedures, while in the contracting-in model NGOs focused on administrative tasks and employed public employees to provide services. The evaluation design allows comparing results across both contracting models as well as with an area that did not receive additional services. Both models achieved modest results regarding immunization coverage and prenatal care, though contracting in performed slightly better. We also compare program phases and discuss policy implications.

Formalizing Indigenous Commons: The Role of ‘Authority’ in the Formation of Territories in Nicaragua, Bolivia, and the Philippines

- World Development---2015---Anne M. Larson,Peter J. Cronkleton,Juan M. Pulhin

Indigenous peoples have sometimes sought the formalization of their customary territories to ensure the enforcement of their borders. The process of formalization, however, generates new conflicts. The process of constituting collective territories is intimately related to the constitution of authority, as it involves not only the negotiation of physical boundaries but also the recognition of a particular entity to represent the collective. Similarly, given that ‘authority’ implies legitimacy, such legitimacy will have to be produced. Comparing indigenous territories in Nicaragua, Bolivia, and the Philippines, this article shows how authority emerges from conflictive processes and shapes rights and powers over forests.

What Is Social Inequality and Why Does it Matter? Evidence from Central and Eastern Europe

- World Development---2015---Chiara Binelli,Matthew Loveless,Stephen Whitefield

As distinct from income or wealth inequality, ‘social inequality’ is currently poorly understood and, at best, unevenly measured. We conceptualize social inequality as the relative position of individuals along a number of dimensions that measure achieved outcomes and, innovatively, expectations about future outcomes. Using data from 12 Central and Eastern European countries, we find that cross-national patterns of social inequality differ significantly from patterns derived from income inequality measures. Moreover, our measure of social inequality is much better correlated than income inequality with other country differences such as higher levels of economic performance and human development, and stronger political institutions.

Power Holders and Social Dynamics of Participatory Development and Reconstruction: Cases from the Democratic Republic of Congo

- World Development---2015---Patrick M. Kyamusugulwa,Dorothea Hilhorst

One of the challenges of participatory development and reconstruction programs is how and where to engage with power holders. This paper analyses the dynamics of power relations within a community-driven reconstruction program in the Democratic Republic of Congo. It shows that, in some circumstances, elite control can be a way of ensuring the provision of public goods and that conflict between elites can benefit project outcomes. The paper concludes that in this and similar contexts, development programs should consider bringing elites into the equation of governance and invest in understanding better the working and accountability of existing institutions for development.

Strengthening Economic Rights and Women' s Occupational Choice: The Impact of Reforming Ethiopia' s Family Law

- World Development---2015---Mary Hallward-Driemeier,Ousman Gajigo

This paper evaluates the impact of strengthening legal rights on the types of economic opportunities pursued. Ethiopia changed its family law, expanding wives' access to marital property and removing restrictions to working outside the home. This reform was initially rolled out in the two chartered cities and three of Ethiopia' s nine regions, allowing for a difference-in-difference estimation of the reform' s impact. The analysis finds that women were significantly more likely to work in occupations that require work outside the home, employ more educated workers, and in paid and full-time jobs where the reform had been enacted.

The Biogeographic Roots of World Inequality: Animals, Disease, and Human Settlement Patterns in Africa and the Americas Before 1492

- World Development---2015---Ewout Frankema

Building on recent insights from archeology, genetics, and linguistics I challenge Jared Diamond' s grand narrative of the biogeographic roots of world inequality. I argue that this narrative pays insufficient attention to contrasting patterns of human settlement in Africa and the Americas. I develop alternative hypotheses concerning the role of domesticated animals in shaping human disease environments and processes of state formation prior to the Columbian exchange. My overarching objective is to enhance the debate on the deep roots of world inequality by tackling Eurocentric conceptions of world development and exploring the potential of new comparative and multi-disciplinary research perspectives.

Improving Governance for the Post-2015 Sustainable Development Goals: Scenario Forecasting the Next 50years

- World Development---2015---Devin K. Joshi,Barry B. Hughes,Timothy D. Sisk

Covering three fundamental governance transitions historically characteristic of modern states—the provision of security, the building of capacity, and the deepening of inclusion—we offer a pioneering forecast of the future of domestic governance through the year 2060 for 183 countries utilizing a long-term, dynamic, integrated global futures modeling system. While our Base Case forecast anticipates global gains in security, capacity, and inclusion, extended scenario analysis suggests that timely and effective interventions to strengthen governance and implement pro-poor development policies will result in much greater advances on the Post-2015 Sustainable Development Goals.

The Impact of Bolsa Familia on Schooling

- World Development---2015---Alan de Brauw,Daniel Gilligan,John Hoddinott,Shalini Roy

We use longitudinal household data and propensity score weighting methods to assess the impact of Brazil' s Bolsa Família conditional cash transfer program on schooling outcomes of children aged 6–17years.

Weak aggregate effects mask considerable heterogeneity. Among girls, the program significantly increases school participation (by 8 percentage points) and grade progression (by 10 percentage points), with large, significant effects across both younger and older girls in rural areas but concentrated among girls aged 15–17 years in urban areas. Few significant impacts are found among boys. We discuss implications and potential mechanisms for differential impacts by sex, age, and location.

The Productivity of Trust

- World Development---2015---Christian Bjørnskov, Pierre-Guillaume Méon

This paper tests whether social trust affects total factor productivity (TFP). Using both development and growth accounting, we find strong evidence of a causal positive effect of social trust on the level and growth of TFP. We moreover observe that the effect of social trust on TFP runs through economic-judicial institutions, but not through political institutions. Those findings resist a series of robustness checks.

Social Security Development and the Colonial Legacy

- World Development---2015---Carina Schmitt

In recent times, social security has been one of the most popular instruments for promoting human development worldwide. Nearly all countries of the world have implemented some kind of social security legislation. While the emergence of social security in the OECD-world has been extensively analyzed, we know very little about the origins of social security beyond the OECD-world. By analyzing 91 Spanish, French, and British colonies, and former colonies from 1820 until the present time, this paper demonstrates that the colonial heritage is a crucial factor in explaining the adoption and form of social security programs in countries outside OECD-world.

Unraveling the Notion of “Fair Carbon” : Key Challenges for Standards Development

- World Development---2015---Rebecca Joy Howard, Anne Tallontire, Lindsay Stringer, Rob Marchant

Standards organizations and NGOs have begun to refer to “fair carbon” projects, and “fairly traded” carbon credits. “Fairness” is a fuzzy notion, subject to multiple and competing interpretations. This paper draws on a framing used by standards organizations, which encompasses issues of access and benefits, to critically examine challenges and opportunities for achieving desired “fair” outcomes as discussed in the literature. Arising knowledge gaps are presented as a research agenda that explores what “fair carbon” means to multiple stakeholders; illuminates governance processes through which “fairness” is being standardized; and examines its implications within certified carbon projects.

A New Index of the Business Environment for Microfinance

- World Development---2015---Robert Cull, Sergio Navajas, Ippei Nishida, Renate Zeiler

This paper describes a new index of the quality of the business environment for microfinance institutions (the Global Microscope on the Microfinance Business Environment). Regressions are used to validate the index by linking it and its sub-components to microfinance outcomes. The main findings are that the components of the index related to the supporting institutional framework are strongly linked to measures of microfinance penetration (such as microfinance borrowers as a share of total population). Components related to the framework for regulation and supervision are more strongly linked to outcomes at the MFI level, including loan portfolio quality, financial self-sufficiency, average loan size, and the share of lending to women. Many, but not all, of these relationships are robust to using instrumental variables estimation in which a country’s general stringency with respect to financial

regulation is used as an instrument for the index and its components.

Comment on Lof, Mekasha, and Tarp (2014)

- World Development---2015---Dierk Herzer,Felicitas Nowak-Lehmann D.,Axel Dreher,Stephan Klasen,Inmaculada Martínez-Zarzoso

In Nowak-Lehmann et al. (2012), we used time-series methods to investigate the impact of aid on per capita GDP. Lof, Mekasha, and Tarp (LMT, 2014) criticize our econometric approach, our interpretation, and our data-handling procedure which lead to a large share of missing observations in some specifications. Using a different time-series approach, a different aid variable, and a different sample, they claim to find a positive effect of aid on income, which contrasts with our own results. In this comment, we first explain why we disagree with LMT' s critique of our econometric method and show that our results do not depend on our way of dealing with missing data. Second, we show that the methods used by LMT are unsuitable and rely on similarly problematic data-handling procedures. Supplementing their approach with appropriate cointegration and causality tests shows that there is no robust effect of aid on income.

Rejoinder to Herzer, Nowak-Lehmann, Dreher, Klasen, and Martinez-Zarzoso (2014)

- World Development---2015---Matthijs Lof,Tseday Mekasha,Finn Tarp

The Herzer et al. (2014) comment on our article (Lof et al., 2014) addresses two issues. First, they propose various ways to circumvent our concerns regarding data handling in a paper by Nowak-Lehmann et al. (2012). We point out that under these new approaches the link between the empirical model and theoretical specification no longer holds. Moreover, the issue of reverse causality is not tackled by Herzer et al. (2014). Second, Herzer et al. (2014) criticize our empirical strategy and Panel VAR results. We show their remarks are

based on misunderstandings and were, for the most part, already addressed in Lof et al. (2014).

Crime and Erosion of Trust: Evidence for Latin America

- World Development---2015---Ana Corbacho,Julia Philipp,Mauricio Ruiz-Vega

Trust links citizens to the institutions intended to represent them and to one another. By reducing trust, crime has the potential to grind down social capital and become an obstacle to development. This paper analyzes the relationship between individual victimization and trust in Latin America using an empirical strategy that reduces both overt and hidden biases. Victimization significantly reduces vertical trust (in the local police) but has no robust effect on measures of horizontal trust. Governments need to reduce actual victimization but also rebuild trust in local public institutions to enhance the effectiveness of crime prevention efforts.

Caught in a Productivity Trap: A Distributional Perspective on Gender Differences in Malawian Agriculture

- World Development---2015---Talip Kilic,Amparo Palacios-Lopez,Markus Goldstein

Our study provides a nationally representative analysis of the gender gap in agricultural productivity in Malawi. We decompose the gap, for the first time, at the mean and selected points of the agricultural productivity distribution into (i) a portion driven by gender differences in levels of observable attributes, and (ii) a portion driven by gender differences in returns to the same set of observables. We find that while female-managed plots are, on average, 25% less productive, 82% of this mean differential is explained by differences in observables, mainly due to high-value crop cultivation and household adult male labor inputs.

Gesture Politics or Real Commitment? Gender Inequality and the Allocation of Aid

- World Development---2015---Axel Dreher,Kai Gehring,Stephan Klasen

We investigate whether donors give more aid to countries with larger gender gaps in education, health, or women's rights, and whether they reward improvements in those indicators. We find some evidence that high gender gaps in education and health are associated with higher allocation of aid in those sectors and aid overall. Greater female political representation also appears to come along with higher aid flows. While we find no systematic evidence that donors allocate funds with regard to merit, our results show that donors are more responsive to inequalities in countries that provide good legal rights for women.

Power, Ownership and Tourism in Small Islands: Evidence from Indonesia

- World Development---2015---Mark Hampton,Julia Jeyacheya

This paper examines the political economy of tourism development in islands and uses Gili Trawangan, Indonesia as a case study. A longitudinal study drawing from fieldwork contributes to the discussion of how different types of power shape community development, and how the effects of hosting international tourism play an explicit role. Analysis using Barnett and Duvall's Taxonomy of Power model reveals the interplay between the types of power over time and its effects on different actors. Results raise questions for Less Developed Countries, and particularly islands, concerning the social costs of using tourism for development.

Assessing Foreign Aid's Long-Run Contribution to Growth and Development

- World Development---2015---Channing Arndt,Sam Jones,Finn Tarp

This paper confirms recent evidence of a positive impact of aid on growth and widens the scope of evaluation to a range of outcomes including proximate sources of

growth (e.g., physical and human capital), indicators of social welfare (e.g., poverty and infant mortality), and measures of economic transformation (e.g., share of agriculture and industry in value added). Focusing on long-run cumulative effects of aid in developing countries, and taking due account of potential endogeneity, a coherent and favorable pattern of results emerges. Aid has over the past 40 years stimulated growth, promoted structural change, improved social indicators, and reduced poverty.

Aid and Income: Another Time-series Perspective

- World Development---2015---Matthijs Lof,Tseday Mekasha,Finn Tarp

This study provides a replication of the empirical results reported by Nowak-Lehmann, Dreher, Herzer, Klasen, and Martínez-Zarzoso (2012) (henceforth NDHKM). We uncover that NDHKM relied on a regression model which included a log transformation of variables that are not strictly positive. This led to nonrandom omission of a large proportion of observations. Furthermore, we show that NDHKM's use of co-integrated regressions is not a suitable empirical strategy for estimating the causal effect of aid on income. Evidence from a Panel VAR model estimated on the dataset of NDHKM, suggests a positive and statistically significant long-run effect of aid on income.

Aid Supplies Over Time: Addressing Heterogeneity, Trends, and Dynamics

- World Development---2015---Sam Jones

What determines how much foreign aid donors provide? Existing answers to this question point to a complex range of influences. However, the tasks of distinguishing between long- and short-run factors, as well as differences between donors, have not been adequately addressed. Taking advantage of data spanning nearly 50 years, this paper uses panel cointegration techniques to consider these issues. The analysis provides clear evidence for heterogeneity both between donors and over time, bandwagon effects, and a growing influence

of security considerations in aid provision. Domestic macroeconomic shocks have a moderate but delayed effect on aid disbursements.

Business Cycle Fluctuations, Large Macroeconomic Shocks, and Development Aid

- World Development---2015---Era Dabla-Norris,Camelia Minoiu,Luis-Felipe Zanna

We examine the cyclical properties of development aid using bilateral data for 22 donors and 113 recipients during 1970–2005. We find that bilateral aid flows are on average procyclical with respect to the business cycle in both donor and recipient countries. While aid outlays contract sharply during severe downturns in donor countries, they rise steeply when aid-receiving countries experience large adverse shocks. Our findings suggest that development aid may play an important cushioning role in developing countries, but only during times of severe macroeconomic stress. Our results are robust to alternate definitions of aid flows, specifications, and estimation techniques.

Consequences of Aid Volatility for Macroeconomic Management and Aid Effectiveness

- World Development---2015---John Hudson

We conclude that individual aid sector volatility matters as well as total aid volatility. Easily, the most important contributor to total volatility is debt aid. The most volatile aid sectors per se include debt, industry, and humanitarian, and the least include education and health. In several sectors volatility appears to have peaked around 2006. Within individual countries, sector volatility is often corrected for in the following period, there are also sometimes knock-on effects on other sectors. Finally we examine the impact of sector aid, and aid volatility, on school completion rates, death rates, Internet usage, and mobile phone subscriptions.

International Coordination and the Effectiveness of Aid

- World Development---2015---Arne Bigsten,Sven Tengstam

This paper seeks to quantify the effects of improved donor coordination on aid effectiveness. Empirical estimates are first provided of the reductions in transaction costs that can be achieved by better donor coordination via concentration to fewer partner countries and a shift from project aid to program-based approaches. Further estimates are presented showing how much could be gained in terms of poverty reduction by optimizing aid allocation across countries. The potential poverty reduction would be huge, but there are severe political implementation constraints. The paper concludes that much could be gained in terms of aid effectiveness from improved donor coordination.

The Hard Challenge of Aid Coordination

- World Development---2015---François Bourguignon,Jean-Philippe Platteau

Aid coordination is a constant theme of discussion among national and international aid agencies in their search for more effectiveness and efficiency in delivering development assistance. This paper seeks to clarify some of the arguments currently made in support of aid coordination, and to precise unavoidable trade-offs born of the existence of political costs. It is anchored in the available literature on aid delivery while focusing on the implementation problems of aid coordination among donor countries. In particular, it deals with: (a) the issue of consistently and collectively handling possible governance failures in recipient countries; and (b) the impact of heterogeneity of donor countries on the effectiveness of aid coordination.

Aid and Government Fiscal Behavior: Assessing Recent Evidence

- World Development---2015---Oliver Morrissey

This paper reviews evidence published in the last 10years that has added to our understanding of the

effects of aid on government spending and tax effort in recipient countries, with a discussion of when (general) budget support is a fiscally efficient aid modality. Three generalizations are permitted by the evidence: aid finances government spending; the extent to which aid is fungible is over-stated and even where it is fungible this does not appear to make the aid less effective; and there is no systematic effect of aid on tax effort. Beyond these conclusions effects are country-specific.

Fiscal Composition and Aid Effectiveness: A Political Economy Model

- World Development---2015---Paul Mosley

In the long run tax effort, we argue, determines the effectiveness of aid, and this relationship operates simultaneously with the negative link in the opposite direction observed by Bräutigam and Knack (2004) and others. Tax effort and the ability of the state to diversify its taxation structure, we find, are significantly linked to growth and poverty indicators. The key message for policy is that a broadening of the tax structure in low-income countries is crucial in order to enable those countries to escape from the “weak-state-low-tax trap,” and to make aid effective.

Policy Responses to Aid Surges in Countries with Limited International Capital Mobility: The Role of the Exchange Rate Regime

- World Development---2015---Andrew Berg,Rafael Portillo,Luis-Felipe Zanna

We study the role of the exchange rate regime, reserve accumulation, and sterilization policies in the macroeconomics of aid surges. Absent sterilization, a peg allows for almost full aid absorption—an increase in the current account deficit net of aid—delivering the same effects as those of a flexible regime but with a necessary increase in inflation. Regardless of the regime, policies that limit absorption and result in large accumulation of reserves—are welfare reducing: they help reduce the real appreciation (and inflation under the peg), but at the expense of reducing private con-

sumption and investment, and therefore medium-term growth.

Socio-Economic Impacts of JEEViKA: A Large-Scale Self-Help Group Project in Bihar, India

- World Development---2015---Upamanyu Datta

Policymakers have invested billions of dollars over the past two decades on projects which target poverty reduction by institutional mobilization of the poor. Unfortunately, evidence on the efficacy of such projects is few and far between; this is an outcome of the complexity of these projects.

Diversification and Labor Market Effects of the Mexican Coffee Crisis

- World Development---2015---Benigno Rodríguez Padrón,Kees Burger

This paper analyses how coffee-producing households responded to the low coffee prices prevailing around 2003. We provide theory on differential responses in regions dedicated to coffee growing, compared to more diversified or better accessible regions. We show how labor market effects can explain why in the former regions value-adding activities (processing, certification) are undertaken while in the latter regions off-farm activities are adopted. Farm size favors value-adding activities as well as on-farm diversification. These findings call for policy responses to low prices that distinguish between specialized regions and diversified or well-connected regions.

Measuring Microfinance: Assessing the Conflict between Practitioners and Researchers with Evidence from Nepal

- World Development---2015---Ram Rajbanshi,Meng Huang,Bruce Wydick

What accounts for the discrepancy between microfinance impact claims of development practitioners and the far smaller impacts found in experimental studies? We demonstrate in a simple theoretical framework

why “before-and-after” observations of practitioners overstate microfinance impacts and why estimations in some recent randomized trials understate the average treatment effect on the treated (ATT). Our empirical study uses a unique data set from eastern Nepal to study the impact of microfinance in villages where microfinance did not previously exist. We find that approximately three-fourths of the apparent impact of microfinance observed by practitioners is an illusion driven by correlated unobservable factors.

Lessons from the Dzud: Community-Based Rangeland Management Increases the Adaptive Capacity of Mongolian Herders to Winter Disasters

- World Development---2015---María E. Fernández-Giménez, Baival Batkhishig, Batjav Batbuyan, Tungalag Ulambayar

We investigated the role of formal community-based natural resource management (CBNRM) in responding and adapting to the 2009–10 winter weather disaster in Mongolia, by comparing herders’ adaptation strategies and adaptive capacity in communities with and without formal CBNRM. Livestock mobility and forage and hay storage were the most important strategies for limiting livestock loss, but these depended on resource pooling and exchange strategies. CBNRM herders demonstrated greater adaptive capacity than non-CBNRM herders, due to greater knowledge exchange, information access, linking social capital, and proactive behavior. Social factors mediate and institutional constraints limit the implementation of adaptive strategies in Mongolia.

Is the Relationship Between Financial Development and Economic Growth Monotonic? Evidence from a Sample of Middle-Income Countries

- World Development---2015---Nahla Samargandi, Jan Fidrmuc, Sugata Ghosh

We revisit the relationship between financial development and economic growth in a panel of 52 middle-

income countries over the 1980–2008 period. Using pooled mean group estimations in a dynamic heterogeneous panel setting, we show that there is an inverted U-shaped relationship between finance and growth in the long run. In the short run, the relationship is insignificant. This suggests that too much finance can exert a negative influence on growth in middle-income countries. The finding of a non-monotonic effect of financial development on growth is confirmed by estimating a threshold model.

Fuelling Calorie Intake Decline: Household-Level Evidence from Rural India

- World Development---2015---Amit Basu, Deepankar Basu

In India, average calorie intake has declined even as real monthly expenditure has increased. Since cross sectional evidence suggests a positive relationship between the two variables, the trend emerges as a major puzzle. Using household-level data from four recent rounds of National Sample Survey data on consumption expenditure and a novel instrumental variable estimation strategy we find that rising expenditure on non-food items is one of the factors that has led to the calorie intake decline. We provide causal evidence for such a food budget squeeze in the case of one type of non-food item, viz. expenditures on cooking fuel.

The Political Economy of the Maoist Conflict in India: An Empirical Analysis

- World Development---2015---Joseph Gomes

We study the Maoist/Naxalite conflict in India by constructing a comprehensive district-level database combining conflict data from four different terrorism databases to socioeconomic and geography data from myriad sources. Using data on 360 districts for three time periods, we find that land inequality and lower incomes are important factors behind the conflict. Exploiting the micro structure of the data we show that growth of incomes of Scheduled Tribes significantly decreases the intensity of the conflict. Finally, we show

that historical property rights institutions from colonial times that go back centuries affect present day conflict outcomes.

The Schubert Effect: When Flourishing Businesses Crowd Out Human Capital

- World Development---2015---Guido Friebel,Jibirila Leinyuy,Paul Seabright

We show that in family or household firms, credit constraints can make business investment a direct competitor to educational investment. We test this theory on data collected in Cameroon. Households that are not restricted by credit constraints invest more in education when demand for the product they produce and sell increases. However, credit-constrained households react in the opposite way: when demand increases, they invest less in education, as predicted by our theory. We obtain these results controlling for endogeneity of family size, of demand conditions, and credit constraints.

Aspects of Moral Change in India, 1990–2006: Evidence from Public Attitudes toward Tax Evasion and Bribery

- World Development---2015---M. Najeeb Shafiq

Observers have asserted that India's economic rise coincides with moral change. This study assesses some notable aspects of this claim by using public attitudes toward tax evasion and bribery as indicators of moral values. Using repeated cross-sectional data from the World Values Surveys, I find that tolerance for tax evasion and bribery grew relatively slightly from 1991 to 1996, and then increased rapidly from 2001 to 2006. Double-interaction regression models show tolerance converging by gender and religion, and tolerance diverging between the poor and non-poor. However, the regional patterns are complex. Finally, university educational attainment is associated with decreasing tolerance.

Acting on Climate Finance Pledges: Inter-Agency Dynamics and Relationships with Aid in Contributor States

- World Development---2015---Jonathan Pickering,Jakob Skovgaard,Soyeun Kim,J. Timmons Roberts,David Rossati,Martin Stadelmann,Hendrikje Reich

Developed countries have relied heavily on aid budgets to fulfill their pledges to boost funding for addressing climate change in developing countries. However, little is known about how interaction between aid and other ministries has shaped contributors' diverse approaches to climate finance. This paper investigates intra-governmental dynamics in decision-making on climate finance in seven contributor countries (Australia, Denmark, Germany, Japan, Switzerland, the UK, and the US). While aid agencies retained considerable control over implementation, environment and finance ministries have played an influential and often contrasting role on key policy issues, including distribution between mitigation and adaptation and among geographical regions.

Bentham or Aristotle in the Development Process? An Empirical Investigation of Capabilities and Subjective Well-Being

- World Development---2015---Carol Graham,Milena Nikolova

Life evaluations and emotional states are distinct subjective well-being (SWB) components. We explore the relationship between opportunities and SWB dimensions, distinguishing between actual capabilities and means (education, employment, and income) and perceived opportunities (autonomy and health perceptions and belief in hard work). We find a link between capabilities and SWB (particularly, life evaluations), which varies across world regions. Capabilities can be associated with stress and anger; and seem to matter the least for the happiest respondents. We also explore the determinants of the least studied well-being dimension: eudaimonia, or life purpose, which is an underlying objective of the development process.

Reducing Child Undernutrition: Past Drivers and Priorities for the Post-MDG Era

- World Development---2015---Lisa C. Smith, Lawrence Haddad

As the post-MDG era approaches in 2016, reducing child undernutrition is gaining high priority on the international development agenda, both as a maker and marker of development. Revisiting Smith and Haddad (2000), we use data from 1970 to 2012 for 116 countries, finding that safe water access, sanitation, women's education, gender equality, and the quantity and quality of food available in countries have been key drivers of past reductions in stunting. Income growth and governance played essential facilitating roles. Complementary to nutrition-specific and nutrition-sensitive programs and policies, accelerating reductions in undernutrition in the future will require increased investment in these priority areas.

Living Institutions: Sharing and Sanctioning Water among Pastoralists in Namibia

- World Development---2015---Michael Schnegg, Theresa Linke

Sanctions are often considered an important component of successful resource management. To govern water usage, pastoral communities in Namibia have specific sanctions at their disposal and yet these are almost never applied. Interestingly, this does not lead to a breakdown in water supply. To understand collective action in small communities it is important to take into account that people share multiple resources. Combining ethnography and network analysis we reveal that people cannot separate the sharing of water from the sharing of ancestries, food, and work. This discourages the application of formal sanctions while opening other means of maintaining institutional regimes.

Returns to Physical Capital in Ethiopia: Comparative Analysis of Formal and Informal Firms

- World Development---2015---Eyerusalem Siba

This paper investigates returns to capital in the formal and informal sectors in Ethiopia using parametric and semi-parametric regression techniques. Results show that there is a higher annual median return to capital in the informal sector (52–140%) than the formal sector (15–21%). However, informal firms might benefit from working formally as their capital stock gets larger. Marginal returns in the informal sector increase with: firm size, access to reliable markets, market uncertainty, and owners' labor supply. On the other hand, marginal returns to capital and overall profitability decrease with capital stock, contrary to the poverty trap hypothesis.

Political Settlements and Productive Sector Policies: Understanding Sector Differences in Uganda

- World Development---2015---Anne Mette Kjær

This article uses a political settlement framework to better understand why ruling elites support some productive sectors and not others. I focus on how ruling elites build and maintain their ruling coalition. I argue that promoting particular productive activities is favored when the relationship between ruling elites and the relevant industry actors is important for building and/or maintaining the ruling coalition. This was the case in the Ugandan dairy sector but not in the fisheries sector and with regard to advisory services reform where the original initiatives ran against the interests of powerful factions. These findings help to improve our knowledge about the political sources of sector differences.

Realizing the Right to Sanitation in Deprived Urban Communities: Meeting the Challenges of Collective Action, Coproduction, Affordability, and Housing Tenure

- World Development---2015---Gordon McGranahan

There are serious institutional challenges associated with low-cost sanitation in deprived urban communities. These include a collective action challenge, a

coproduction challenge, a challenge of affordability versus acceptability, and a challenge related to housing tenure. This paper examines these challenges, revealing both the importance of community-driven sanitation improvement and its difficulties. The nature of the challenges, and the means by which two successful community-driven initiatives have overcome them, suggest that while recognizing the human right to sanitation is important this should not be taken to imply that typical rights-based approaches are the appropriate means of realizing this right.

Market Access Conditions and Sub-Saharan Africa's Exports Diversification

- World Development---2015---Alessandro Nicita,Valentina Rollo

Despite some progress in the last decade, Sub-Saharan Africa's participation in the global economy remains generally limited and poorly diversified. Among the various reasons behind the lack of competitiveness of Sub-Saharan Africa exports, this paper analyzes whether changes in market access conditions affect export diversification. The findings of this paper indicate that market access conditions remain important and that the presence of trade relationships depends not only on favorable market access conditions but also on how these compare relative to foreign competitors. These results imply that freer trade within Sub-Saharan African countries could provide significant incentive to intra-regional trade.

Government Policy Responses to Financial Crises: Identifying Patterns and Policy Origins in Developing Countries

- World Development---2015---Eunyoung Ha,Myung-koo Kang

This paper investigates how three major political conditions—political constraint (imposed by veto players), government partisanship, and elections—have influenced the government responses to financial crises in 98 developing countries over the period 1976–2004. We

find that governments experiencing financial crises generally tightened their monetary and fiscal policies, but the extent of the tightening was considerably moderated by the presence of large political constraint (large and strong veto players), strong leftist partisan power in government, and upcoming legislative or presidential elections. We also find that fiscal policies are more considerably constrained by political conditions than monetary policies.

Lessons from Systematic Evaluation of Land Administration Systems. The Case of Amhara National Regional State of Ethiopia

- World Development---2015---Gebeyehu Belay Shibeshi,Helmut Fuchs,Reinfried Mansberger

Lessons from the evaluation of land administration systems are important to facilitate sustainable development. The Amhara National Regional State of Ethiopia has designed and is implementing a land administration system since 2003. In the study a systematic evaluation was conducted. During the evaluation process external factors, monitoring, and evaluation functions were considered. Individual landholders, land administration staff, land use committee members, professionals, and representatives of main stakeholder offices were involved in the evaluation process. The study revealed the major strengths and weaknesses of the Amhara region land administration system.

Mobile Phones and Farmers' Marketing Decisions in Ethiopia

- World Development---2015---Getaw Tadesse,Godfrey Bahiigwa

This paper examines the impact of mobile phones on farmers' marketing decisions and prices they receive based on household- and village-level information collected from rural Ethiopia. It explains the reason for the weak impact of mobile phones observed in this study as well as in previous studies in Africa. We argue that even though many farmers participate in information searching, the number of farmers who use mobile phones for information searching is very small. The

reason for such low use of mobile phones for information searching seems to be lack of relevant information that can be accessed through mobile phones.

Does Money Buy Credit? Firm-Level Evidence on Bribery and Bank Debt

- World Development---2015---Zuzana Fungáčová, Anna Kochanova, Laurent Weill

We combine information on bribery practices with firm-level accounting data to examine how bribery influences bank debt ratios for a large sample of firms in 14 transition countries. We find that bribery is positively related to firms' total bank debt ratios, which provides evidence that bribing bank officials facilitates firms' access to bank loans. This impact varies with the maturity of the bank debt, as bribery contributes to higher short-term bank debt ratios but lower long-term bank debt ratios. Finally, we find that the institutional characteristics of the banking industry influence the relation between bribery and firms' bank debt ratios.

Did Aid Promote Democracy in Africa? The Role of Technical Assistance in Africa's Transitions

- World Development---2015---Clark C. Gibson, Barak D. Hoffman, Ryan S. Jablonski

Did foreign aid impede or catalyze democratization in Africa in the 1990s? We argue that after the Cold War, donors increased their use of technical assistance in aid packages, improving their monitoring capacity and thus reducing autocrats' ability to use aid for patronage. To remain in power, autocrats responded by conceding political rights to their opponents—from legalizing opposition parties to staging elections. We test our theory with panel data for all sub-Saharan African countries. While other factors played pivotal roles in Africa's political liberalization, we find technical assistance helps to explain the timing and extent of Africa's democratization.

What Impact Does Microfinance Have on Rural Livelihood? A Comparison of Governmental and Non-Governmental Microfinance Programs in Bangladesh

- World Development---2015---Mohammed Shofi Ullah Mazumder, Wencong Lu

This paper analyzes the impact of different microfinance providers on basic rights and quality of life. Data were collected in two phases from 300 microfinance beneficiaries and 200 control respondents. Descriptive statistics, factor analysis, multiple regression, propensity score matching, and treatment effect models were used for analysis. Microfinance appears to increase the basic rights of respondents and help improve quality of life; the positive changes are consistently higher in non-governmental microfinance recipients. These data may help to formulate new policies that help to improve rural livelihood.

Unintended Consequences of Community-Based Monitoring Systems: Lessons from an HIV Prevention Intervention for Sex Workers in South India

- World Development---2015---Monica R. Bira-davolu, Kim M. Blankenship, Annie George, Nimesh Dhungana

Studies have examined whether community-based monitoring systems impact desired program outcomes, but few provide field-based evidence on the implementation process itself. This paper fills the gap using ethnographic data on the community-based monitoring tools developed by an HIV prevention NGO for sex workers in south India. The tool was well conceptualized, with potential to enhance community participation in program design. Yet, despite best intentions, our findings show that the quantification process undermined community ownership, discredited existing and locally informed sex work practices and, rather than empowering, monitoring became a means to discipline and judge sex worker peer educators.

Skills and Youth Entrepreneurship in Africa: Analysis with Evidence from Swaziland

- World Development---2015---Zuzana Brix-iová,Mthuli Ncube,Zorobabel Bicaba

The shortage of entrepreneurial skills has lowered search effectiveness of potential young entrepreneurs and the rate of youth start-ups. This paper contributes to closing a gap in the literature on entrepreneurship and development by developing a model of costly firm creation with skill differences between young and adult entrepreneurs. The model shows that for young entrepreneurs facing high costs of search for business opportunities, support for training is more effective in stimulating productive start-ups than subsidies. The case for interventions targeted at youth rises in societies with high costs of youth unemployment. We test the role of skills and training for youth entrepreneurship on data from a recent survey of entrepreneurs in Swaziland.

Effect of Certified Organic Production Systems on Poverty among Smallholder Farmers: Empirical Evidence from Kenya

- World Development---2015---Oscar I. Ayuya,Eric O. Gido,Hillary K. Bett,Job K. Lagat,Alexander K. Kahi,Siegfried Bauer

This study evaluates the effect of certified organic production on poverty in smallholder production systems. Data was collected from cross sectional survey of local market-oriented peri-urban vegetable and rural honey producers in Kenya. Poverty was measured using the multidimensional poverty methodology and endogenous switching probit model used to assess the effect of certified organic production on multidimensional poverty. Findings were that certified producers were less likely to be multidimensional poor compared to their counterfactual case of not participating in organic certification schemes. Additionally, noncertified producers would be less likely to be poor if they were to participate in organic certification production.

Finance and Growth for Microenterprises: Evidence from Rural China

- World Development---2015---Thorsten Beck,Liping Lu,Rudai Yang

Using a survey dataset of Chinese rural households, we find that access to external finance is positively associated with the decision to become entrepreneur and the initial investment for microenterprises. Also, we find that use of informal finance, especially financing from friends and family, is positively associated with sales growth of microenterprises with employees, but not of self-employed. We do not find any significant relationship between the use of formal finance and firm growth. Our findings underline the importance of finance for entrepreneurship and microenterprise growth, and the role of informal finance in the absence of efficient formal financial institutions.

Workfare as an Effective Way to Fight Poverty: The Case of India' s NREGS

- World Development---2015---Shamika Ravi,Monika Engler

This paper analyzes the impact of India' s National Rural Employment Guarantee Scheme (NREGS) on poor rural households. In particular, we study the impact of the program on food security, savings, and health outcomes. We have a panel data of 1,064 households from 198 villages of Andhra Pradesh, over two years. In the early stage of the program, several households that applied for work were denied employment due to shortage of work. We exploit this exogenous variation to calculate triple-difference estimates of the impact of the program. Our results indicate that the NREGS significantly increased the monthly per capita expenditure on food and non-food consumables. The program also improved food security by a significant reduction in the number of meals foregone by households per week. The program raised the probability of holding savings and reduced the incidence of depression among rural households.

India' s Struggle Against Malnutrition—Is the ICDS Program the Answer?

- World Development---2015---Monica Jain

Almost half of India' s children are stunted, endangering their life and human capital formation significantly. India' s only national program for combating widespread child malnutrition is Integrated Child Development Scheme (ICDS). Using DHS data from 2005 to 2006 on child-level participation in ICDS, I assess the impact of its flagship supplementary nutrition program on children' s physical growth. Using matching and difference-in-difference estimators, I find that girls 0-2years old receiving supplementary feeding intensely are at least 1cm (0.4 z-score) taller than those not receiving it in rural India. The estimates are similar for boys aged 0-2 but less robust.

Bread, Justice, or Opportunity? The Determinants of the Arab Awakening Protests

- World Development---2015---Matthew Costello,J. Craig Jenkins,Hassan Aly

What were the structural determinants of the recent Arab Awakening protests that engulfed the Arab world? We examine the economic and political grievances along with political opportunities. Time-series analysis of nonviolent and violent protests in 18 Arab-majority countries shows that “bread,” “justice,” and political opportunities mattered. State terror and political openness had the strongest effects. Cell phones facilitated nonviolent protest while mineral rents and monarchies discouraged violent protest. We find no support for a youth bulge or an effect of development. These protests diffused from Egypt and Tunisia with positive spillover for nonviolent protest and negative spillover from violent protest.

Financial Literacy among Working Young in Urban India

- World Development---2015---Sobhesh Kumar Agarwalla,Samir K. Barua,Joshya Jacob,Jayanth Varma

The working young in urban India exhibit inferior financial knowledge, inferior financial attitude, and superior financial behavior compared to their counterparts elsewhere. While both men and women require intervention to enhance their financial knowledge, focused intervention is needed to improve the financial attitude of men and the financial behavior of women. Living in a joint family impacts financial literacy negatively and consultative decision-making in families impacts it positively. The influence of these key aspects of Indian family life indicates the need to involve family members in financial literacy programs to improve financial decision making of families.

Does Commercial Microfinance Belong to the Financial Sector? Lessons from the Stock Market

- World Development---2015---Marie Brière,Ariane Szafarz

This paper is the first to draw a global picture of worldwide microfinance equity by taking full advantage of daily quoted prices. We revisit previous findings showing that investors should consider microfinance as a self-standing sector. Our results are threefold. First, microfinance has become less risky and more closely correlated with the financial sector. This convergence might be followed by a decline in the proportion of women borrowers. Second, microfinance and finance shares have equivalent currency exposure. Last, introducing a self-standing microfinance sector presents few diversification benefits. This paper confirms that microfinance has changed dramatically during the last decade.

Redesigning the Indian Food Security System through E-Governance: The Case of Kerala

- World Development---2015---Silvia Masiero

The link between e-governance and development has been widely leveraged for policy formulation in India, however, little is known about its application to food security. This paper fills the gap with a study of Kerala, where the Public Distribution System (PDS), the main national food security program, has been digitalized

in its main functions. Findings reveal that the digital program has been purposefully devised to combat the problem of diversion (“rice mafia”) of PDS goods to the market: however, issues of partial coverage and mistargeting remain. Lessons are drawn for other states computerizing the PDS and their social safety nets.

The Unintended Consequence of an Export Ban: Evidence from Benin’ s Shrimp Sector

- World Development---2015---Romain Houssa,Marijke Verpoorten

The inability of Benin to comply with EU standards led to a ban on its shrimp exports. We show that the ban had a negative impact on the income of fishmongers and fishermen, in the short run, but also several years after it was lifted. The impact persisted because exports to the EU did not revive and the local shrimp demand could not fully compensate for the loss of the EU market. A small number of local actors coped with the ban by moving out of the sector, but the large majority were locked in the local fishery sector.

Fair Enough? Food Security and the International Trade of Seafood

- World Development---2015---Frank Asche,Marc Bellemare,Cathy Roheim,Martin D. Smith,Sigbjørn Tveteras

Does international trade make all parties better off? We study the relationship between food security and the international trade of fish and seafood between developing and developed countries. Specifically, we look at and discuss the evolution of trade flows – values, quantities, and prices – between developing and developed countries. The picture that emerges suggests that the quantity of seafood exported from developing countries to developed countries is close to the quantity of seafood imported by developing countries from developed countries. What takes place is a quality exchange: developing countries export high-quality seafood in exchange for lower quality seafood.

When Assets are Vulnerabilities: An Assessment of Informal Recyclers’ Livelihood Strategies in Buenos Aires, Argentina

- World Development---2015---Kate Parizeau

In situations of protracted social inequality and poverty, many of the assets that low-income urbanites rely upon are precarious, and therefore may involve risks and vulnerabilities that undermine the sustainability of their livelihoods. This study investigates how the assets that informal recyclers (cartoneros) in Buenos Aires, Argentina rely upon may contribute to their vulnerability context, can require that they make trade-offs in other assets, and may be impacted by broader social and economic dimensions of vulnerability. The study finds that livelihood assessments could be enhanced through a conceptual recognition of the interplay between assets and vulnerabilities.

Revisiting the Modernization Hypothesis: Longevity and Democracy

- World Development---2015---Joannes Jacobsen

Modernization theory claims that changes in economic fundamentals, like e.g., income per capita and education levels, affect the political structure of a country in a causal way. As an important marker of development, life expectancy can also be conjectured to have a direct effect on political structures. In this paper, we estimate the impact of improvements in life expectancy on democracy. For the purpose of identification we use data from the international epidemiological transition to construct an instrument for life expectancy. We find a statistically and economically significant positive causal effect of improvements in life expectancy on democracy.

International Comovement of Economic Fluctuations: A Spatial Analysis

- World Development---2015---Miao Wang,M.C. Sunny Wong,Jim Granato

We consider the comovement of economic volatility across multiple countries. Using spatial models with

data from 187 countries over the period of 1960–2007, we find a strong spatial comovement of economic volatility. More interestingly, the effect of geographical proximity on economic volatility comovement is strongest during the period of international shocks (1973–86), but almost disappears over the globalization era (1987–2007). By way of contrast, the influence of trade relations in determining the comovement of economic volatility is significant over 1987–2007.

Does Political Activism and Affiliation Affect Allocation of Benefits in the Rural Employment Guarantee Program: Evidence from West Bengal, India

- World Development---2015---Upasak Das

The paper investigates prevalence of political clientelism in allocation of benefits under the rural employment guarantee program, currently implemented in India. Using survey data collected from some villages of West Bengal, it is found that households, which are politically active and supporters of the local ruling political party, are more likely to receive the benefits in terms of participation, number of days of work and earnings from the program. Qualitative evidence corroborates the findings. The study shows predominance of political favoritism under the program and lays emphasis on reducing rationing and enhancing awareness of the entitlements to curb this practice.

The Impact of Income and Non-Income Shocks on Child Labor: Evidence from a Panel Survey of Tanzania

- World Development---2015---Amarakoon Bandara,Rajeev Dehejia,Shaheen Lavie-Rouse

This paper investigates the impact of income and non-income shocks on child labor using a model in which the household maximizes utility from consumption as well as human capital development of the child. We also investigate if access to credit and household assets act as buffers against transitory shocks. Our results indicate significant effects of agricultural shocks on the child's overall work hours and agricultural work

hours, with higher effects for boys. Crop shocks also have significant adverse effects on school attendance, with girls experiencing a more-than 70% increase in the probability of quitting schooling. The results also indicate that access to a bank account has a buffering effect on the impact of shocks on child hunger. Having a bank account reduces both male child labor and household work hours of a girl child. While assets reduce working hours of girls, we do not find it having a significant effect on boys. We also do not see assets to act as a buffer against shocks.

Technological Change, Skill Demand, and Wage Inequality: Evidence from Indonesia

- World Development---2015---Jong-Wha Lee,Dainn Wie

This study provides empirical evidence of the impact that technological progress has on wage inequality in Indonesia. The share of educated workers and their skill premiums have recently increased. A supply–demand analysis, using labor force survey data during 1990–2009, shows that both the between- and within-industry shifts of labor demand that favored skilled workers contributed to the widening wage inequality since the early 2000s. Evidence from firm-level data in the manufacturing sector indicates that the diffusion of foreign technologies through imports and foreign direct investment caused demand to shift toward more skilled labor and increased wage inequality.

Mobilization, Participatory Planning Institutions, and Elite Capture: Evidence from a Field Experiment in Rural Kenya

- World Development---2015---Ryan Sheely

This paper examines the linkage between mobilization and elite capture in participatory institutions using a randomized experiment in Kenya. In the treatment group, an environmental organization mobilized individuals to attend a participatory local government planning meeting. Mobilization had a large and significant effect on citizen participation. Despite this effect, mobilization did not lead to increased adoption

of either the organization's preferred projects or the projects requested by citizens. Instead, the intervention changes the type of discrepancies observed in final allocations, indicating that elite control over planning institutions can adapt to increased mobilization and participation.

Social Preferences and Agricultural Innovation: An Experimental Case Study from Ethiopia

- World Development---2015---Bereket Kebede, Daniel Zizzo

We run an experiment in Ethiopia where farmers can use their own money to decrease the money of others (money burning). The data support the prediction from an inequality aversion model based on absolute income differences; but there is no support for an inequality aversion model based on comparison with mean payoff of others. Experimentally measured money burning on the village level is negatively correlated to real-life agricultural innovations. This result is robust even when data from another independent survey than the current research are used. This underscores the importance of social preferences in agricultural innovations in developing countries.

Aid Externalities: Evidence from PEPFAR in Africa

- World Development---2015---Melissa M. Lee, Melina Platas Izama

Do targeted aid programs have unintended consequences outside of the target issue area? We investigate this question with an examination of one of the largest targeted aid programs in the world: the President's Emergency Plan for AIDS Relief (PEPFAR). Critics of PEPFAR worry that a targeted program focusing on single diseases has a negative externality, in which the influx of massive amounts of target aid damages broader public health systems in countries that receive PEPFAR funds. Using a difference-in-differences identification strategy, we find statistical evidence that supports critics of targeted aid.

Revenue Substitution? How Foreign Aid Inflows Moderate the Effect of Bilateral Trade Pressures on Labor Rights

- World Development---2015---Sijeong Lim, Layna Mosley, Aseem Prakash

This paper investigates how foreign aid inflows moderate bilateral trade-based pressures on the exporting countries' labor rights. Because aid provides additional resources to recipient governments, it reduces the importance aid-recipient governments attach to the preferences of their export partners. Consequently, aid inadvertently moderates the leverage exercised by importing countries on the governments of exporting, developing countries. Our analysis of a panel of 91 aid recipient countries for the period 1985–2002 lends support to the “revenue substitution” hypothesis. When aid levels are low, bilateral trade-based pressures are associated with improved labor rights. As aid levels rise, however, the effect loses significance.

Reversing the Brain Drain: Is it Beneficial?

- World Development---2015---Syed Hussain

This paper investigates costs and benefits of calling back expatriates of a developing country. I employ a life cycle model with a rich and poor country with endogenous migration and return migration. Cost of bringing back a worker is the compensation that is paid to him while the benefit is the increased output because of his higher skill level and positive externalities, which are empirically estimated, from him resulting in higher skill levels for local workers. Results show that welfare gains are maximized when workers with skill levels 1.28 standard deviations above the domestic mean skill level are called back.

Fiscal Contracting in Latin America

- World Development---2015---Richard Bird, Eric M. Zolt

Latin America has long been characterized as a region of high income inequality. In recent years, however, many Latin American countries have seen a decrease

in income inequality and poverty levels and an increase in economic mobility. Fiscal policies have played a role in achieving these results. One important explanation for changing fiscal policies is the increasing economic and political role played by the growing middle class in shaping the level and quality of collective goods and services and the types of taxes and relative tax burdens to fund these expenditures. Through a process we call “fiscal contracting,” less unequal societies may be willing to pay more in taxes for expanded, relatively universal public services.

Yield Gap-Based Poverty Gaps in Rural Sub-Saharan Africa

- World Development---2015---Fred M. Dzanku,Magnus Jirström,Håkan Marstorp

Given Africa’s challenge of feeding a growing population, narrowing yield gaps is an efficient way of raising production under covariate constraints. Using household panel data from 21 regions in eight sub-Saharan African countries, this article unravels the determinants of yield gaps. It also tests the hypothesis that poverty gaps are increasing with yield gaps. The results suggest that yield gaps are increasing with cultivated area; that yield differences are reducing with fertilizer use, particularly when combined with improved seeds in low production potential regions; that poverty gaps are increasing with yield gaps, particularly in low production potential regions.

Only Mine or All Ours: Do Stronger Entitlements Affect Altruistic Choices in the Household

- World Development---2015---Utteeyo Dasgupta,Subha Mani

We introduce a novel allocation game to investigate the role of entitlements in household decision-making. Subjects can allocate their earnings on joint consumption good, or on gender-specific private consumption good. Subjects’ consumption choices are observed under two treatments: earning with effort, and earning without effort. Women’s choices for the joint consumption good in the household remain largely independent of

the treatment. In contrast, men exhibit a stronger preference for private consumption good in the effort treatment. Additionally, using a survey we find that the observed choices in the experiment are consistent with existing social norms in our subject population.

Ethnic Diversity and Social Capital in Indonesia

- World Development---2015---Dimitris Mavridis

This paper uses the variations of ethnic diversity between districts in Indonesia to show that diversity leads to lower social capital outcomes. I find that distinguishing between ethnic polarization and fractionalization matters for the results, as polarization has a larger negative effect. The results cannot entirely be attributed to selection on unobservables, and at least part of the relationship should be interpreted as causal. Finally, diversity seems to increase tolerance, despite its negative effect on other social capital variables such as trust, perceived safety, and participation to community activities, and voting in elections.

Intergenerational Earnings Mobility and Equality of Opportunity in South Africa

- World Development---2015---Patrizio Piraino

The paper estimates the degree of intergenerational earnings persistence in South Africa. Using microdata from the National Income Dynamics Study (NIDS), the paper finds that intergenerational earnings mobility in South Africa is low. Moreover, a limited set of inherited circumstances explains a significant fraction of earnings inequality among male adults. In particular, race is shown to play a significant role. The evidence provided for South Africa is consistent with the hypothesis that low levels of intergenerational mobility and equality of opportunity are characteristic of high-inequality emerging economies.

Policy Reform toward Gender Equality in Ethiopia: Little by Little the Egg Begins to Walk

- World Development---2015---Neha Kumar,Agnes Quisumbing

There is growing interest in how reforms in different policy areas can be formulated in order to be consistent in promoting gender equality and empowering women. We use data from the Ethiopian Rural Household Survey (ERHS) to show how two seemingly unrelated reforms—community-based land registration, undertaken since 2003, and changes in the Family Code implemented in 2000—may have created conditions that reinforce each other in improving gender equity. Our findings suggest that the land registration process and the reform of the Family Code had mutually reinforcing effects on women’s rights and welfare.

Female Labor Force Participation and Household Dependence on Biomass Energy: Evidence from National Longitudinal Data

- World Development---2015---Paul Burke, Guy Dundas

Air pollution from household biomass combustion is an important cause of poor health in developing countries. This study employs national-level longitudinal data for up to 175 countries during 1990–2010 and finds that female labor force participation is associated with reductions in household biomass energy use. Consistent with the “fuel stacking” model, higher incomes are linked to use of other types of energy by households, but not significantly associated with reductions in use of biomass energy. The results highlight the multifaceted nature of household energy transitions and suggest an avenue by which female empowerment can lead to improved health outcomes.

The Effect of Hydro-Meteorological Emergencies on Internal Migration

- World Development---2015---Juan Robalino, José Jimenez, Adriana Chacón

We estimate the effect of hydro-meteorological emergencies on internal migration in Costa Rica during 1995–2000. We find that, on average, emergencies significantly increase average migration. However, we also find that emergencies with the most severe consequences, those with loss of lives, decrease migration.

The severity of the consequences may explain the differences in the sign of the effect in previous research. We also find that emergencies significantly increase population in metropolitan areas. Less severe emergencies significantly increase migration toward metropolitan areas. More severe emergencies significantly decrease migration toward non-metropolitan areas.

Decentralization, Institutional Ambiguity, and Mineral Resource Conflict in Mindanao, Philippines

- World Development---2015---Boris Verbrugge

Based on an analytical framework that builds on theories of incremental institutional change, this article interrogates the relationship between decentralization and mineral resource conflict in the Philippines. Here, efforts to decentralize control over mineral resource wealth have resulted in a highly ambiguous institutional arena, wherein heterogeneous actor coalitions are attempting to influence trajectories of institutional change, and the associated distribution of mineral wealth. On the ground, this institutional renegotiation produces a diverse range of conflicts. Emerging on top of these institutional struggles are local elected politicians, which raises important concerns over elite capture of the decentralization process.

The Effects of Rwanda’s Biogas Program on Energy Expenditure and Fuel Use

- World Development---2015---Arjun Bedi, Lorenzo Pellegrini, Luca Tasciotti

Dependence on biomass to meet domestic energy needs raises several socio-environmental concerns. In contrast, cattle manure, which may be used to generate biogas, is considered a cleaner and cheaper energy source. Despite several initiatives to years of education promote biogas, systematic analyses of its effects are limited. This paper uses data from Rwanda to examine the effects of participating in a biogas program on energy-related expenditures and consumption of traditional fuels. We find evidence of substantial reductions in firewood use and large savings. However,

the attractiveness of the program is hampered by a long payback period and low rates of return.

The Dynamics of Co-Management and Social Capital in Protected Area Management—The Cardoso Island State Park in Brazil

- World Development---2015---Karla Sessin-Dilascio,Katrin Prager,Katherine N. Irvine,Paulo Antonio de Almeida Sinisgalli

Co-management, in combination with social capital, is expected to improve social-ecological outcomes in protected areas. This paper builds a model of how co-management and social capital are linked, and it investigates how they have changed over time. We emphasize that considering the temporal aspect is crucial for assessing co-management and social capital. The following factors were found to facilitate co-management: a Participatory Advisory Council as a negotiation arena that links with a community-based organization; rotating meeting location to encourage community involvement; a committed Park director and sufficient staff. A co-management process requires ongoing investment.

Does Poverty Trap Rural Malagasy Households?

- World Development---2015---Anne-Claire Thomas,Frédéric Gaspart

This paper contributes to the understanding of the persistently high poverty rates in rural Madagascar. It tests the existence of poverty traps thanks to a Markovian poverty transition model where past poverty is allowed to have either a slope or an intercept effect on the current poverty risk. An original and large household panel data survey covering the period 1996–2006 is used. Results clearly indicate that poverty is creating a vicious circle leading to a poverty trap. These results encourage the implementation of short-run poverty reduction policies including safety nets, cash transfers, cash for work, and short term credits.

Human Capital, Discrimination, and the Gender Wage Gap in Bangladesh

- World Development---2015---Salma Ahmed,Mark McGillivray

This paper investigates changes in the gender wage gap in Bangladesh over the period 1999–2009. The gap in average wages between men and women decreased by 31% over this period. This paper shows that a key driver of this change was an improvement in female educational qualifications. It also demonstrates that the gender wage gap across the wage distribution narrowed much more at the lower end of the wage distribution than at the upper end. It attributes this mainly to a decline in discrimination against women. Implications for policies aimed at more equal access to education and enforcement of equal pay legislation in Bangladesh are also identified.

Farming or Fighting? Agricultural Price Shocks and Civil War in Africa

- World Development---2015---Hanne Fjelde

This article links lower economic returns in the labor-intensive agricultural sector to a higher risk of armed conflict at the local level. It argues that income shocks, followed by rising unemployment and lower wages in the rural economy, facilitate rebel recruitment and strengthen civilian support for rebel movements. Focusing on Africa, the article introduces a location-specific measure of changes to the value of local agricultural output by combining sub-national crop production maps with data on movements in global agricultural prices. The results show that negative changes to the local agricultural price index significantly and substantially increase the risk of violent events.

Determinants of Empowerment in a Capability-Based Poverty Approach: Evidence from The Gambia

- World Development---2015---Sofia Trommlerová,Stephan Klasen,Ortrud Leßmann

Although empowerment is intrinsically important and instrumentally valuable to escape poverty, there is little research on its empirical drivers. Using household-level information and advanced econometric techniques that also address endogeneity issues, we examine what empowers individuals in The Gambia to change their own lives and to affect changes in their communities. We find that age, gender, marital status, nationality, economic activity, and health are important determinants of empowerment at both communal and individual levels. Self-reported capabilities and communal empowerment strongly affect respondents' desire to change things in their lives. Lastly, we find that men, foreigners, people in good health, and younger people report higher individual empowerment.

Optimal Weather Conditions, Economic Growth, and Political Transitions

- World Development---2015---Neila Cáceres,Samuel Malone

Studies that test the effect of economic outcomes on political transitions using weather variations as instruments have generally overlooked findings from climate science that economic output is a hill-shaped, rather than linear, function of temperature and precipitation levels. We design an improved set of instruments for growth based on this fact, and find that growth-maximizing temperatures coincide with levels that maximize energy sector output in the climate response literature. Previous studies significantly overestimate the increase in the probability of democratic transitions resulting from negative growth shocks, although we find leadership transition frequencies rise significantly following transitions to democracy.

Institutional Impact of Foreign Direct Investment in China

- World Development---2015---Cheryl Long,Jin Yang,Jing Zhang

We provide firm level empirical evidence that the presence of foreign direct investment (FDI) has positively affected the institutional quality of the host regions in

China. Specifically, Chinese domestic firms located in regions with a higher level of FDI tend to enjoy a lower level of tax and fee burdens, less arbitrariness in such burdens, as well as better legal protection. To address the potential issue of endogeneity, we adopt the instrumental variable approach. In addition, we explore the specific mechanisms through which the institutional impact is materialized and provide various extensions of the empirical findings that offer further support for the FDI-induced institutional improvement argument.

Unpacking Postharvest Losses in Sub-Saharan Africa: A Meta-Analysis

- World Development---2015---Hippolyte Affognon,Christopher Mutungi,Pascal Sanginga,Christian Borgemeister

Reducing postharvest losses (PHL) is a key pathway to food and nutrition security in sub-Saharan Africa. However, knowledge of PHL magnitudes is limited. A meta-analysis has been conducted to expose nature and magnitude of PHL, and the kinds of interventions that have been attempted to mitigate the losses. Findings reveal inadequacies of loss assessment methodologies that result in inaccurate PHL estimates. Moreover, losses are often economic rather than physical product losses. Overall, technologies for loss mitigation fail to address dynamics of supply chains. Consequently, rigorous PHL assessment using systematic methodologies, as well as holistic approaches for losses mitigation are in need.

Improving Identification of Demand-Side Obstacles to Schooling: Findings from Revealed and Stated Preference Models in Two SSA Countries

- World Development---2015---Jane Arnold Lincove

Efforts to expand primary education have shifted from a policy focus on supply (building schools) to demand-side policies. Human capital theory posits that common demand-side obstacles are high direct costs, opportunity costs, and low perceived benefits—constructs that are difficult to measure empirically. This study

compares strategies to estimate obstacles to schooling through revealed and stated preferences using similar household survey data from two Sub-Saharan African countries. The typical determinants of schooling model underestimates demand-side obstacles and gender differences, and additional useful information for theory testing and policy is derived from analyzing parents' stated preferences as well.

Heterogeneity of the Effects of Health Insurance on Household Savings: Evidence from Rural China

- World Development---2015---Diana Cheung, Ysaline Padieu

We estimate the impact of the New Cooperative Medical Scheme (NCMS) on household savings by income quartiles in rural China. We control for endogenous NCMS participation with an instrumental variable strategy using the China Health and Nutrition survey. We find that NCMS has a negative impact on middle-income savings but does not affect the poorest participants. NCMS also decreases richest participants' savings, when they do not benefit from other health programs. Thus, the implementation of a health care scheme appears to be an appropriate tool to lower savings and boost consumption and so sustain economic growth.

A “Time of Agric” : Rethinking the “Failure” of Agricultural Programs in 1970s Ghana

- World Development---2015---Alice Wiemers

Recent interest in a “new green revolution” in Africa has revived debate about state intervention in agricultural markets and biotechnology. These debates take for granted that the first wave of green revolution interventions in Africa failed to influence small-scale food farmers. This essay uses oral historical and documentary evidence from Ghana's Northern Region to revisit the evidentiary basis of this assessment. Tracing how the production of aggregate data and changing interpretive frameworks in the 1970s and 1980s allowed policymakers to ignore the experiences of farmers, the

essay advocates for the role of micro-historical analysis in assessing Africa's recent agricultural past.

The Entrepreneur Makes a Difference: Evidence on MSE Upgrading Factors from Egypt, India, and the Philippines

- World Development---2015---Aimée Hampel-Milagrosa, Markus Loewe, Caroline Reeg

In many low- and middle-income countries most micro and small enterprises (MSEs) struggle to upgrade into medium-sized and large enterprises. An extensive literature offers manifold explanations for the phenomenon but no conclusive answer on what the most important factors for MSE upgrading are: entrepreneur or firm characteristics; personal or business networks; or the business environment. On the basis of extensive empirical research conducted in Egypt, India, and the Philippines this article argues that the entrepreneur and the entrepreneur's coping strategies matter much more than what the recent literature on Doing Business indicators and the business environment would lead us to believe.

The Formation of Community-Based Organizations: An Analysis of a Quasi-Experiment in Zimbabwe

- World Development---2015---Abigail Barr, Marleen Dekker, Marcel Fafchamps

Previous analyses of the formation and composition of community-based organizations (CBOs) have used cross section data. So, causal inference has been compromised. We obviate this problem by using data from a quasi-experiment in which villages were formed by government officials selecting and clustering households. Our findings are as follows: CBO co-memberships are more likely between geographically proximate households and less likely between early and late settlers, members of female-headed households are not excluded, in poorer villages CBO co-membership networks are denser and, while wealthier households may have been instrumental in setting up CBOs, poorer households engage shortly afterward.

Growth, Growth Accelerations, and the Poor: Lessons from Indonesia

- World Development---2015---Sambit Bhat-tacharyya,Budy Resosudarmo

We study the impact of growth and growth accelerations on poverty and inequality in Indonesia using a new panel dataset covering 26 provinces over the period 1977–2010. This dataset allows us to distinguish between mining and non-mining in Indonesia. Growth in non-mining significantly reduces poverty and inequality. In contrast, overall growth and growth in mining appears to have no effect on the same. Growth acceleration in non-mining reduces poverty and inequality whereas the same in mining increases poverty. We expect that the degree of forward and backward linkages of mining and non-mining sectors explains the asymmetric result.

Does Diversity Impair Human Development? A Multi-Level Test of the Diversity Debit Hypothesis

- World Development---2015---John Gerring,Strom C. Thacker,Yuan Lu,Wei Huang

This study departs from extant work on diversity and development in several respects. Using DHS data from a large number of developing countries, we adopt four human development outcomes: child mortality, fertility, education, and wealth. We exploit evidence at multiple levels—country, subnational region, and district—and we measure diversity in a variety of ways. This unique approach reveals that although diversity may have negative ramifications on human development at national levels it is very unlikely to have these same effects at subnational levels.

Democracy, Financial Openness, and Global Carbon Dioxide Emissions: Heterogeneity Across Existing Emission Levels

- World Development---2015---Wan-Hai You,Hui-Ming Zhu,Keming Yu,Cheng Peng

The determinants of CO₂ emissions have attracted many researchers over the past few decades. Most of

studies, however, ignore the possibility that effect of independent variables on CO₂ emissions could vary throughout the CO₂ emission distribution. We address this issue by applying quantile regression methods. We examine whether greater democracy and more financial openness consistently reduce emissions among the most and least emission nations. Our results show that the effect of democracy on CO₂ emissions is heterogeneous across quantiles. Among the most emissions nations, greater democracy appears to reduce emissions, but more financial openness does not appear to reduce it.

The Impact of Private Food Standards on Developing Countries' Export Performance: An Analysis of Asparagus Firms in Peru

- World Development---2015---Monica Schuster,Miet Maertens

In this paper we analyze the impact of private food standards on the export performance of asparagus export firms in Peru. We use 18-year panel data from 87 firms and apply fixed effects and GMM models. We do not find any evidence that certification to private standards in general and to specific individual private standards, has an effect on firms' export performance, neither at the extensive margin nor at the intensive margin, and neither on export volumes nor on export values. Our case-study results imply that private standards do not act as a catalyst to trade.

Heterogeneous Effects of Preferential Trade Agreements: How does Partner Similarity Matter?

- World Development---2015---Juyoung Cheong,Do Won Kwak,Kam Ki Tang

This paper examines how dissimilarity of partner country characteristics affects the change in trade flows under a preferential trade agreement (PTA). Our results show that the more similar the partner countries are, the larger the increase in intra-bloc trade is under a PTA. Particularly, there is a substantial “development neighborhood premium”: the gain for developing countries from a PTA among themselves is about two and

a half times that from partnering with industrial countries. Our findings challenge the perception that by becoming more integrated with industrial countries, developing countries could automatically gain access to a much larger and lucrative export market.

What Do State-Owned Development Banks Do? Evidence from BNDES, 2002–09

- World Development---2015---Sergio G. Lazarini,Aldo Musacchio,Rodrigo Bandeira-de-Mello,Rosilene Marcon

Defendants of state-owned development banks emphasize their role in reducing capital constraints and fostering productive investment; detractors point out that they may benefit politically connected capitalists or bail out inefficient firms. We study the effect of loans and equity investments of the Brazilian National Development Bank (BNDES) and find that they do not have any consistent effect on firm-level performance and investment, except for a reduction in financial expenditures due to the subsidies accompanying loans. However, BNDES does not systematically lend to underperforming firms. Our results indicate that BNDES subsidizes firms that could fund their projects with other sources of capital.

Integrated and Participatory Analysis of Water Governance Regimes: The Case of the Costa Rican Dry Tropics

- World Development---2015---Christopher Kuzdas,Arnim Wiek,Benjamin Warner,Raffaele Vignola,Ricardo Morataya

We present a comprehensive analysis of water governance in Guanacaste, Costa Rica. Methods included interviews, workshops, and participatory processes. The study zooms in on water-related rules and regulations, people's actions, and the physical water system that people depend on. The results indicate complex governance problems and provide focal points for sustainable governance efforts. Focal points include: respecting scarcity and the limits of groundwater availability; building broad governance capacity; reconciling

disenfranchised rural groups; and supporting creative local leadership. The study asserts the need for combining critical governance analysis with transformational and solution-oriented research in support of sustainable water governance efforts.

Forest-Based Livelihoods Strategies Conditioned by Market Remoteness and Forest Proximity in Jharkhand, India

- World Development---2015---Brian Belcher,Ramadhani Achdiawan,Sonya Dewi

The study uses a novel method to investigate the role of forest proximity, market remoteness, and caste in determining household income, especially forest income, in an underdeveloped region of India. A high (>50%) proportion of total income is earned in cash. Forest products contribute substantially to total income, with fuelwood as the most important forest product. Proximity to forest is associated with higher forest incomes as expected, but remote villages do not have higher forest incomes or lower cash incomes than less remote villages. Higher off-farm income is associated with better road access and higher income households generally.

Participatory Democracy and Effective Policy: Is There a Link? Evidence from Rural Peru

- World Development---2015---Miguel Jaramillo,Glenn Daniel Wright

We examine the relationship between participatory democratic institutions and effective agricultural policy in rural Peruvian municipalities, using a unique quantitative dataset of 100 Peruvian municipalities at two points in time, allowing us to examine (a) bottom-up, grassroots participatory governance institutions, and (b) Peru's top-down participatory budgeting reform implemented in all Peruvian sub-national governments in the early 2000s. We find that voluntary participatory fora are strongly and significantly associated with more active and more effective agricultural policy. However, we find more ambiguous results when

examining Peru's mandatory participatory budgeting institutions, finding more active, but less effective agricultural policies after their implementation.

Long-Term Consequences of Colonial Institutions and Human Capital Investments: Sub-National Evidence from Madagascar

- World Development---2015---Frank-Borge Wietzke

This study from Madagascar exploits local variation in the timing and organization of colonial settlement and missionary education to distinguish long-run effects of colonial institutions and human capital. Results indicate that only colonial institutions had robust impacts on local economic outcomes. Analysis of transmission mechanisms suggests that these effects are explained by higher-quality property rights institutions, but not by persistence in economic activities like the production of cash crops. There are also indications that migration-induced human capital spill-overs from missionary areas contributed to superior outcomes in former settler districts.

Quantifying the Microeconomic Effects of War Using Panel Data: Evidence From Nepal

- World Development---2015---Margarita Pivarova,Eik Swee

The extensive coverage of household surveys in conflict regions in recent decades has fueled a growing literature on the microeconomic effects of war. In this paper, we use a unique panel dataset to quantify the impact of the Nepalese civil conflict on schooling attainment. Given longitudinal data, we are able to directly estimate unobserved individual heterogeneity and thus address selective wartime displacement. Despite the widely-held view that war is detrimental to human capital formation, we find no effect of war intensity on schooling attainment once unobserved individual heterogeneity is accounted for. We draw on supplementary data to explain our findings.

Monitoring Economic Development from Space: Using Nighttime Light and Land Cover Data to Measure Economic Growth

- World Development---2015---Souknilanh Keola,Magnus Andersson,Ola Hall

This study demonstrates estimations of economic activities on global, national, and subnational levels using remote sensing data, with a focus on developing economies. It extends a recent statistical framework which uses nighttime lights to estimate official income growth by accounting for agriculture and forestry which emit less or no additional observable nighttime light. The study argues that nighttime lights alone may not explain value-added by agriculture and forestry. By adding land cover data, our framework can be used to estimate economic growth in administrative areas of virtually any size.

Microcredit: Empowerment and Disempowerment of Rural Women in Ghana

- World Development---2015---John Kuumuori Ganle,Kwadwo Afriyie,Alexander Yao Segbefia

Microcredit for women is a commonly used strategy for women empowerment. Based on longitudinal qualitative research with rural women who are involved in an NGO-run micro-lending program in Ghana, this paper examines the empowerment effects of rural women's access to microcredit.

Membership has its Privileges – The Effect of Membership in International Organizations on FDI

- World Development---2015---Axel Dreher,Heiner Mikosch,Stefan Voigt

We argue that membership in specific international organizations (IOs) is an important determinant of foreign direct investment (FDI) inflows. To the extent that membership restricts a country from pursuing policies that are harmful to investors, it can signal reduced political risk. Using data over the 1971–2012 period, we find that membership in IOs does indeed increase

inflows of FDI. We find this effect to be substantively important and robust to controlling for alternative determinants of FDI, to using different model specifications and to using an indicator of membership in regional rather than global IOs.

Rainfall Shocks, Local Revenues, and Intergovernmental Transfer in Mali

- World Development---2015---Aly Sanoh

This paper explores the implications of rainfall shocks for municipal tax revenues and intergovernmental transfers in Mali. I found that exogenous phenomena such as weather, not under the control of local actors, could affect the way de facto decentralization plays out by influencing the fiscal capacity of local governments. In a panel data of 692 municipalities from 2000 to 2008, I found that rainfall shocks, through the fluctuations they induce in agricultural incomes, affect revenue collection of local governments, and in turn drive further revenues local governments receive through transfer by the central government.

Public Services and the Poor in Laos

- World Development---2015---Peter Warr,Jayant Menon,Sitthiroth Rasphone

Both cross sectional and panel methods of analysis for Laos confirm that for public education and health services, the poorest quintile groups receive the smallest shares of total provision of these services. Nevertheless, poor groups' shares of an increase in the level of provision—their marginal shares—are generally higher than these average shares. For primary and lower secondary education and for primary health centers, expanding the overall level of provision delivers a pattern of marginal effects that is significantly more pro-poor than average shares indicate and the degree to which the poor benefit increases with the level of provision.

Development Aid and Growth in Transition Countries

- World Development---2015---Zohid Askarov,Chris Doucouliagos

Empirical studies normally analyze diverse and heterogeneous groups of countries, producing very mixed evidence on the effectiveness of development aid in promoting growth. We focus on whether aid promotes economic growth in transitional economies. We find that aid, on average, has had a positive impact on growth for this specific group of countries. This result is robust to samples, estimators, and the use of alternate instruments to address endogeneity. Aid effectiveness is not conditional on good policy and there is little evidence of non-linear growth effects arising from aid.

Food Standards, Certification, and Poverty among Coffee Farmers in Uganda

- World Development---2015---Brian Chiputwa,David Spielman,Matin Qaim

Voluntary standards are gaining in importance in global markets for high-value foods. We analyze and compare impacts of three sustainability-oriented standards – Fairtrade, Organic, and UTZ – on the livelihoods of smallholder coffee farmers in Uganda. Using survey data and propensity score matching with multiple treatments, we find that Fairtrade certification increases household living standards by 30% and reduces the prevalence and depth of poverty. For the other two certification schemes, no significant impacts are found. Several factors that can explain differential impacts are discussed. Overly general statements about the effects of sustainability standards on smallholder livelihoods may be misleading.

Coping with the Upheavals of Globalization in the Shea Value Chain: The Maintenance and Relevance of Upstream Shea Nut Supply Chain Organization in Western Burkina Faso

- World Development---2015---Karen Rousseau,Denis Gautier,D. Andrew Wardell

Market globalization has had only a weak impact on the regional shea nut supply chain in western Burkina Faso despite the boom in the shea trade and the arrival of leading foreign firms. We show that despite the fact

that wholesalers have kept the shea chain locked in an oligarchic organization for the last 50 years, they still play an important role in the smooth functioning of the chain and in profit sharing down the chain to the rural poor. We suggest that development actors should consider shea traders and their role in the coordination of the chain more carefully.

Does Education Empower Women? Evidence from Indonesia

- World Development---2015---Shanika Samarakoon, Rasyad Parinduri

This paper examines whether education empowers women. We exploit an exogenous variation in education induced by a longer school year in Indonesia in 1978, which fits a fuzzy regression discontinuity design. We find education reduces the number of live births, increases contraceptive use, and promotes reproductive health practices. However, except for a few outcome measures, we do not find evidence that education improves women's decision-making authority within households, asset ownership, or community participation. These results suggest that, to some extent, education does empower women in middle-income countries like Indonesia.

Evaluating Impacts of Watershed Development Program on Agricultural Productivity, Income, and Livelihood in Bhalki Watershed of Bardhaman District, West Bengal

- World Development---2015---Nirupam Datta

Watershed development facilitates in reducing the vulnerability of farm income to weather-induced shocks in rain-fed lands in India. The present paper estimates homogeneous as well as non-homogeneous effects of watershed development on farmers demonstrating a huge discrepancy in estimated values between two. It shows that initial differences in resource endowments, access to formal credit, education level, and caste membership can result in inequalities in the impact of watershed development programs on targeted parameters. The analysis also establishes the sensitivity of the estimates

to the general level of multivariate imbalance as well as univariate imbalance in confounding covariates.

Balancing Skilled with Unskilled Migration in an Urbanizing Agricultural Economy

- World Development---2015---Thinh T. Nguyen, Hisamitsu Saito, Hiroshi Isoda, Shoichi Ito

In the early stages of economic development, the migration of unskilled workers contributes to labor-intensive manufacturing production. In middle-income countries, however, the migration of skilled workers becomes the more important factor in economic progress. Evaluating the skill content of migration patterns therefore is essential to understanding migration's economic implications. For this purpose, we investigate the determinants of skilled and unskilled migration decisions in Vietnam. Rural higher education is shown to promote knowledge-intensive production by encouraging skilled individuals to migrate to cities. In complementary fashion, commercial farm development helps alleviate urban overcrowding by encouraging unskilled individuals to remain at home.

Infrastructure Provision, Gender, and Poverty in Indian Slums

- World Development---2015---Priti Parikh, Kun Fu, Himanshu Parikh, Allan McRobie, Gerard George

We examine the relationship between infrastructure provision and poverty alleviation by analyzing 500 interviews conducted in serviced and non-serviced slums in India. Using a mixed-method approach of qualitative analysis and regression modeling, we find that infrastructure was associated with a 66% increase in education among females. Service provision increased literacy by 62%, enhanced income by 36%, and reduced health costs by 26%. Evidence suggests that a gender-sensitive consideration of infrastructure is necessary and that a 'one-size-fits-all' approach will not suffice. We provide evidence that infrastructure investment is critical for well-being of slum dwellers and women in particular.

Corruption and Market Competition: Evidence from Post-Communist Countries

- World Development---2015---Aboubacar Diaby, Kevin Sylwester

This paper empirically examines whether market competition is associated with greater bribe payments. We use firm-level data from the Business Environment and Enterprise Performance Surveys. Since market competition could be endogenous and some firms report zero bribes, we employ a tobit estimation methodology instrumenting for market competition. We find that greater market competition increases the amount of bribes paid. Results are robust across several measures of market competition. However, market competition is less strongly associated with bribes in the presence of other obstacles of doing business that could also lead to more bribes.

Income and Health in Tanzania. An Instrumental Variable Approach

- World Development---2015---Eleonora Fichera, David Savage

There is a substantial debate over the direction of the causal relation between income and health. This is important for our understanding of the health production process and for the policy debate over improving healthcare. We instrument income with rainfall measurements by matching satellite information on timing and positioning of 21 rainfall stations to longitudinal data (1991–94) of over 4,000 individuals in 51 villages in Tanzania. A 10% increase in income reduces the number of illnesses by 0.02. We also find that a 10% increase in income implies an increase of about 0.1 vaccinations of children under six.

The Role of Governance in Determining Foreign Aid Flow Composition

- World Development---2015---Matthew S. Winthers, Gina Martinez

We hypothesize that selective donors will use types of aid over which they have more control when providing

assistance to poorly governed countries. We use an original classification of project purpose codes in the AidData dataset to categorize aid flows from the period 2004 to 2010. Results from fixed effect and compositional data models provide evidence of selectivity in terms of overall aid flows, a tradeoff between technical assistance and programmatic lending, and a tradeoff between social sector and infrastructure projects.

Economic Inequality in the Arab Region

- World Development---2015---Nadia Belhaj Hassine

The paper assesses the levels and determinants of economic inequality in 12 Arab countries using harmonized household survey micro-data. It focuses on the sources of rural–urban, as well as metropolitan–nonmetropolitan, inequalities.

Intra-Household Resource Allocation under Negative Income Shock: A Natural Experiment

- World Development---2015---Khondoker Motaleb, Samarendu Mohanty, Ashok Mishra

Using households from coastal districts in Bangladesh, as a case, and applying the difference-in-difference estimation method, this paper demonstrates a gender-differentiated outcome of negative income shocks for education expenditures of households. The cyclonic disaster that reduced crop income substantially increased the demand for labor as well as wages for rebuilding damaged farms. This in turn increased the opportunity costs of boys' schooling, as reconstruction is a male-friendly sector. Consequently, parents withdrew their sons from school and engaged them in their households' repair work and/or in wage-earning activities. However, girls' schooling expenditure was unchanged in the affected farm and non-farm households.

Remoteness, Urbanization, and India's Unbalanced Growth

- World Development---2015---Samarjit Das, Chetan Ghate, Peter E. Robertson

The unbalanced nature of India's growth has caused considerable concern but little is known about its causes. We use a new data set of district-level income and socio-economic data to explore the determinants of transitional growth at the district level. We find that there is absolute divergence across districts but conditional convergence once we allow for district characteristics, particularly urbanization and the distance from a major urban agglomeration. State-level effects have also significantly contributed to India's unbalanced growth. The results suggest that while geography is important, policy differences may also account for much of India's uneven growth.

Domestic Market Integration and Regional Economic Growth—China's Recent Experience from 1995–2011

- World Development---2015---Shanzi Ke

This paper constructs an enhanced indicator for trade barrier and examines the endogenous relationship between market integration and regional economies across China from 1995 to 2011. Beyond the current literature, this study shows: the endogenous relationship is significant, reflecting a virtuous cycle; domestic openness contributes to the economies in the central region more than in the other regions; the feedback effect is stronger in the eastern and central regions than in the western and northeastern; domestic openness and regional economies are adversely affected by state-owned enterprises and government non-productive expenditure. Several policy implications relevant to Chinese economy are drawn from the findings.

Is Africa Actually Developing?

- World Development---2015---Alan King,Carlyn Ramlogan-Dobson

The results of previous time-series studies of the income convergence hypothesis indicate that practically no African economies are systematically closing their income gap with the rich world. This implies that almost the entire continent is not 'developing' in the literal sense of the term. We argue that this finding reflects

the assumptions of the discrete-break unit-root tests previously employed and the sample period chosen. We re-assess the hypothesis for 43 African economies using Fourier-type unit-root tests and find that as many as 18 are currently catching-up with the US. However, most only began to do so after the mid-1990s.

Flood-Induced Displacement and Civil Conflict

- World Development---2015---Ramesh Ghimire,Susana Ferreira,Jeffrey Dorfman

Large, catastrophic floods intensify environmental scarcity and can lead to mass displacement from affected areas. The sudden and mass influx of migrants could increase the risk of social tensions in receiving areas. In this paper, we analyze the impact of the displacement induced by large floods on civil conflict using historical data for 126 countries during 1985–2009. Our results suggest that while the displacement caused by large floods did not ignite new conflicts, it fueled existing conflicts. This effect was larger in developing countries and it receded with time, vanishing five years following the flood.

Co-location and Spatial Wage Spillovers in China: The Role of Foreign Ownership and Trade

- World Development---2015---Robert Elliott,Ying Zhou

This paper examines how wages in China are influenced by the interaction and co-location of firms across geographical space. Specifically, and with an emphasis on globally engaged firms and China's uneven growth across regions we use a spatial econometric approach to estimate the direct and indirect impact of foreign-ownership and export participation on wages. Spatial Durbin Model results reveal an indirect effect of foreign-ownership and exporting on the compensation of workers in co-located firms as well as evidence in support of the standard direct effect that foreign firms, exporters, and firms with a highly educated workforce pay higher wages.

Missing Links, Missing Markets: Evidence of the Transformation Process in the Economic Networks of Gambian Villages

- World Development---2015---Dany Jaimovich

The aim of this paper is to contribute to the empirical analysis of the transformation process in traditional rural societies using a network perspective. A unique database collected in 60 villages in rural Gambia is used to study the ways in which households with links outside the village (a proxy for market connections) behave in the locally available exchange networks for land, labor, inputs, and credit. The econometric results at different levels of disaggregation provide suggestive evidence of substitutability between internal and external economic interactions, particularly in the case of reciprocal exchanges.

Do Stronger Intellectual Property Rights Increase Innovation?

- World Development---2015---Cassandra Mehlig Sweet,Dalibor Eterovic

Do stronger intellectual property rights (IPR) increase innovation? Recent decades have seen a global transformation in IPR standards, underpinned by the theory that stronger IPRs spur increased incentives to innovate. This study tests the impact of ever more rigorous IPR systems on innovation through an index of economic complexity of 94 countries from 1965 to 2005. Our results confirm that stronger intellectual property systems engender higher levels of economic complexity. Nevertheless, only countries with an initial above-average level of development and complexity enjoy this effect.

How Absorptive Capacity is Formed in a Latecomer Economy: Different Roles of Foreign Patent and Know-how Licensing in Korea

- World Development---2015---Moon Young Chung,Keun Lee

Different from previous studies that tend to use in-house research and development (R&D) as a proxy

for absorptive capacity but fail to reveal the origins of this R&D ability, this paper attempts to determine the origin of absorptive capacity (AC) after defining such concept as the capability of a firm to conduct in-house R&D and to generate innovation outcomes. This paper distinguishes three forms of foreign technology acquisitions based on unique data from Korea, namely, know-how-only licensing, know-how-and-patent licensing, and patent-only licensing. An econometric analysis demonstrates that a firm tends to involve know-how licensing before it starts in-house R&D, whereas patent licensing is not significantly related to conducting R&D. Therefore, a substitution effect is found between foreign patent licensing and conducting in-house R&D, which is in contrast to the inducing effect of know-how licensing for in-house R&D. It is also found that conducting in-house R&D, and know-how licensing by a firm, respectively, is significantly related to a generation of innovations or patent applications in next periods. This study shows that a learning process that involves foreign technology, especially tacit knowledge in the form of know-how, occurs before firms can conduct in-house R&D and innovations.

Analysis of Adoption and Impacts of Improved Maize Varieties in Eastern Zambia

- World Development---2015---Makaiko Khonje,Julius Manda,Arega D. Alene,Menale Kassie,Menale Kassie Berresaw

This paper analyzes the adoption and welfare impacts of improved maize varieties in eastern Zambia using data obtained from a sample of over 800 farm households. Using both propensity score matching and endogenous switching regression models, the paper shows that adoption of improved maize leads to significant gains in crop incomes, consumption expenditure, and food security. Results further show that improved maize varieties have significant poverty-reducing impacts in eastern Zambia. The paper concludes with implications for policies to promote adoption and impacts of modern varieties in Zambia.

NGOs, States, and Donors Revisited: Still Too Close for Comfort?

- World Development---2015---Nicola Banks,David Hulme,Michael Edwards

Serious questions remain about the ability of NGOs to meet long-term transformative goals in their work for development and social justice. We investigate how, given their weak roots in civil society and the rising tide of technocracy that has swept through the world of foreign aid, most NGOs remain poorly placed to influence the real drivers of social change. However we also argue that NGOs can take advantage of their traditional strengths to build bridges between grassroots organizations and local and national-level structures and processes, applying their knowledge of local contexts to strengthen their roles in empowerment and social transformation.

Are Rainfed Agricultural Households Insured? Evidence from Five Villages in Vidarbha, India

- World Development---2015---Sarthak Gaurav

There are several studies on risk and insurance in village economies in the developing world. However, there is a lack of evidence for recent decades in spite of profound changes including structural transformation and widespread market liberalization in most regions. In this paper, I use primary panel data from five rainfed villages in a high-risk region of India and find evidence of considerable exposure as well as vulnerability to idiosyncratic and covariate risks. Further, there is significant wealth differentiated heterogeneity in vulnerability. The findings help identify the scope of public policy in improving risk management in rainfed agriculture.

The Role of Subsidization and Organizational Status on Microfinance Borrower Repayment Rates

- World Development---2015---Sugato Chakravarty,Mariya Pylypiv

We use multilevel analysis to examine the effect of different types of external funding (donations vs. subsidies) on microfinance institutions' borrower repayment rates. Using information on 947 MFIs over a 10-year period we find that private funding is positively related to MFIs' abilities to screen borrowers and to monitor borrower repayment rates. We also find that MFIs that have a higher proportion of private donor funds to public subsidies have lower rates of portfolios at risk, fewer delinquent loans, and that their overall portfolios are less risky. Finally, we find that diverse organizational structures have a distinct impact on MFI loan portfolios.

The Other Asian Enigma: Explaining the Rapid Reduction of Undernutrition in Bangladesh

- World Development---2015---Derek Headey,John Hoddinott,Disha Ali,Roman Tesfaye,Mekdim Dereje,Mekdim Dereje Regassa

Although South Asia has long been synonymous with persistent and unusually high rates of child undernutrition – the so called Asian Enigma – Bangladesh has managed to sustain a surprisingly rapid reduction in the rate of child undernutrition for at least two decades. We investigate this unheralded success through a regression and decomposition analysis of changes in child growth outcomes across five rounds of DHS surveys from 1997 to 2011. We find that rapid wealth accumulation and large gains in parental education are the two largest drivers of change, though health, sanitation, and demographic factors have played significant secondary roles.

Innovative Grassroots NGOS and the Complex Processes of Women' s Empowerment: An Empirical Investigation from Northern Tanzania

- World Development---2015---Mara J. Goldman,Jani S. Little

We argue that women' s empowerment is an ongoing, incremental, and relational process that occurs across scales and pathways. Using a contextualized mixed methods approach, we measure empowerment

processes unfolding across Maasai villages in northern Tanzania as related to the interventions of two innovative grassroots NGOs. Our results indicate increased personal agency in the household and increased political participation at the societal level as related to NGO involvement. Moreover, we show links between increased personal agency, and changes in beliefs regarding gender norms at the societal level. This highlights the transformative potential for change and the links across empowerment pathways.

Reprint of: Migration and Development Research is Moving Far Beyond Remittances

- World Development---2015---Michael Clemens, Çağlar Özden, Hillel Rapoport

Research on migration and development has recently changed, in two ways. First, it has grown sharply in volume, emerging as a proper subfield. Second, while it once embraced principally rural–urban migration and international remittances, migration and development research has broadened to consider a range of international development processes. These include human capital investment, global diaspora networks, circular or temporary migration, and the transfer of technology and cultural norms. For this special issue, we present a selection of frontier migration-and-development research that instantiates these trends.

A Global Assessment of Human Capital Mobility: The Role of Non-OECD Destinations

- World Development---2015---Erhan Artuc, Frédéric Docquier, Çağlar Özden, Christopher Parsons

Discussions of high-skilled mobility typically evoke migration patterns from poorer to wealthier countries, which ignore movements to and between developing countries. This paper presents, for the first time, a global overview of human capital mobility through bilateral migration stocks by gender and education in 1990 and 2000, and calculation of nuanced brain drain indicators. Building on newly collated data, we use a novel estimation procedure based on a pseudo-gravity

model. We identify key determinants of international migration, which we subsequently use to impute missing data. Non-OECD destinations account for one-third of skilled-migration, while OECD destinations are declining in relative importance.

Bringing It All Back Home – Return Migration and Fertility Choices

- World Development---2015---Simone Bertoli, Francesca Marchetta

Return migration exerts a wide-ranging influence upon the countries of origin of the migrants. We analyze whether returnees adjust their fertility choices to the norms that prevail in their previous countries of destination using Egyptian household-level data. Egyptian men migrate predominantly toward other Arab countries characterized by a higher number of children per woman. Relying on a two-step instrumental variable approach to control for the endogeneity of the migration decisions, we show that return migration has a positive and significant influence on marital childbearing.

Female Migration for Marriage: Implications from the Land Reform in Rural Tanzania

- World Development---2015---Yuya Kudo

Using the longitudinal household panel data drawn from rural Tanzania (1991–2004), this study investigates impacts of the land reform on women’s marriage-motivated relocation. During the period under study, several villages that initially banned a widow’s land inheritance abolished this discrimination. Taking a differences-in-differences approach, this study finds that the probability of males marrying in a village increased by altering its customary land inheritance rule in favor of widows. In the light of the traditional system favoring exogamous and patrilocal marriage, this finding indicates that females relocate at marriage in response to the favorable land tenure system at the destination.

The Feminization of International Migration and its Effects on the Children Left Behind: Evidence from the Philippines

- World Development---2015---Patricia Cortes

This paper explores the effects of a mother's migration on her children's well-being. I use children with migrant fathers as the main control group to separately identify the effects coming from remittances from those resulting from parental absence. Exploiting demand shocks as an exogenous source of variation in the probability that the mother migrates, I find suggestive evidence that children of migrant mothers are more likely to lag behind in school compared to children with migrant fathers. Controlling for remittances does not change this result, supporting the hypothesis that a mother's absence has a stronger detrimental effect than a father's.

Miserable Migrants? Natural Experiment Evidence on International Migration and Objective and Subjective Well-Being

- World Development---2015---Steven Stillman, John Gibson, David McKenzie, Halahingano Rohorua

We compare successful and unsuccessful applicants to a migration lottery in order to examine the impact of migration on objective and subjective well-being. The results show that international migration brings large improvements in objective well-being. Impacts on subjective well-being are complex, with mental health improving but happiness declining, self-rated welfare rising if viewed retrospectively but static if viewed experimentally, self-rated social respect rising retrospectively but falling experimentally and subjective income adequacy rising. We further show that these changes would not be predicted from cross-sectional regressions on the correlates of subjective well-being in either Tonga or New Zealand.

The Drivers of Diaspora Donations for Development: Evidence from the Philippines

- World Development---2015---Victoria Licuanan, Toman Omar Mahmoud, Andreas Steinmayr, Toman Barsbai

Using administrative data on donations channeled through the Commission on Filipinos Overseas, this paper explores which host and home country factors are associated with donations made by permanent migrants to the Philippines. On the host country side, donations increase with the income level of Filipinos and with the number of hate crimes against minorities. On the home country side, donations are not well-targeted. As donations mainly flow to provinces with high emigration rates, they do not reach less developed Philippine provinces. However, the diaspora is responsive to natural disasters and channels donations to provinces when they are hit by a typhoon.

Overshooting the Savings Target: Temporary Migration, Investment in Housing and Development

- World Development---2015---Slobodan Djajić, Alexandra Vinogradova

There are two seemingly competing branches of the literature on saving and duration-of-stay decisions of temporary migrants. One relies on the target-saving explanation and the other on utility maximization over a life cycle. We attempt to reconcile the two approaches within a framework where a migrant has a well-defined savings target (in planning to purchase a new home at origin) but also chooses the time of return and the consumption path to maximize lifetime utility. Our analysis highlights the role of property investment and savings repatriation in the relationship between temporary migration and development.

Forests, Livelihoods, and Conservation: Broadening the Empirical Base

- World Development---2014---Sven Wunder, Arild Angelsen, Brian Belcher

More than 10,000 years after the Agricultural Revolution started, millions of rural smallholders across the developing world may still derive as much income from foraging forests and wildlands as from cultivating crops. These steady environmental income flows come often from public forests, and are extracted by men and women alike. However, inflexible supplies from nature, the physical hardship of harvesting, and commonly low returns limit their role as safety nets and pathways out of poverty. While their harvesting does not preclude the ongoing conversion of wildlands to agriculture, privileged access to high-quality environmental resources can become a strong local conservation motive.

Environmental Income and Rural Livelihoods: A Global-Comparative Analysis

- World Development---2014---Arild Angelsen, Pamela Jagger, Ronnie Babigumira, Brian Belcher, Nicholas J. Hogarth, Simone Bauch, Jan Börner, Carsten Smith-Hall, Sven Wunder

This paper presents results from a comparative analysis of environmental income from approximately 8000 households in 24 developing countries collected by research partners in CIFOR's Poverty Environment Network (PEN). Environmental income accounts for 28% of total household income, 77% of which comes from natural forests. Environmental income shares are higher for low-income households, but differences across income quintiles are less pronounced than previously thought. The poor rely more heavily on subsistence products such as wood fuels and wild foods, and on products harvested from natural areas other than forests. In absolute terms environmental income is approximately five times higher in the highest income quintile, compared to the two lowest quintiles.

Safety Nets, Gap Filling and Forests: A Global-Comparative Perspective

- World Development---2014---Sven Wunder, Jan Börner, Gerald Shively, Miriam Wyman

In the forest-livelihoods literature, forests are widely perceived to provide both common safety nets to shocks

and resources for seasonal gap-filling. We use a large global-comparative dataset to test these responses. We find households rank forest-extraction responses to shocks lower than most common alternatives. For seasonal gap-filling, forest extraction also has limited importance. The minority of households using forests for coping is asset-poor and lives in villages specialized on forests, in particular timber extraction. Overall, forest resources may be less important as a buffer between agricultural harvests and in times of unforeseen hardship than has been found in many case studies.

Tenure and Forest Income: Observations from a Global Study on Forests and Poverty

- World Development---2014---Pamela Jagger, Martin Luckert, Amy E. Duchelle, Jens Lund, William D. Sunderlin

We explore the relationship between tenure and forest income in 271 villages throughout the tropics. We find that state-owned forests generate more forest income than private and community-owned forests both per household and per hectare. We explore whether forest income varies according to the extent of rule enforcement, and congruence (i.e., overlap of user rights between owners and users). We find negative associations between enforcement and smallholder forest income for state-owned and community forests, and positive associations for privately owned forests. Where user rights are limited to formal owners we find negative associations for state-owned forests. Overlapping user rights are positively associated with forest income for community forests. Our findings suggest that policy reforms emphasizing enforcement and reducing overlapping claims to forest resources should consider possible negative implications for smallholder forest income.

Challenging Perceptions about Men, Women, and Forest Product Use: A Global Comparative Study

- World Development---2014---Terry Sunderland, Ramadhani Achdiawan, Arild Angelsen, Ronnie Babigumira, Amy Ickowitz, Fiona Paumgarten, Victoria Reyes-García, Gerald Shively

This study uses a multi-case dataset to question current assumptions about the gender differentiation of forest product use. We test some of the commonly held ideas on how men and women access, manage, and use different forest products. Overall, we found significant gender differentiation in the collection of forest products, which seems to support the claim that there are distinctive “male” and “female” roles associated with the collection of forest products. However, we also found that men play a much more important and diverse role in the contribution of forest products to rural livelihoods than previously reported, with strong differences across tropical Asia, Africa, and Latin America.

Forest Clearing in Rural Livelihoods: Household-Level Global-Comparative Evidence

- World Development---2014---Ronnie Babigumira, Arild Angelsen, Maarten Buis, Simone Bauch, Terry Sunderland, Sven Wunder

This paper examines the factors that influence rural household decisions to clear forestland. We use a large dataset comprising 7172 households from 24 developing countries. Twenty-seven percent of sampled households had converted forest to agriculture during the previous 12 months, clearing on average 1.21 ha. Male-headed households with abundance of male labor, living in recently settled places with high forest cover, unsurprisingly tended to clear more, but regional peculiarities abounded. Households with medium to high asset holdings and higher market orientation were more likely to clear forest than the poorest and market-isolated households, questioning popular policy narratives about poverty-driven forest clearing.

Producing Woodfuel for Urban Centers in the Democratic Republic of Congo: A Path Out of Poverty for Rural Households?

- World Development---2014---Jolien Schure, Patrice Levang, K. Freerk Wiersum

Woodfuel is a renewable energy source with good potential for climate change mitigation. In the Democratic

Republic of Congo (DRC), the sector employs over 300,000 people for the supply of Kinshasa alone, but the benefits to the poor are often unknown. This paper analyzes the contribution of commercial woodfuel production to livelihoods and poverty reduction in the DRC. Woodfuel revenues, especially those of charcoal, contribute substantially to producers’ household income, ranging from 12% for fuelwood producers around Kisangani to 75% for charcoal producers around Kinshasa. It supports basic needs and investments in other livelihood activities (for 82% of charcoal producers and 65% of fuelwood producers), which helps to reduce poverty. The contribution of woodfuel commercialization to poverty reduction should be part of energy and forestry policies.

Shocks, Income and Wealth: Do They Affect the Extraction of Natural Resources by Rural Households?

- World Development---2014---Alejandro Lopez-Feldman

This paper examines the effects of household- and village-level characteristics on environmental reliance and participation in resource extraction decisions. Unlike previous analyses that used case studies or regional samples, I use a nationally representative sample of rural households: rounds I and II of the Mexico National Rural Household Survey (ENHRUM). Econometric results show that participation in resource extraction follows an inverted U-shaped relationship with income and that environmental reliance decreases with income. Beyond income, results show that relatively wealthy households in rural Mexico are less likely to participate in resource extraction and have lower reliance than those with less wealth. There is also clear evidence that natural resources provide some sort of insurance for households that are subjected to negative agricultural shocks.

Can Smallholders Engage in Tree Plantations? An Entitlements Analysis from Vietnam

- World Development---2014---Thomas Sikor, Jacopo Alessandro Baggio

Tree plantations have expanded rapidly at the global scale. This paper examines the possibilities for smallholders to engage in plantations as a potential means for poverty alleviation. The paper analyzes the possibilities through an empirical study of household tree growing in rural Vietnam, with a focus on differences in the capacities of households to gain land endowments and translate endowments into tree entitlements. Employing Heckman regression models and qualitative institutional analyses, the paper finds that better-off households are more likely to possess forestland, grow trees, and invest in plantations than poor ones. In addition, land, plantations, and investment tend to be larger for the better-off than the poor. Better-off households are in a better position to engage in tree plantations due to, among other factors, the institutional mechanisms differentiating household access to land and finance.

Are Forest Incomes Sustainable? Firewood and Timber Extraction and Productivity in Community Managed Forests in Nepal

- World Development---2014---Henrik Meilby, Carsten Smith-Hall, Anja Byg, Helle Overgaard Larsen, Øystein Juul Nielsen, Lila Puri, Santosh Rayamajhi

Lack of combined forest productivity and income studies means there is scant evidence for the sustainability of rural household-level forest incomes in developing countries. This study examines levels and patterns of forest increment, wood product extraction, and household-level incomes in three community managed forests in Nepal, using data from 240 permanent sample plots and a structured household survey conducted in 2006 and 2009 (n=507 and 558, respectively). We find that analyses of sustainability need to recognize the complexity of forest stand utilization, and that there is considerable scope, by altering how existing local forest management rules are implemented, for increasing rural household forest incomes while keeping harvesting levels sustainable.

Impacts of Protected Areas on Local Livelihoods in Cambodia

- World Development---2014---Tom Clements, Seng Suon, David S. Wilkie, E.J. Milner-Gulland

Impact evaluation methods (mixed effects models and matching) were used to investigate the effect of protected areas (PAs) on poverty and livelihoods in Cambodia, comparing households inside PAs with bordering villages and controls. There was no evidence that PAs exacerbated local poverty or reduce agricultural harvests in comparison with controls. Households bordering the PAs were significantly better off due to greater access to markets and services. Non-timber forest product (NTFP) collectors inside PAs were significantly better off than controls and had greater rice harvests, because they had more secure access to land and forest resources. The PAs in Cambodia therefore have some positive impacts on households that use forest and land resources for their livelihoods.

Have We Managed to Integrate Conservation and Development? ICDP Impacts in the Brazilian Amazon

- World Development---2014---Simone C. Bauch, Erin O. Sills, Subhrendu K. Pattanayak

Integrating conservation and development is central to the mission of many protected areas in the tropics, yet there is limited empirical evidence on the effectiveness of alternative strategies for ICDPs (Integrated Conservation and Development Projects). We evaluate an enterprise-based conservation strategy in a high-profile and well-funded ICDP in the Tapajós National Forest of Brazil. Using survey data from participating and non-participating households collected pre and post intervention, we find positive impacts on household income, but almost no discernible impacts on household assets, livelihood portfolios, or forest conservation.

Smallholder Specialization Strategies along the Forest Transition Curve in Southwestern Amazonia

- World Development---2014---Amy E. Duchelle, Angélica M. Almeyda Zambrano, Sven Wunder, Jan Börner, Karen A. Kainer

Rural specialization strategies can be examined within the forest transition framework. We compared smallholder livelihood strategies between neighboring southwestern Amazonian sites at different stages along the forest transition curve. Surveys of 243 households in Pando, Bolivia and Acre, Brazil, within and outside of two major protected areas, confirmed a higher reliance on forest-based income in forest-rich Pando than in Acre. In Acre, forest reliance was higher in the protected area than outside, where forest cover was lower and households were more livestock-dependent. Country context and protected area status were critical to explaining different smallholder specialization strategies in similar biophysical environments.

Impact of South–South FDI and Trade on the Export Upgrading of African Economies

- World Development---2014---Alessia Amighini, Marco Sanfilippo

We explore the impact of FDI and imports on the upgrading of African exports. We find that South–South flows impact differently from North–South ones on the ability of recipients to absorb the positive spillovers. Results support the view that South–South integration has a strong potential for accelerating structural transformation in the continent. South–South FDI foster diversification in key low-tech industries such as agro-industry and textiles, and raise the average quality of manufacturing exports, while importing from the South increases the ability to expand the variety of manufactured exports and to introduce more advanced goods in less-diversified economies.

Why there Should be No Political Foreign Aid Curse

- World Development---2014---Ceren Altincekic, David H. Bearce

This paper considers the causality underlying the so-called political aid curse, which proposes that foreign aid, like oil, should hinder democracy. Using a theoretical model which identifies repression and appeasement as the primary alternatives to democratization, it argues that aid revenue should not produce a political curse because it is less fungible, more conditional, and less constant than state oil revenue, making it difficult for recipient governments to use their aid to fund either repression or appeasement. Using several different measures associated with repression and appeasement, the statistical results show that aid cannot be associated with any of these dependent variables.

Evolution, Empowerment, and Emancipation: How Societies Climb the Freedom Ladder

- World Development---2014---Christian Welzel

This article presents a new theory of development that unifies disparate insights into a single framework, focusing on human empowerment—a process that emancipates people from domination. Historically, human empowerment on a mass scale started only recently because civilization matured late where natural conditions bestow an initial utility on freedoms that has been absent elsewhere (initiation thesis). However, globalization is breaking human empowerment free from its confinement to the initially favorable conditions (contagion thesis). Together, these and several other theses integrate into Evolutionary Emancipation Theory (EET). After unfolding EET, the article presents evidence in support of its major propositions.

The Blue Revolution in Asia: Upgrading and Governance in Aquaculture Value Chains

- World Development---2014---Stefano Ponte, Ingrid Kelling, Karen Sau Jespersen, Froukje Kruijssen

In this article, we examine the upgrading trajectories of selected aquaculture value chains in four Asian countries and the links between upgrading and three factors of value chain governance: coordination mechanisms; types of drivers; and domestic regulation. We find instances of improving products, processes, and value chain coordination—while “moving up” the value chain is rare. We also find that the type of value chain driver and the quality of the domestic regulatory framework are main facilitators of upgrading. We conclude by highlighting lessons on the potential, limits and risks of upgrading the “blue revolution” in Asia.

Popular Economy in Santiago de Chile: State of Affairs and Challenges

- World Development---2014---Thomas Bauwens, Andreia Lemaître

Do informal initiatives share a capitalist spirit of entrepreneurship? This article attempts to answer this question, using a “popular economy” analytical framework and focusing on the case of Chile. First, we present the context of the research, namely the economic and political evolutions in Chile since the 1970s and their effects on the popular economy. Then, we seek to answer the original question, relying on in-depth case studies of so-called “popular economy organizations”. Our research shows that their socio-economic logics significantly differ from those of the traditional capitalist firm. Our observations also suggest important differences between current and older initiatives.

Certification and Access to Export Markets: Adoption and Return on Investment of Organic-Certified Pineapple Farming in Ghana

- World Development---2014---Linda Kleemann, Awudu Abdulai, Mareike Buss

Global food markets demand adherence to food standards by farmers in developing countries, such as GlobalGAP and organic certifications. This paper analyzes the adoption and profitability of certified farming, using farm-level data of 386 Ghanaian small-scale pineapple

farmers. We employ an endogenous switching regression model to examine the adoption and impact of organic certification on the return on investment (ROI) in pineapple farming. The empirical results indicate that both organic and GlobalGAP certification achieve a positive ROI. However, organic-certified farming yields a significantly higher ROI than GlobalGAP-certified farmers, mainly due to the price premium on the organic market.

Voter Response to Conservation Policies in Madagascar

- World Development---2014---Christine M. Moser

International conservation groups pour millions of dollars into developing countries to help preserve resources and set conservation priorities, but critics argue that affected populations are often excluded from the decision-making process. In 2003 many in the international community praised the president of Madagascar for his pledge to more than triple the area under protection. This paper examines how voting patterns in the president’s re-election bid differed in communities affected by these policies. The results suggest less support for the president in regions with new protected areas but that these policies would be unlikely to change the outcome of an election.

Does International Health Aid Follow Recipients’ Needs? Extensive and Intensive Margins of Health Aid Allocation

- World Development---2014---Suejin A. Lee, Jae-Young Lim

Using OECD-DAC data covering 112 recipient countries for 1995–2011, this paper examines the responsiveness of health aid to the recipients’ needs in terms of infant mortality, child mortality, and HIV prevalence. This paper fills a gap in the literature by investigating extensive and intensive margins of health aid allocation patterns at project- and donor-levels. We find that when the health status of a recipient country deteriorates, the total value of health aid to the country increases due in large part to an increase in the number

of health aid projects and to an increase in the average aid value from each donor country.

Migration and Development Research is Moving Far Beyond Remittances

- World Development---2014---Michael Clemens, Çağlar Özden, Hillel Rapoport

Research on migration and development has recently changed, in two ways. First, it has grown sharply in volume, emerging as a proper subfield. Second, while it once embraced principally rural–urban migration and international remittances, migration and development research has broadened to consider a range of international development processes. These include human capital investment, global diaspora networks, circular or temporary migration, and the transfer of technology and cultural norms. For this special issue, we present a selection of frontier migration-and-development research that instantiates these trends.

Heterogeneous Demand for Drought-Tolerant Rice: Evidence from Bihar, India

- World Development---2014---Patrick Ward, David L. Ortega, David Spielman, Vartika Singh

Efforts to develop rice cultivars with drought tolerance (DT) traits have resulted in several varieties that demonstrate significant resilience to drought stresses. We employ discrete choice experiments to examine farmers' preferences for DT traits and explore heterogeneity in these preferences using primary data from Bihar, India. Results suggest that farmers value reductions in yield variability offered by DT paddy, but are willing to pay even more for seeds that offer yield advantages under normal conditions. We demonstrate that risk aversion and loss aversion not only significantly influence choice probabilities but also affect the way farmers value different seed attributes.

Multi-Domain Subjective Wellbeing of Two Canadian First Nations Communities

- World Development---2014---Shashi Kant, Ilan Vertinsky, Bin Zheng, Peggy M. Smith

This exploratory study analyzed the subjective wellbeing of people living on reserves in two Canadian First Nations communities. Community members themselves identified key domains of wellbeing and contributing factors, and helped specify models linking overall wellbeing, domains' satisfactions and contributing factors. Households' data collected through a structured questionnaire were used to estimate wellbeing models. The social, cultural, and land use (SCLU) domain was found to be the most important contributor to wellbeing, and SCLU factors contributed to all other domains'—Education, Employment, Income, Health, and Housing—satisfactions. The study opens new paths for exploring the local meaning of wellbeing.

On the Interplay of Actors in the Co-Management of Natural Resources – A Dynamic Perspective

- World Development---2014---Anke Fischer, Dereje Tadesse Wakjira, Yitbarek Tibebe Weldeemaet, Zelealem Tefera Ashenafi

Co-management of natural resources, i.e., management shared between multiple actors, has received increasing attention as it is seen to enhance sustainability of resource governance. However, there is little empirical research to date that examines the dynamics of the interplay between actors over time.

Does Affirmative Action Reduce Productivity? A Case Study of the Indian Railways

- World Development---2014---Ashwini Deshpande, Thomas E. Weisskopf

Our objective is to shed empirical light on a claim often made by critics of affirmative action policies: that increasing the representation of members of marginalized communities in jobs comes at the cost of reduced productive efficiency. We undertake a systematic empirical analysis of productivity in the Indian Railways—the world's largest employer subject to affirmative action—in order to assess whether higher proportions of affirmative action beneficiaries in employment have reduced efficiency in the railway system. We find no

evidence for such an effect; indeed, some of our results suggest that the opposite is true.

Rainfall Shocks and Within-Community Wealth Inequality: Evidence from Rural Ethiopia

- World Development---2014---Brian C. Thiede

Household-level impacts of environmental shocks are often negative, but may vary considerably due to heterogeneous vulnerability. This paper considers how differential vulnerability among households affects inequality within rural communities in Ethiopia. This study makes novel use of the Demographic and Health Surveys (DHS) and a NASA agro-climatology dataset. Results show that rainfall deficits have an equalizing effect on within-community livestock inequality in parts of Ethiopia, but regional differences are observed. A non-significant effect is observed with respect to asset inequality. As an initial study on this topic, this paper outlines an agenda for future data collection and analysis efforts.

Aiding and Abetting: Project Aid and Ethnic Politics in Kenya

- World Development---2014---Ryan C. Briggs

I analyze a unique dataset of sub-national resource allocations in Kenya from 1989 to 1995 and show that project aid and local funds were disproportionately directed to the president's political base. Per-donor analyses of aid flows show that bilateral donors and the African Development Bank were most likely to skew their aid to the president's base. Kenya's autocratic leader was able to exercise strong political influence over the location of many aid projects, even under unfavorable circumstances. While disbursing aid as projects may have ensured better accounting of funds, it did little to prevent aid from becoming patronage.

Women's Participation in Community-Level Water Governance in Urban India: The Gap Between Motivation and Ability

- World Development---2014---Priyam Das

Efforts by international development agencies to design gender-sensitive projects have sharpened their focus on women's participation in community-level water governance. In some cases, such goals have enhanced women's self-confidence and developed their skills despite having negligible impact on project outcomes. In others, they have simply been reduced to tokenism. This paper analyzes community-managed water supply projects for the urban poor in Madhya Pradesh, India, to provide a better understanding of the gap between women's motivation to participate and their ability or agency to do so. It highlights how bridging this gap could be pivotal in strengthening women's role in water governance.

Does Welfare Enable Family Expenditures on Human Capital? Evidence from China

- World Development---2014---Qin Gao,Fuhua Zhai,Sui Yang,Shi Li

Using the national China Household Income Project 2007 urban survey data and a propensity score matching method, this article investigates whether welfare receipt helped enable low-income families to spend more on human capital. We find that welfare recipient families prioritized spending in health and education relative to their non-recipient peers. Welfare particularly helped poor families afford medical care, medicine, tuition and fees for noncompulsory education, private tutoring for children, and purchasing of textbooks. We find some evidence that welfare helped recipient families pay for maintenance fees for their residence, but receiving welfare also deterred families from having leisure activities.

Process and Pattern in Institutional Reforms: A Case Study of the Police Pacifying Units (UPPs) in Brazil

- World Development---2014---Graham Denyer Willis,Mariana Mota Prado

This paper explores the importance of processes in institutional change and the relationship between processes and patterns of change. Using an ongoing case

of police reform in Rio de Janeiro, the police pacification units (Unidades de Polícia Pacificadora) as an illustration, we develop two claims. First, the concept of reflective planning, developed by urban planning scholars, may help development scholars understand processes of institutional change. Second, some patterns, such as the institutional bypass, when combined with particular processes, such as reflective planning, may reinforce each other and further the objectives of reform processes.

Women' s Education: Harbinger of Another Spring? Evidence from a Natural Experiment in Turkey

- World Development---2014---Mehmet Alper Dincer,Neeraj Kaushal,Michael Grossman

We use Turkey' s 1997 Education Law that increased compulsory schooling from 5 to 8 years to study the effect of education on women' s fertility and empowerment. Using an instrumental variables methodology, we find that a 10 percentage-point increase in the proportion of ever-married women with eight-years of schooling lowered pregnancies by 0.13 per woman; increased the proportion paying an antenatal-visit during the first trimester by 6 percentage points; using contraceptives by eight points and with knowledge of the ovulation cycle by five points. There is weak evidence that schooling decreased child mortality; no evidence that it changed attitudes toward gender inequality.

Are Rural Youth in Ethiopia Abandoning Agriculture?

- World Development---2014---Sosina Bezu,Stein Holden

This study examines current land access and livelihood choices of rural youth in Southern Ethiopia. We found that youth in rural south have limited access to agricultural land because of land scarcity and land market restrictions. We hypothesize that this forces the youth to abandon agriculture in search of other livelihoods. Our study shows that only 9% of the rural youth plan to pursue agriculture as their livelihood.

We also found a sharp increase in youth outmigration in the past six years. Our econometric analyses confirm that lack of land access is forcing the youth away from an agricultural livelihood.

Escalation of Real Wages in Bangladesh: Is it the Beginning of Structural Transformation?

- World Development---2014---Xiaobo Zhang,Shahidur Rashid,Kaikaus Ahmad,Akhter Ahmed

Using data from multiple sources, we show that the real wages in Bangladesh, particularly in rural areas and for female workers, have accelerated in recent years. Real wage escalation is likely the result of a combination of more job opportunities in the nonfarm sector, especially in the manufacturing sector, and a greater inflow of remittances, primarily from unskilled male workers overseas. Since physical labor is the most important asset for the poor, the escalation in real wages has boosted the poor' s earnings, helping them improve their livelihood and escape poverty.

Firm Level Determinants of International Certification: Evidence from Ethiopia

- World Development---2014---Mahelet G. Fikru

This paper investigates a wide range of plausible determinants of international certification (IC) in Ethiopia. While past studies focus on the effect of international laws, the findings of this paper suggest that domestic pressure and firm capability are also equally important. Besides export orientation, we find international connectivity, sources of finance such as credit from local banks or local customers, and manager' s human capital as significant determinants of IC. Once such factors are controlled for, firm size, sector, and nationality of owner, appear not to matter. Furthermore, we find that certification may not necessarily enhance business performance in the short run.

How Institutions Mediate the Impact of Cash Cropping on Food Crop Intensification: An Application to Cotton in Sub-Saharan Africa

- World Development---2014---Véronique Thériault, David L. Tschirley

It is widely agreed that smallholder-led agricultural growth would contribute most to improved food security and reduced poverty. Yet, how to achieve broader and more sustainable access by smallholder farmers to productivity-enhancing inputs for food crop production remains a largely unsolved riddle. In light of the great institutional diversity across cotton sectors in Sub-Saharan Africa, this study investigates whether cotton can be used to spur the intensification of smallholder food production. First, a conceptual framework linking cotton institutional structures to food crop intensification is developed. Then, predictions from the conceptual framework are compared with empirical evidence from different countries.

Impact of Information and Communication Technology-Based Market Information Services on Smallholder Farm Input Use and Productivity: The Case of Kenya

- World Development---2014---Sylvester Ochieng Ogutu, Julius Juma Okello, David Jakinda Otieno

Information asymmetry has traditionally constrained smallholder farmers' access to markets, consequently limiting their adoption of modern technologies and farm productivity. Improved smallholder farmers' access to markets via the recent Information and Communication Technology (ICT) platforms has the potential to reverse this scenario. This study uses Propensity Score Matching (PSM) technique to evaluate the impact of an ICT-based market information services (MIS) project on farm input use and productivity in Kenya. It finds a positive and significant impact of the intervention on the use of seeds, fertilizers, land, and labor productivity. However, a negative impact on labor usage is found.

Contract Enforcement and Investment: A Systematic Review of the Evidence

- World Development---2014---Diego Aboal, Nelson Noya, Andrés Rius

This “systematic review” focuses on the empirical research that evaluates the causal link between contract enforcement and investment. The evidence available in a variety of academic media, reviewed with established procedures, provides some but weak support for the existence of such link. During 1990–2010 we only found 19 independent studies that empirically test the relationship, and only one that directly examines the effects of an actual institutional reform. Few of the studies test alternative explanations, perform robustness checks, or critically assess the findings. In sum, the broadly accepted hypothesis of direct causation is still awaiting strong empirical backing.

Does Trade Liberalization Promote Regional Disparities? Evidence from a Multiregional CGE Model of India

- World Development---2014---Athula Naranpanawa, Rashmi Arora

Over last few decades, there has been a growing interest among researchers in understanding the link between trade liberalization and regional disparities within the context of an individual country. In this study, we develop the first ever single-country multiregional Computable General Equilibrium (CGE) model for the Indian economy to investigate this linkage. Overall our results suggest that, in the short run, trade liberalization has a beneficial impact on the rich and fast-growing middle-income states and a marginal or negative impact on the poor states.

Competition for Export Markets and the Allocation of Foreign Aid: The Role of Spatial Dependence among Donor Countries

- World Development---2014---Fabian Barthel, Eric Neumayer, Peter Nunnenkamp, Pablo Selaya

We account for competition for export markets among donor countries of foreign aid by analyzing spatial dependence in aid allocation. Employing sector-specific aid data, we find that the five largest donors react to aid giving by other donors with whom they compete in terms of exporting goods and services to a specific recipient country at both stages of their allocation of aid for economic infrastructure and production sectors. By contrast, evidence for export competition driving aid allocation is lacking for more altruistic donors and for aid in social infrastructure.

FDI Spillovers and Industrial Policy: The Role of Tariffs and Tax Holidays

- World Development---2014---Luosha Du,Ann Harrison,Gary Jefferson

This paper examines how industrial policy – specifically tariff liberalization and tax subsidies – affects the magnitude and direction of FDI spillovers. We examine these spillover effects across the diverse ownership structure of China’ s manufacturing sector for 1998 through 2007. We find that tariff reforms, particularly tariff reductions associated with China’ s WTO ascension, increased the productivity impacts of FDI’ s backward spillovers. Tax policy – both corporate income and VAT subsidies – has seemingly drawn FDI into strategic industries that spawn significant vertical spillovers. We conclude that liberalization measures during the critical 1998–2007 period on balance served to enhance productivity growth in Chinese industry.

Inequalities in Universal Health Coverage: Evidence from Vietnam

- World Development---2014---Michael Palmer

Exploiting a window of opportunity in Vietnam, this paper examines the impact of social health insurance on target population groups. Significant inequalities in the coverage of service utilization and financial protection are found across groups. Persons with disabilities, and retirees to a lesser extent, experienced relatively high rates of service utilization and were most at risk of

health care-induced poverty. A higher level of targeting in the design of benefit packages is recommended.

The Impact of Common Property Right Forestry: Evidence from Ethiopian Villages

- World Development---2014---Dambala Gelo,Steven Koch

We use inverse probability weighting to examine the effects of a unique two-pronged common-property forestry program in the Gimbo district of Ethiopia, which includes Joint Forestry Management and improved non-timber forest product marketing efforts. The program was found to have affected household access to agricultural land, and, thus, reduced livestock holdings, due to program strictures. Furthermore, despite those reductions, there is evidence that the program had economically significant effects on other activities. Households were able to increase their earnings from non-timber forest products, partly due to an increased labor allocation toward non-timber forest product collection.

Caste Comparisons in India: Evidence From Subjective Well-Being Data

- World Development---2014---Xavier Fontaine,Katsunori Yamada

This paper evaluates how caste influences economic comparisons in India. Using happiness data from an original panel survey, we find that both within-caste comparisons and between-caste comparisons reduce well-being. Between-caste comparisons reduce well-being three times more than within-caste comparisons. In absolute terms, an increase in rival caste expenditures affects well-being as much as primary expenditure. These findings highlight the strong influence that comparisons between rival castes have on well-being. Yet this comparison scheme turns out to be asymmetrical: only low-caste individuals are affected by the economic successes of their rivals, whereas only higher-caste individuals compete with their fellows.

Why Worry About the Politics of Childhood Undernutrition?

- World Development---2014---Nicholas Nisbett, Stuart Gillespie, Lawrence Haddad, Jody Harris

Undernutrition affects over 2 billion people; but most of the global policy focus has been on technical solutions rather than an understanding of nutrition politics. This paper reviews existing literature on nutrition politics and policy. We identify a number of recurring themes surrounding knowledge; politics, and capacities. While the literature on nutrition politics and policy is growing; we demonstrate how there are a number of gaps in our understanding that might be addressed from wider development scholarship on politics and related issues such as power and the state, participation, and accountability.

Does it Pay to Deliver? An Evaluation of India's Safe Motherhood Program

- World Development---2014---Shareen Joshi, Anusuya Sivaram

The paper evaluates an Indian maternal conditional cash transfer scheme. Launched in 2005, the program gives women cash transfers for receiving maternal and child health care services. Data are drawn from India's District Level Household Survey to evaluate the program's impact. Results indicate that the program had a limited overall effect: relative to the broader population, the targeted population experienced a 3 percentage point increase in medically supervised births, but no increase in ante-natal or post-natal care. We do however, find evidence of heterogeneity of impact. Women without any formal education and women in rural areas experience disproportionate gains.

Are Poor People Less Happy? Findings from Melanesia

- World Development---2014---Simon Feeny, Lachlan McDonald, Alberto Posso

Measures of happiness are increasingly being used to inform development policy. This is particularly true in Melanesia where linkages between income and life satisfaction can be weak due to the dominance of semi-subsistence lifestyles. This paper examines the happiness of households in two Melanesian countries: Solomon Islands and Vanuatu. The focus is on whether the poor are less happy. Findings indicate that wealth, increases in earnings, relative wealth, employment, and living on communally owned land are positively associated with happiness. Household size and food insecurity have a negative association. There is also strong support for poor households being less happy.

Can Microfinance Reach the Poorest: Evidence from a Community-Managed Microfinance Intervention

- World Development---2014---Jonas Helth Lønborg, Ole Dahl Rasmussen

Reaching the poorest is an important objective in many development interventions, and microfinance is no exception. We review performance indicators for effectiveness of targeting described in the literature and suggest a new metric in order to account for extent and severity of poverty as well as the income distribution among the poor. When applying this to a panel dataset from a community-managed microfinance intervention in Northern Malawi, we find regressive targeting: Participants are less poor than the general population in the area. In addition, we provide suggestions as to when and why the poor exit the project.

From State to Market: Private Participation in China's Urban Infrastructure Sectors, 1992-2008

- World Development---2014---Yanlong Zhang

Public-private partnership (PPP) has gained popularity during the market-oriented reforms in China's urban infrastructure sectors. This paper explores how city characteristics, spatial pressures, and other institutional forces condition the extent of liberalization

reforms in local infrastructure markets. The findings advance the policy diffusion literature by suggesting that the different diffusion mechanisms not only function independently, but also moderate each other's effects under certain conditions. Specifically, this research finds that the effects of peer pressure undermine the effects of spatial exposure, and the influence of provincial government reduces the effectiveness of peer pressure and epistemic influences.

Lessons from an Integrated Community Health Education Initiative in Rural Laos

- World Development---2014---Lauren Crawshaw,Sonia Fèvre,Lampheuy Kae-sombath,Bounlerth Sivilai,Sayvisene Boulom,Fongsamouth Southammavong

This mixed-methods study examines annual community events promoting integrated health in Laos using an Ecohealth approach. A Knowledge, Attitudes, and Practices survey of 218 rural households indicated that attendees valued “Community Health Days” and had greater recall of human health topics, but not of animal or environmental health topics, than non-attendees. The survey and organizational observations suggested that such events are opportunities for multi-sector collaboration in the region, yet delivery may be enhanced by refining the vision, topics, and facilitator roles. Research on transdisciplinary education programs is limited, so this study could inform similar initiatives about potential directions and challenges.

Credit-Based Payments for Ecosystem Services: Evidence from a Choice Experiment in Ecuador

- World Development---2014---Matthew Cranford,Susana Mourato

The original conceptualization of payments for ecosystem services (PES) promoted direct payments to motivate the provision of environmental public goods, but market imperfections and behavioral considerations can mean that PES that reduce market constraints are preferred. The main issue with the latter is how to include conditionality. We propose credit-based

PES (CB-PES) as an incentive that links an environmental condition with the reduction of a key market constraint. Through a choice experiment in Ecuador, CB-PES was found to be a promising form of PES, with multiple desirable qualities of an incentive as cited in the behavioral economics and PES literatures.

The Elusive Quest for Supply Response to Cash-Crop Market Reforms in Sub-Saharan Africa: The Case of Cotton

- World Development---2014---Claire Delpeuch,Antoine Leblois

Empirical evidence from comparative studies on the impact of structural adjustment on Sub-Saharan African agricultural performance remains largely inconclusive. To illuminate this debate, we estimate the impact of liberalization on productivity, acreage, and production while controlling for potential sources of supply response variation, notably the pace and depth of reforms, the nature of pre-reform policies, and weather. We find that the impact of reforms varied both with the degree of liberalization and pre-reform policies: the clear positive impact on productivity was stronger in East and Southern Africa, especially where competition increased most. The impact on cultivated areas and production is less clear.

Gender, Ethnicity, and Cumulative Disadvantage in Education Outcomes

- World Development---2014---Emcet Tas,Maira Emy Reimão,Maria Beatriz Orlando

This paper studies the impact of gender and ethnicity on educational outcomes in Bolivia, Mexico, Peru, Senegal, and Sierra Leone, using the Integrated Public Use Microdata Series-International (IPUMS-I) database. Using an estimation method analogous to difference-in-differences, the paper finds that gender-based differences in literacy, primary school completion, and secondary school completion are larger for minority ethnic groups compared to others, or ethnicity-based differences are larger for women compared to men. The findings suggest that the intersection of gender and

ethnicity confers cumulative disadvantage for minority groups, especially in Latin American countries, with implications on the design of development programs.

Non-Farm Activity, Household Expenditure, and Poverty Reduction in Rural Vietnam: 2002–2008

- World Development---2014---Trung Hoang, Cong Pham, Mehmet Ulubasoglu

Diversifying into non-farm activities has been suggested as an effective way out of poverty for rural households in developing countries. Using the Vietnamese Household Living Standards Surveys of 2002, 2004, 2006, and 2008, we test this claim, and investigate the effect of non-farm sector involvement on poverty and expenditure growth. Our endogeneity-corrected estimates show that an additional household member involved with non-farm activity reduces the probability of poverty by 7–12% and increases the household expenditure by 14% over a two-year period. Our findings also indicate that non-farm involvement reduces the hours worked on farm but not the household agricultural income.

Feminization, Defeminization, and Structural Change in Manufacturing

- World Development---2014---David Kucera, Sheba Tejani

The paper uses accounting decomposition methods to analyze changes in female shares of manufacturing employment for 36 countries at different levels of development from 1981 to 2008, for the manufacturing sector as a whole and within a group of labor-intensive manufacturing industries for selected countries. For the majority of countries, feminizing and defeminizing, labor-intensive industries contributed most to changes in female shares of total manufacturing employment and within-industry effects were more important than employment reallocation effects. Within labor-intensive industries, textiles, and apparel were the largest drivers of changes in female shares of employment and technological upgrading was associated with defeminization.

Resettlement and Gender Dimensions of Land Rights in Post-Conflict Northern Uganda

- World Development---2014---Sarah Adelman, Amber Peterman

Evidence shows even low levels of land conflict may undermine land governance and management, constrain agricultural productivity, and serve to perpetuate civil violence. This study estimates the effect of conflict-related displacement experiences on gender-differentiated land outcomes in Northern Uganda. We exploit exogenous variation in displacement to identify impacts on land among returning households. Results indicate that although female-headed households are disadvantaged in land outcomes, and land outcomes are affected by displacement experience, there is no joint effect in determining post-conflict land outcomes. Policy and programmatic attention to gender in land governance in Uganda should continue to be emphasized.

The Role of Landholding as a Determinant of Food and Nutrition Insecurity in Rural Myanmar

- World Development---2014---Anu Rammohan, Bill Pritchard

Recent research has emphasized the role of land tenure in influencing rural food and nutrition insecurity in developing countries. We use data from rural Myanmar to empirically analyze the links between land holdings and household level food and nutrition security. Our analysis focuses on the following issues: (i) what are the socio-economic characteristics of food insecure households?, (ii) what are the main coping strategies adopted by vulnerable households to address their food security?, and (iii) are our findings robust across the different food security measures? Our results show landholding to be a strong predictor of household food and nutrition security.

Is Aquaculture Pro-Poor? Empirical Evidence of Impacts on Fish Consumption in Bangladesh

- World Development---2014---Kazi Toufique, Ben Belton

Aquaculture is widely held to contribute to poverty reduction and food security in the Global South, but robust evidence is limited. Using nationally representative data from Bangladesh, this study analyses changes in fish consumption from 2000 to 2010. Rapid expansion of commercial aquaculture pegged down fish prices, resulting in increased fish consumption by extreme poor and moderate poor consumers and those in rural areas. These outcomes are closely linked to the pro-poor nature of national economic growth during this period. These findings contribute to a broadening of the debate on whether the growth of aquaculture in Bangladesh has been pro-poor.

Can Developing Countries Both Decentralize and Depoliticize Urban Water Services? Evaluating the Legacy of the 1990s Reform Wave

- World Development---2014---Veronica Herrera, Alison E. Post

Over the past three decades, decentralization and reforms designed to insulate service providers from interference by elected officials (“insulating reforms”), such as corporatization and privatization, swept through the urban water and sanitation sector in developing countries. We argue that their rationales were contradictory; decentralization was intended to increase citizen participation and influence, whereas corporatization and privatization were intended to depoliticize management. We document the widespread promotion and adoption of these reforms, and conclude that decentralization made it difficult to insulate service provision in practice. We argue that studying how institutional reforms interact with one another can help explain reform consequences.

Psychological Agency: Evidence from the Urban Fringe of Bamako

- World Development---2014---Elise Klein

A deficit in the theorisation of psychological elements of agency and empowerment in development literature exists. To address, I present the results of an empirical

study using exploratory mixed methods examining central factors contributing to initiatives people undertake to improve personal and collective well-being in a neighborhood on the urban fringe of Bamako. Informants articulated that the psychological concepts of *dusu* (internal motivation) and *ka da I yèrè la* (self-belief) were most important to their purposeful agency. The psychological constructs had an intrinsic and instrumental value to respondents from differing socio-economic characteristics which contributed to social change in the neighborhood.

Consultation in Large-Scale Land Acquisitions: An Evaluation of Three Cases in Mali

- World Development---2014---Kerstin Nolte, Lieske Voget-Kleschin

Consultation is widely recognized as an important aspect of fair land deals; however, in terms of tangible instructions, this aspect remains unspecific. We develop a framework for consultation in the case of land acquisitions and analyze proposals for consultation contained in voluntary guidelines and private governance instruments as well as *de jure* and—by way of three case studies—*de facto* consultative processes in Mali. We acknowledge that consultations take place in complicated settings of power relations that determine the aims of consultation. In countries with serious background injustice, regulatory changes that alleviate these inequities are necessary before implementing land acquisitions.

Education and Economic Growth: A Meta-Regression Analysis

- World Development---2014---Nikos Benos, Stefania Zotou

This paper surveys the literature which examines the effect of education on economic growth. Specifically, we apply meta-regression analysis to 57 studies with 989 estimates and show that there is substantial publication selection bias toward a positive impact of education on growth. Once we account for this, the genuine growth effect of education is not homogeneous across studies,

but varies according to several factors. Specifically, it is attributed to differences in education measurement and study characteristics, mainly model specification as well as type of data used, and the quality of research outlets where studies are published, e.g., academic journals vs. working papers.

The Paradigm of Agricultural Efficiency and its Implication on Food Security in Africa: What Does Meta-analysis Reveal?

- World Development---2014---Kolawole Ogundari

The study investigates whether African agricultural efficiency levels have been improving or not and what drives them over the years based on 442 frontier studies using meta-regression analysis. The results show that the mean efficiency estimates from studies decrease significantly as year of survey in the primary study increases. Also studies published in Journals, with parametric specification and with panel data produced significantly higher efficiency estimates, while those with a focus on grain crops reported significantly lower efficiency estimates. Other results show that education, followed by experience, extension, and credit are the major drivers of agricultural efficiency levels in Africa.

Using Subjectivity and Emotion to Reconsider Participatory Natural Resource Management

- World Development---2014---Margaret C. Morales, Leila M. Harris

This article examines what attention to subjectivity and emotion can bring to understandings of participatory resource governance. This focus highlights limitations of common participatory governance approaches, as well as possible ways forward. Attention to these dynamics makes it clear that for participatory governance interventions to be equitable and sustainable they must attend simultaneously to structural and institutional dynamics, as well as an individuals' experience of participation. Moving forward, we offer some suggestions of new tools and approaches (e.g. emotion work, participatory performance, and spatial tools) that emerge from explicit consideration of emotional

and subjective dimensions of participatory resource governance.

Technology and Productivity in African Manufacturing Firms

- World Development---2014---Simon Baptist, Francis Teal

We find that heterogeneity in production functions is an important source of variation in firm outcomes in Africa, and we find it is more important than education or productivity in explaining differences in output per worker. There is some technological diversity within Africa, with more dependence on raw materials in poor countries and higher returns to education in richer countries. This suggests that parameter evolution is an important element of modeling the nature of technical change, and that development policy should consider technological change as a mechanism to increase growth as well as augmenting factor stocks or total factor productivity.

Social Policy after the Arab Spring: States and Social Rights in the MENA Region

- World Development---2014---Massoud Karshenas, Valentine M. Moghadam, Randa Alami

We examine prospects for the shift from an authoritarian corporatist social policy regime to a democratic and developmental one, in light of popular socio-economic and political grievances and demands. Social policy can bring about a sense of inclusion, belonging, and rights on the part of beneficiaries, and is necessary for a well-functioning and dynamic economy. Democratic and developmental political systems in the region will largely depend on the social policy regime that emerges from social dialogs among different interest groups. References to recent debates in Tunisia suggest both prospects and challenges.

Fast-Track Institution Building in Conflict-Affected Countries? Insights from Recent Field Experiments

- World Development---2014---Elisabeth King,Cyrus Samii

This paper synthesizes evidence from four recent “community-driven development” field experiments undertaken in countries affected by violent conflict and assesses prospects for “fast-track” institution building. Conflict-affected environments are presumed to be settings that combine extraordinary need and opportunity for building institutions. The substantive and methodological consistency of the field experiments (Afghanistan, DRC, Liberia, and Sierra Leone) allows us to derive general conclusions about attempts at local institution building in conflict-affected contexts. The evidence tells us that CDD programs are far from “proven impact” interventions. We discuss reasons for the limited effects, with implications for policy and further research.

Social Protection: Rethinking Rights and Duties

- World Development---2014---Marianne S. Ulriksen,Sophie Plagerson

Social protection research and policy often hold unbalanced views on the relationship between rights and duties, thereby segregating “the poor” from “the non-poor”. This has implications for solidarity and for the sustainability of social protection systems. By applying citizenship theories to social protection, we show that duties need not be carried solely by the state or forced upon beneficiaries as conditional requirements. Rather, as citizens are both productive and vulnerable, all citizens fulfill duties and hold rights, although their contributions to and needs for social protection vary. Sustainable social protection policies thus enhance citizens’ agency as both rights-holders and duty-bearers.

Text Messaging and its Impacts on the Health and Education of the Poor: Evidence from a Field Experiment in Rural China

- World Development---2014---Di Mo,Renfu Luo,Chengfang Liu,Huiping Zhang,Linxiu Zhang,Alexis Medina,Scott Rozelle

There is little evidence showing whether health information transmitted via text messages can change health and educational outcomes. We conducted a randomized field experiment involving 900 primary students in rural China to study whether a health education campaign conducted via text message could affect caregiver knowledge or student outcomes. When caregivers received both weekly health messages and monthly quiz questions (testing retention of the information conveyed in the weekly messages), caregiver knowledge improved and students experienced gains in both health and academic performance. When caregivers received weekly health messages only, there was no impact on caregiver knowledge or student outcomes.

Targeting REDD+: An Empirical Analysis of Carbon Sequestration in Indonesia

- World Development---2014---Samuel Skidmore,Paulo Santos,Beria Leimona

The implementation of REDD+ requires knowledge of the willingness to accept land use change contracts and its application over large areas. This paper uses primary data from Indonesia to contrast two approaches to the elicitation of the supply curve for carbon: an auction and an analysis of opportunity costs. The analysis shows that there are important differences between the two approaches for a wide range of prices. An analysis of bidding behavior shows that location and individual preferences (time and risk preferences), but not opportunity costs, play a significant role in this decision. The implications for targeting are discussed.

Does Smallholder Land Titling Facilitate Agricultural Growth?: An Analysis of the Determinants and Effects of Smallholder Land Titling in Zambia

- World Development---2014---Nicholas Sitko, Jordan Chamberlin, Munguzwe Hichaambwa

Zambia's land policies privilege agricultural land alienation by wage earners over local smallholder farmers. As a result, land title holders are not statistically significantly different from non-title holders in terms of agricultural productivity, despite greater access to investment capital from wage earnings and higher levels of education. The effects of land titling on long- and medium-term land investments are also limited. These results are indicative of widespread speculative alienation of agricultural land by wage earners. Enabling more productive land users to acquire title requires policy change aimed at lowering the transaction costs and bureaucratic complexity of acquiring land title.

Parental Education as a Criterion for Affirmative Action in Higher Education

- World Development---2014---Rakesh Basant, Gitanjali Sen, Gitanjali SenDutta

Affirmative action, in the form of reservation policies, to address the issues of inclusion has been in place in India for a long time. While its scope has enlarged with inclusion of new social groups, the efficacy remains a matter of debate. This paper explores if parental education is an appropriate criterion for affirmative action. Empirical results using three rounds of the National Sample Survey data suggest that parental education as a determinant of participation in higher education not only transcends the impact of caste, religious, and economic status, it is also very attractive for the ease of implementation.

The Determinants of Intermediaries' Power over Farmers' Margin-Related Activities: Evidence from Adana, Turkey

- World Development---2014---Orjon Xhoxhi, Søren Marcus Pedersen, Kim Martin Lind, Attila Yazar

This paper investigates the determinants of intermediaries' power over farmers' margin-related activities in Adana, Turkey. In doing so, a holistic model of intermediaries' power over farmers' margin-related activities is proposed. The objective of this model is to contribute to a better understanding of the power relationships between farmers and intermediaries. It is argued in the paper that a balance of power needs to be established between farmers and intermediaries because it leads to the rise of more efficient trading relationships, with reduced transaction costs and improved chain coordination. Multiple linear regression is employed to analyze the hypothesized relationships.

To Pay or Not to Pay? Citizens' Attitudes Toward Taxation in Kenya, Tanzania, Uganda, and South Africa

- World Development---2014---Merima Ali, Odd Fjeldstad, Ingrid Hoem Sjursen

This paper examines factors that determine citizens' tax-compliance attitude in Kenya, Tanzania, Uganda, and South Africa. Using the 2011–12 Afrobarometer survey data, we find that tax-compliance attitude is positively correlated with provision of public services in all the four countries. However, the correlation depends on the specific service in question and differs between countries. Tax knowledge and awareness are found to be positively correlated with tax-compliance attitude. On the other hand, frequent payment to non-state actors in exchange for security and individual's perception that their own ethnic group is treated unfairly by the government are negatively correlated with tax-compliance attitude.

Beyond the Field: The Impact of Farmer Field Schools on Food Security and Poverty Alleviation

- World Development---2014---Anna Folke Larsen, Helene Lilleør

We estimate the impact of a Farmer Field School intervention among small-scale farmers in northern Tanzania on two main development objectives: food

security and poverty. We employ a series of evaluation methodologies, including a Quasi-Difference-in-Difference setup, to account for potential selection into the project, despite lack of baseline data. We find strong positive effects on food security, but no effect on poverty. Investigating possible mechanisms for this result shows that reallocation of labor resources toward own agricultural production and improved production smoothing may have led to improved food security while poverty remained unaffected.

Can Government-Allocated Land Contribute to Food Security? Intrahousehold Analysis of West Bengal's Microplot Allocation Program

- World Development---2014---Florence Santos,Diana Fletschner,Vivien Savath,Amber Peterman

This study evaluates the impact of India's land-allocation and registration program in West Bengal, a program that targets poor populations and promotes the inclusion of women's names on land titles. Although we are unable to detect statistically significant program effects on current household food security, we find that the program has positive impacts on a range of outcomes that are expected to lay the foundation for future food security including improved security of tenure, agricultural investments, and women's involvement in food and agricultural decisions. Findings provide lessons in designing and implementing innovative and integrated approaches to reduce hunger and undernutrition.

Environmental Licensing and Conflict in Peru's Mining Sector: A Path-Dependent Analysis

- World Development---2014---Maiah Jaskoski

What is the relationship between formal participatory structures and the onset and evolution of popular mobilization? Under what conditions does mobilization bring about policy and even institutional change? This article examines mining conflict—and in particular the project approval stage, when mobilization is most likely to interrupt extraction—in Peru. Utilizing a

path-dependent framework, the paper finds that very limited spaces for community participation in the environmental impact assessment process in fact have prompted and transformed popular mobilization in extractive zones, leading to outside scrutiny and the stalling of major projects.

Globalization, Structural Change, and Productivity Growth, with an Update on Africa

- World Development---2014---Margaret McMillan,Dani Rodrik,Íñigo Verduzco-Gallo

2014

The Role of Rural–Urban Migration in the Structural Transformation of Sub-Saharan Africa

- World Development---2014---Alan de Brauw,Valerie Mueller,Hak Lim Lee

Rural-to-urban migration is an inherent part of the economic development process, yet it is relatively understudied in sub-Saharan Africa. In this paper, we attempt to describe the present state of rural–urban migration from several different angles. Migration rates are quite low in several countries, despite the fact that large proportions of populations continue to reside in rural areas, and that there are clearly several types of gains to migration. We offer a number of possible explanations for low migration rates. We make recommendations for improvements in research on rural–urban migration and migration policy in Africa.

Poverty Reduction During the Rural–Urban Transformation – The Role of the Missing Middle

- World Development---2014---Luc Christiaensen,Yasuyuki Todo

As countries develop, they restructure away from agriculture and urbanize. But structural transformation and urbanization patterns differ substantially, with some countries fostering migration out of agriculture into rural off farm activities and secondary towns, and others undergoing rapid agglomeration in mega cities.

Using cross-country panel data for developing countries spanning 1980–2004, it is found that migration out of agriculture into the missing middle (rural non-farm economy and secondary towns) yields more inclusive growth patterns and faster poverty reduction than agglomeration in mega cities. This suggests that patterns of urbanization deserve much more attention when striving for faster poverty reduction.

Explaining Africa’ s (Dis)advantage

- World Development---2014---Ann Harrison,Justin Lin,Lixin Xu

Africa’ s economic performance has been widely viewed with pessimism. In this paper, firm-level data for around 80 countries are used to examine formal firm performance. Without controls, manufacturing African firms perform significantly worse than firms in other regions. They have lower productivity levels and growth rates, export less, and have lower investment rates. Once geography, political competition, and the business environment are controlled for, formal African firms lead in productivity levels and growth. Africa’ s conditional advantage is higher in low-tech than in high-tech manufacturing, and exists in manufacturing but not in services. The key factors explaining Africa’ s disadvantage at the firm level are lack of infrastructure, access to finance, and political competition.

“Going Global in Groups” : Structural Transformation and China’ s Special Economic Zones Overseas

- World Development---2014---Deborah Bräutigam,Xiaoyang Tang

China’ s special economic zones helped the country industrialize by attracting foreign investment. In 2006, Beijing initiated an overseas trade and cooperation zone program, assisting Chinese companies to invest abroad while also building China’ s soft power through the transfer of a key component of China’ s development success. Little is known about the 19 zones approved so far under this program, or the impact they are likely to have on structural transformation and industrial

development in their host countries. This paper identifies the 19 zones and their proposed locations, the process of selection, developers, implementation, and the Chinese incentive regime. It then focuses on the African zones. Using a typology of factors that have proven critical for zone development in the past, the paper evaluates the potential of these zones for fostering structural transformation in Africa.

African Agriculture in 50Years: Smallholders in a Rapidly Changing World?

- World Development---2014---Paul Collier,Stefan Dercon

For economic development to succeed in Africa in the next 50years, African agriculture will have to change beyond recognition. Production will have to have increased massively, but also labor productivity, requiring a vast reduction in the proportion of the population engaged in agriculture and a large move out of rural areas. The paper questions how this can be squared with a continuing commitment to smallholder agriculture as the main route for growth in African agriculture and for poverty reduction. We question the evidence base for an exclusive focus on smallholders, and argue for a much more open-minded approach to different modes of production. To allow alternative modes and scale of production to emerge, new institutional and policy frameworks are required. A rush to establish “mega-farms” with government discretionary allocation of vast tracts of land is unlikely to be the answer. Allowing a more dynamic agriculture to develop will require clear institutional frameworks, and not just a narrow focus on smallholders.

Overcoming Successive Bottlenecks: The Evolution of a Potato Cluster in China

- World Development---2014---Xiaobo Zhang,Dinghuan Hu

Although the role of industrial policy in economic development is a frequent topic of debate in both the literature and the political arena, most discussions focus on industrial policymaking at the national level.

Using a case study of a potato cluster in China, we show that industrial policymaking at the local level contributes greatly to economic development as well. Many of the industrial policies affecting the cluster—including leveling land, developing better varieties, establishing a potato trade association, lobbying for increasing freight car quotas, and attracting processing firms—were implemented at the local level, highlighting the need for discussion of local industrial policymaking as a major determinant of cluster development. As the case study demonstrates, economic development is a continuous process with constantly evolving binding supply-side and demand-side constraints. Often, after a local policy helps remove one binding constraint, a new one emerges that, in turn, may require a new set of policies. Therefore, the success of clusters depends upon local industrial policies that respond to emerging binding constraints at different stages of the cluster's development.

Can Cities or Towns Drive African Development? Economywide Analysis for Ethiopia and Uganda

- World Development---2014---Paul Dorosh, James Thurlow

Rapid urbanization is an important characteristic of African development and yet the structural transformation debate focuses on agriculture's relative merits without also considering the benefits from urban agglomeration. As a result, African governments are often provided conflicting recommendations on the importance of rural agriculture or urban industry. We develop dynamic economywide models for Ethiopia and Uganda that capture both traditional aspects of the debate (growth linkages and foreign trade) and benefits from urbanization (internal migration and agglomeration effects). Simulations suggest that urban agglomeration is an important source of long-term growth and structural transformation, but that investing in cities does not greatly reduce national poverty over the short-term. In this regard, agricultural growth is more effective, albeit with slower national growth. Given these trade-offs, we conclude that, while urbanization's benefits argue against an "agro-fundamentalist"

approach to African development, the short-term imperative of reducing poverty necessitates further agricultural investment.

Understanding Urban Wage Inequality in China 1988–2008: Evidence from Quantile Analysis

- World Development---2014---Simon Appleton, Lina Song, Qingjie Xia

This paper examines change in wage gaps in urban China from 1988 to 2008 by estimating quantile regressions on CHIPS data. It applies the Machado and Mata (2005) decomposition, finding sharp increases in inequality largely due to changes in the wage structure. During 2002–08, changes in the returns to education and experience have been equalizing. However, changes in other categories of wage differential—by sex, occupation, ownership, industrial sector, and province—widened inequality. The gender gap continued to rise, as did the gap between white collar and blue collar workers, and between manufacturing and other sectors.

Trade-offs and Payoffs of Investing in Human Development

- World Development---2014---Marco V. Sánchez, Martín Cicowiez

We apply a general equilibrium model to quantify economic and social payoffs from investing in human development. The analysis revolves around scenarios of public spending that allow four developing countries to meet targets of the Millennium Development Goals (MDGs). Public spending rises significantly to meet the targets by 2015. The ultimate effect on aggregate demand depends on the macroeconomic trade-offs of the financing source. The supply effect is that production factors accumulate and productivity rises as larger numbers of better-educated workers become employed. The magnitude of the GDP growth gains and options to magnify them after 2015 are identified.

Enhancing Inclusiveness of Rwanda' s Land Tenure Regularization Program: Insights from Early Stages of its Implementation

- World Development---2014---Florence Santos,Diana Fletschner,Giuseppe Daconto

This study aims to give practical and evidenced-based recommendations on Rwanda' s Land Tenure Regularization Program (LTRP). The LTRP in Rwanda has profound social and economic implications for poor rural households in the entire country, and it also provides lessons for other countries in the African region currently undergoing land tenure reform. We used a gender sensitive analysis to investigate outcomes of the LTRP during its early stages, including the gendered patterns of titling, perceptions of tenure security, and inheritance, and examined the extent to which the program and its processes can be enhanced with a public awareness-raising program.

Is Globalization Reducing Absolute Poverty?

- World Development---2014---Andreas Bergh,Therese Nilsson

Using data from 114 countries (1983–2007), we examine the relationship between globalization and World Bank absolute poverty estimates. We find a significant negative correlation between globalization and poverty, robust to several econometric specifications, including a fixed-effect panel—a “long run” first difference—and a pooled OLS-regression. Introducing two instruments for globalization we also show that results are robust to correction for potential endogeneity. We motivate and test the instruments in several ways. In particular information flows and more liberal trade restrictions robustly correlate with lower absolute poverty.

Why do Foresters Plant Trees? Testing Theories of Bureaucratic Decision-Making in Central India

- World Development---2014---Forrest D. Fleischman

There is growing awareness of the problems of applying blueprint approaches to public sector management in

developing countries, however scholars lack tools for context-specific policy advice. This paper develops an organizing focuses on the short-term sizing framework for theories of bureaucratic action, and applies this theory to Indian forest departments' tree-planting programs. Tree planting is implemented successfully in the central Indian regions of Maharashtra and Andhra Pradesh states, but does not protect ecosystems or reduce poverty. This partial success is driven by interplay between the self-regarding behavior of bureaucrats and a professional logic of appropriateness, and is a challenge to single-issue reformers.

Empowerment Through Microfinance: The Relation Between Loan Cycle and Level of Empowerment

- World Development---2014---Olaf Weber,Adnan Ahmad

Does microfinance support the empowerment of female borrowers? Results of studies analyzing microfinance and empowerment delivered mixed results. In order to explore whether microfinance influences empowerment, the paper compares women in higher loan cycles of a Pakistani microfinance institution with those in the first loan cycle regarding their empowerment. Using a survey and multivariate statistical methods, such as propensity score matching, the study found that women in higher loan cycles were on a higher level of empowerment. We conclude that microfinance has an impact on the empowerment of female borrowers.

Women' s Empowerment and Prevalence of Stunted and Underweight Children in Rural India

- World Development---2014---Katsushi Imai,Samuel Ananim,Veena S. Kulkarni,Raghav Gaiha

This study investigates whether mother' s empowerment measured by her education attainment relative to father' s, domestic violence, and autonomy is related to children' s nutritional status using the three rounds of NFHS data in India. First, mother' s relative education is associated with better nutritional

status of children in the short run. Second, the quantile regression results show strong associations between women's empowerment and better nutritional status of children in the long run at the low end of its conditional distribution. Finally, the relation between access to health schemes and better nutritional measures of children.

Social Spending, Distribution, and Equality of Opportunities: The Opportunity Incidence Analysis

- World Development---2014---Jose Cuesta

This paper proposes an additional extension to the traditional Benefit Incidence Analysis (BIA) that links fiscal policies with the concept of equality of opportunities. This new approach, "Opportunity Incidence Analysis" (OIA), is then piloted on three countries, Zambia, Tajikistan, and Paraguay. Three main contributions stand out: first, OIA complements traditional BIA, but increases its analytical resolution by incorporating other circumstances to incomes alone. Second, opportunities and circumstances can be used to target public spending with higher precision. Third, microsimulations can be used to understand the cost-effectiveness of alternative spending interventions that seek to improve equality of opportunities.

Bedouin Adaptation to the Last 15-Years of Drought (1995–2010) in the North Coastal Zone of Egypt: Continuity or Rupture?

- World Development---2014---Véronique Alary,Ferial Hassan,Ibrahim Daoud,Adel Aboul Naga,Mona A. Osman,Denis Bastianelli,Philippe Lescoat,Naeem Moselhy,Jean-François Tourrand

Following the tribal allocation of land in the 1920s and the development of agriculture in the wadi area, the last six decades have seen the settlement of the majority of Bedouin tribes in Egypt. In the two last decades, the Bedouin in the Coastal Zone of the Western Desert had to cope with a severe 15-year drought combined with major changes in link with tourism, urbanization, and agricultural development. Using data collected

in surveys and interviews, we show that the adaptive processes of the Bedouin are embedded in their social organization and in their ability to adopt new activities.

Paths to Development: Is there a Bangladesh Surprise?

- World Development---2014---M Asadullah,Antonio Savoia,Wahiduddin Mahmud

Using aggregate indices of education, health, demographic, and gender equality outcomes, we empirically investigate the hypothesis that Bangladesh achieved a higher level of social development compared with countries of similar level of per capita income. Stylized facts and cross-country regression results support this hypothesis for a broad range of dimensions. Further tests show that such achievements do not simply reflect income-mediated channels and social expenditure programs. We conclude by speculating on the role of Bangladesh's development to sustain the process of growth and on the role of governance and institutional quality for the nexus between growth and development.

Market Signals of Unsustainable and Inequitable Forest Extraction: Assessing the Value of Illegal Timber Trade in the Eastern Arc Mountains of Tanzania

- World Development---2014---Marije Schaafsma,Neil D. Burgess,Ruth D. Swetnam,Yonika M. Ngaga,R. Kerry Turner,Thorsten Treue

Natural forests and woodlands of the Eastern Arc Mountains (EAM) in Tanzania are under threat from deforestation and degradation. The estimated annual revenues from EAM hardwood for domestic use are USD 10million in terms of planks, and twice as much when processed into furniture. Timber profits are largely captured by people whose livelihoods do not directly depend on other EAM ecosystem services. Market data, such as declining plank sizes and shifts to low-quality timber species, contain possible early warning signals of unsustainable hardwood harvesting. Policy recommendations include simplifying regulations

for legal trade, developing sustainable financing, and increasing softwood supply.

Heterogeneity in Informal Salaried Employment: Evidence from the Egyptian Labor Market Survey

- World Development---2014---Natalia Radchenko

This paper contributes to the continuing debates on the mechanisms driving labor market informality in developing countries by proposing an innovative way to discriminate between segmented and competitive markets. An empirical analysis is applied to Egyptian paid employment in the highly dynamic context of 1998–2006.

Historicizing Sustainable Livelihoods: A Pathways Approach to Lead Mining in Rural Central China

- World Development---2014---Jixia Lu,Anna Lora-Wainwright

This article adopts a “pathways to sustainability” approach to study lead mining in rural China. Through an in-depth case study, it reveals how shifting mining practices are tied to institutional and political economic contexts, cost-benefit distribution, and changes in livelihood resources and strategies. It weaves together an analysis of livelihood practices with a study of attitudes to livelihood and environment, which are usually researched separately. In turn, it demonstrates that a longitudinal analysis may resolve the contradictory accounts of whether mining aids or hinders development, and whether local communities are victims or beneficiaries of such development.

Africa and the Clean Development Mechanism: What Determines Project Investments?

- World Development---2014---Dirk Röttgers,Ulrike Grote

African countries have hardly used the opportunity to implement CDM projects and thereby turn environmental problems into business and development opportunities. This paper finds out why by identifying

factors of CDM partnerships. Our gravity model analyzes flows of Certified Emission Reductions (CERs) between host and financier countries. Findings show that foreign direct investments, official development assistance, and trade have a positive influence on project attraction. A distinction between project initiation and CER flow size shows that the specific shortcomings of African countries lie with the initial attraction of investors. This points to an inadequacy in the initial process of project generation.

Migrants’ Choice of Remittance Channel: Do General Payment Habits Play a Role?

- World Development---2014---Anneke Kosse,Robert Vermeulen

This paper investigates the determinants in migrants’ choice of payment channel when transferring money to relatives abroad. We analyze survey results on 501 migrants in the Netherlands, identifying five remittance channels: bank, money transfer operator, in-cash transfers via informal intermediaries, ATM withdrawals abroad, and carrying cash abroad. The results show that education, costs, access, and financial development in the recipient country are important determinants, while general cash preferences and internet banking usage play a limited role. Based on our findings, financial education, cost reduction, and increasing financial inclusion may serve a valuable role to increase the use of formal channels.

Interpreting Institutional Fit: Urbanization, Development, and China’ s “Land-Lost”

- World Development---2014---Hongping Lian,Raul P. Lejano

Urbanization-led development brings not just demographic, technological, and economic change, but profound institutional transition, as well. The scale and pace of China’ s urbanization project have generated a crisis for millions living in rural–urban peripheries. We will utilize a model of institutional fit to conduct a critical analysis of China’ s urbanization program and its implementation problems. Utilizing a semi-structured

interview format, we analyze the experiences of the so-called “land-lost” residents in Changsha, China, vis-à-vis this ongoing institutional transition. The analysis provides a rich account of the myriad ways the transition to a privatized property market runs counter to the collective nature of peri-urban Chinese communities.

Women’ s Empowerment in Agriculture: What Role for Food Security in Bangladesh?

- World Development---2014---Esha Sraboni,Hazel Jean Malapit,Agnes Quisumbing,Akhter Ahmed

Using a nationally representative survey from Bangladesh, we examine the relationship between women’ s empowerment in agriculture, measured using the Women’ s Empowerment in Agriculture Index, and per capita calorie availability, dietary diversity, and adult body mass index (BMI). Accounting for potential endogeneity of empowerment, we find that increases in women’ s empowerment are positively associated with calorie availability and dietary diversity at the household level. Overall, household wealth, education, and occupation are more important than women’ s empowerment as determinants of adult nutritional status, although negative impacts of group membership and credit on male BMI suggest that intrahousehold trade-offs may exist.

Macroeconomic Impacts of FDI in Transition Economies: A Meta-Analysis

- World Development---2014---Ichiro Iwasaki,Masahiro Tokunaga

In this paper, we conduct a meta-analysis of the literature that empirically examines the impact of foreign direct investment (FDI) on economic growth in Central and Eastern Europe and the former Soviet Union. We found that existing studies indicate a growth-enhancing effect of FDI in the region as a whole. The results of our meta-regression analysis suggest that the effect size and statistical significance of the reported estimates strongly depend on study conditions. We also found that the relevant studies fail to present genuine

evidence of a non-zero FDI effect. More research is necessary to identify the true effect.

Estimating the Causal Effect of Forced Eradication on Coca Cultivation in Colombian Municipalities

- World Development---2014---Luis Reyes

Colombia has aggressively pursued forced coca eradication to reduce the amount of land that agricultural households devote to illegal crops. However, few rigorous empirical studies have assessed its causal effect on land allocation decisions. I use a 6-year panel covering the entire country for the years 2001–06 to estimate this effect. I instrument eradication with changes in the expected cost of protecting eradication crews as they get far from the airports used as a point of departure. Estimates show the causal effect of a 1% increase in eradication to be approximately a 1% increase in coca cultivation.

Taking Complexity in Food Systems Seriously: An Interdisciplinary Analysis

- World Development---2014---Tira Foran,James R.A. Butler,Liana J. Williams,Wolf J. Wanjura,Andrew Hall,Lucy Carter,Peter S. Carberry

Motivated by donor interest in innovative thinking on food security, we conducted an interdisciplinary, triangulation analysis of four divergent conceptual frameworks, each relevant to diagnosing food insecurity in developing countries. We found notable tensions as well as synergistic interactions between agroecology, agricultural innovation systems, social–ecological systems, and political ecology. Cross-framework interactions enhance our understanding of how sectoral and macroeconomic development strategies impact on livelihoods, availability, and access. Re-invigorated, more profound dialog between divergent conceptual frameworks enables diagnosis of complex food insecurity problems, and context-specific interventions and innovations. Informed use of divergent approaches constitutes a new ambition for research and practice.

The Messy Reality of Agglomeration Economies in Urban Informality: Evidence from Nairobi's Handicraft Industry

- World Development---2014---John Harris

This paper investigates intermediate input effects and labor pooling in the context of urban informality, examining the handicraft industry of Nairobi, Kenya. The paper tests if conditions found in informality interfere with transition pathways in production clusters. 102 semi-structured interviews were conducted with industry participants, including 69 production firms. Findings confirm the existence of important agglomeration economies, but those benefits are curtailed due to constraints of informality on firms, especially location constraints in urban space. At the same time, informality also introduces particular diseconomies of agglomeration that undermine the value of proximity of firms to each other, particularly within clusters.

Coping with Drought by Adjusting Land Tenancy Contracts: A Model and Evidence from Rural Morocco

- World Development---2014---Yoko Kusunose, Travis Lybbert

We explore vulnerability to drought in Morocco by analyzing household coping responses to a severe drought. We find that nearly 25% of households increased or decreased their cultivated land via short-term land tenancy arrangements. We use this pattern to motivate a model in which drought shocks induce the reallocation within communities of usufruct rights to land. We show how different liquidity constraints can lead some households to invest in crop production as others divest. Empirical analysis finds some support for the model but also highlights how pre-existing tenancy arrangements strongly determine a household's reliance on land tenancy markets for coping.

Land Rights and Community Cooperation

- World Development---2014---Ragnhild Haugli Braaten

Joint land rights in peasant communities are often held to preserve cooperation norms better than individual land rights. This study uses contributions in public goods experiments as a measure of cooperation norms in 15 jointly- or individually-owned peasant communities in the Peruvian Andes. Cooperation norms are significantly stronger in joint-ownership communities, when controlling for relevant exogenous variables. This effect is found only among men, who are considered the main landholders in a household and are thus more likely to respond to the incentives provided by the land right system.

Effects of International Food Price Shocks on Political Institutions in Low-Income Countries: Evidence from an International Food Net-Export Price Index

- World Development---2014---Rabah Arezki, Markus Brueckner, Markus Brueckner

We examine the effects of variations in the international food prices on political institutions in low-income countries. Our empirical analysis exploits that the economic impact of changes in the international food prices differs across countries depending on whether countries are net food importers or exporters. We construct an international food net-export price index that captures this heterogeneity. Our panel fixed effects analysis yields that in low-income countries within-country variations in the international food net-export price index are significantly negatively related to democratic institutions. We further explore the mechanisms driving this relationship along the economic and the conflict dimensions.

Growth of the Urban Shadow, Spatial Distribution of Economic Activities, and Commuting by Workers in Rural and Urban India

- World Development---2014---Ajay Sharma, S Chandrasekhar

Unlike migration, scant attention has been paid to the phenomenon of commuting by workers in developing countries. This paper fills this gap by using a

nationally representative data set from India to analyze factors that affect the decision of workers to commute across rural and urban areas daily. Our results suggest that regions with large peripheral urban areas or concentration of secondary sector jobs are more likely to have commuting workers. Regional rural and urban unemployment rates and rural–urban wage differentials are important push and pull factors in the decision to commute.

Social Protection and Poverty Reduction: Global Patterns and Some Targets

- World Development---2014---Ariel Fiszbein,Ravi Kanbur,Ruslan Yemtsov

This paper argues that Social Protection needs to be on the post-2015 agenda as a key element of the discourse. Based on a global Social Protection data set, it estimates that social protection programs are currently preventing 150 million people from falling into poverty. Even if all low-income countries could achieve the very best targeting efficiency observed in the world, only 50% could halve the poverty gap through social protection. For half of low-income countries, and for over a fifth of all countries in the sample, the issue is one of budgetary adequacy, not targeting efficiency.

Cultural Proximity and Local Firms’ catch up with Multinational Enterprises

- World Development---2014---Jue Wang,Xiaming Liu,Yingqi Wei,Chengang Wang

Integrating and extending new growth theory and resource-based views, this paper provides a theoretical foundation for the catch-up hypothesis. It examines the role of technology gap, technological capability, and cultural proximity in local firms’ catch-up with MNEs. Hypotheses are developed and tested with a dynamic model on a large firm-level panel dataset from Chinese manufacturing. The results confirm that catch-up is positively related to technology gap and technological capability. Furthermore, in the presence of cultural proximity, the speed of local Chinese firms’ catch-up

with MNEs from Hong Kong, Macau, and Taiwan is not significantly lower than that with other MNEs.

Livelihood Diversification and Shifting Social Networks of Exchange: A Social Network Transition?

- World Development---2014---Timothy D. Baird,Clark L. Gray

In the developing world, traditional social networks of exchange and reciprocity are critical components of household security, disaster relief, and social wellbeing especially in rural areas. This research asks the question: How are traditional social networks of exchange related to emerging household strategies to diversify livelihoods? Within this context, this study uses a mixed methods design to examine the character of inter-household exchanges of material goods (IHE) and the association between IHE and livelihood diversification, in ethnically Maasai communities in northern Tanzania. Findings show that IHE are both evolving and declining and are negatively associated with livelihood diversification.

Public Service Provision under Conditions of Insufficient Citizen Demand: Insights from the Urban Sanitation Sector in Indonesia

- World Development---2014---Matthew S. Winters,Abdul Gaffar Karim,Berly Martawardaya

Indonesia drastically lags behind other countries in Southeast Asia and at similar levels of development in supplying urban wastewater sanitation. We use case studies from three cities in Indonesia to better understand why wastewater services are underprovided. We find strong demand-side constraints that interact with supply-side decision making. After comparing the urban wastewater sector in Indonesia to the health, education, and rural wastewater sectors in the country and to the urban wastewater sector in other Southeast Asian countries, we conclude by arguing for an increase in educational programs that will foment citizen demands on the government.

Governing India's Land

- World Development---2014---Nikita Sud

Under conditions of market-orientation and globalization, land is being transferred from agriculture and common property uses, to corporate farming, private industry, and the service sector. How are intra- and international land transactions governed? Using the case of India, this paper emphasizes the sub-national scale. Fieldwork in Gujarat, West Bengal, and Tamil Nadu reveals States to be competing with each other to attract private investment. Yet, given institutional and political variation, their land provision ranges from attempted market-friendly policy change, to narrower state-business alliances. It is time for scholarship and resultant policy recommendations to look beyond the national and global scales.

Remittances and Household Wealth after Conflict: A Case Study on Urban Burundi

- World Development---2014---Sonja Fransen, Valentina Mazzucato

Few studies have researched the use of remittances in conflict-affected contexts. This study analyzes unique data from Burundi, testing three hypotheses: relative deprivation, investment, and insurance, derived from New Economics of Labor Migration studies, employing propensity score matching. Results show that remittances are common among wealthier households, rejecting the relative deprivation hypothesis. Remittances have strong effects on non-productive assets, such as living conditions and food security, and weak effects on productive assets, such as asset ownership. Poorer households invest mostly in non-productive assets, suggesting that remittances are insurance for the poor, whereas wealthier households seem largely unaffected by remittances.

Does Information Lead to More Active Citizenship? Evidence from an Education Intervention in Rural Kenya

- World Development---2014---Evan S. Lieberman, Daniel N. Posner, Lily L. Tsai

We study a randomized educational intervention in 550 households in 26 matched villages in two Kenyan districts. The intervention provided parents with information about their children's performance on literacy and numeracy tests, and materials about how to become more involved in improving their children's learning. We find the provision of such information had no discernible impact on either private or collective action. In discussing these findings, we articulate a framework linking information provision to changes in citizens' behavior, and assess the present intervention at each step. Future research on information provision should pay greater attention to this framework.

Climate Change, Hydro-Dependency, and the African Dam Boom

- World Development---2014---Matthew Cole, Robert Elliott, Eric Strobl

We examine Africa's increasing reliance on hydropower in light of climate change-induced variations in rainfall and the potential power outages that may result. We use a continent wide riverflow model and IPCC climate change scenarios and show that current plans for African dam building are fairly well matched with river-flow predictions so that fears that international donors and national governments are making a series of expensive and environmentally damaging investments may be overstated. However, predictions of an increase in extreme events and reduced rainfall for certain countries mean there are still viability concerns for certain planned hydropower investments.

Revenue Reform and Statebuilding in Anglophone Africa

- World Development---2014---Mick Moore

Although increasingly justified in terms of statebuilding, recent tax reforms in anglophone Africa contributed only modestly to that goal. They have produced impressive tax agencies, but no detectable increases in revenue collections. They have not addressed some major deficiencies in tax policy and administration. The reforms have however helped improve the

career prospects for senior African tax administrators and generated more movements of senior staff between tax agencies, the private sector, and international advisory work. These personnel changes have ambiguous implications for the development of revenue capacity in the long term.

Income and Livelihoods in the War in Afghanistan

- World Development---2014---Vincenzo Bove,Evelina Gavrilova

We explore the impact of the insurgency and military deployment on the livelihoods of local communities in Afghanistan. We use monthly wages and commodity prices at the provincial level over the period 2003–09 and look for their response to conflict events and ISAF deployment. Overall we find that prices are more sensitive to deployment than to attacks. Commodity prices are not significantly affected by insurgent violence, which is consistent with coping strategies already in place. On the opposite, military deployment is associated with an increase in the levels of wages and commodity prices, as ISAF is a new source of uncertainty.

The Strugglers: The New Poor in Latin America?

- World Development---2014---Nancy Birdsall,Nora Lustig,Christian Meyer

We identify a group of people in Latin America that are not poor but not middle class either—namely “strugglers” in households with daily income per capita between \$4 and \$10 (at constant 2005 PPP). This group will account for about a third of the region’s population over the next decades; as the size and income of the middle class rises, they could become increasingly marginalized. The cash transfers they receive are largely offset by indirect taxes; the benefit of schooling and other in-kind transfers they receive is questionable after adjusting for quality. We discuss implications for the social contract.

Comparing the Climate Policy Performance of Emerging Economies

- World Development---2014---Babette Never,Joachim Betz

Domestic climate policies and the actual environmental performance differ between emerging economies. Using a fuzzy set Qualitative Comparative Analysis (QCA), this paper tests the influence of the domestic green industry, the ratio of fossil fuels to financial power, the international negotiating position, and the environmental civil society in Brazil, China, India, Indonesia, South Korea, Mexico, and South Africa. A bad ratio of domestic fossil fuel production to financial power and a weak environmental civil society are a sufficient condition for weak climate policy performance. A weak domestic green industry combined with a weak influence of the negotiations only explains some of the cases.

Foreign Portfolio Investment Flows to India: Determinants and Analysis

- World Development---2014---Reetika Garg,Pami Dua

This paper analyzes the macroeconomic determinants of portfolio flows to India and finds that lower exchange rate volatility and greater risk diversification opportunities are conducive to portfolio flows. However, higher equity returns of other emerging markets discourage these flows. Other conventional determinants of portfolio flows are domestic equity performance, exchange rate, interest rate differential and domestic output growth. An analysis of disaggregated portfolio flows shows that determinants of FIIs are similar to aggregate portfolio flows, while ADR/GDRs are significantly influenced only by domestic equity returns, exchange rate, domestic output growth, and foreign output growth.

Land Use Dynamics, Climate Change, and Food Security in Vietnam: A Global-to-local Modeling Approach

- World Development---2014---Martine Rutten, Michiel Van Dijk, Wilbert van Rooij, Henk Hilderink

We present an innovative global-to-local modeling approach to analyze impacts of uncertain and complex futures on Vietnam's economy via changes in land use patterns. Socio-economic changes are shown to have major implications for the Vietnamese landscape, including natural forest losses with negative consequences for biodiversity and greenhouse gas emissions, and losses of paddy rice and other agricultural lands in the Red River Delta and the Mekong River delta. Climate-related flood risks in these areas further threaten the population, economic assets, and food security. The scenarios reveal the importance of investments in agriculture, land markets, and climate change mitigation and adaptation.

Interest Rates and Informational Issues in the Credit Market: Experimental Evidence from Brazil

- World Development---2014---Claudio Lucinda, Rodrigo Luiz Vieira

This paper utilizes Brazilian data to investigate interest-rate sensitivity and informational issues associated with the credit demand of the middle-income class in a large emerging economy. This study's data were collected from an experiment in which credit offers with randomized interest rates were sent to recipients. The results indicate that credit constraints and informational issues are important for both the lower middle-class and higher middle-class income groups. Interest rate reductions may be more effective for higher income groups.

Water and Human Development

- World Development---2014---Lyla Mehta

The article argues for a human development approach to the water "crisis." It explores the application of

the entitlements approach (EA) and capabilities approach (CA) to water. EA goes beyond volumetric or per capita measurements of water scarcity and directs attention to the structural and institutional issues concerning water inequalities. CA focuses on links between water and wellbeing. Both strengthen the case for the human right to water and break down false distinctions between water for domestic and productive purposes. Despite challenges with operationalizing CA and EA, a human development approach to water helps question the sector's traditional focus on utilitarianism and efficiency. It also directs attention to equity and to the needs and interests of the marginalized and excluded.

Moving from the Household to the Individual: Multidimensional Poverty Analysis

- World Development---2014---Ramya M. Vijaya, Rahul Lahoti, Hema Swaminathan

Due to data limitations, current multidimensional measures of poverty use household rather than the individual as the unit of analysis. Household measures are unable to capture intrahousehold differences in resource allocation which differ along gender lines. This paper uses data from the Karnataka Household Asset Survey to construct an individual level multidimensional poverty measure for Karnataka, India. Our results show that individual level measures can identify substantial gender differences in poverty that are masked when using household measures. Thus, gender-disaggregated data and analysis can provide a useful complement to household level poverty measures.

Tackling the Largest Global Education Challenge? Secular and Religious Education in Northern Nigeria

- World Development---2014---Manos Antoninis

With more than 10 million children out of school, Nigeria is the country furthest away from universal primary education. A tradition of religious education in northern Nigeria has been seen as an opportunity for expanding access to secular education. This paper demonstrates two constraining factors. First, un-

observed household characteristics favoring religious education attendance are negatively correlated with secular school attendance. Second, the poor quality of secular education acts as a disincentive to secular school attendance. The findings cast doubts at policies aimed at increasing secular school enrollment through the integration of religious and secular school curricula.

Modeling Ecological Success of Common Pool Resource Systems Using Large Datasets

- World Development---2014---Ulrich J. Frey,Hannes Rusch

The influence of many factors on ecological success in common pool resource management is still unclear. This may be due to methodological issues. These include causal complexity, a lack of large-N-studies, and non-linear relationships between factors. We address all three issues with a new methodological approach, artificial neural networks, which is discussed in detail. It allows us to develop a model with comparably high predictive power. In addition, two success factors are analyzed: legal security and institutional fairness. Both factors show a positive impact on success in irrigation and fisheries supporting the view that there are sector-independent success factors.

Why Are Women Less Democratic Than Men? Evidence from Sub-Saharan African Countries

- World Development---2014---Cecilia Garcia-Penalosa,Maty Konte

A substantial literature has examined the determinants of support for democracy and although existing work has found a gender gap in democratic attitudes, there have been no attempts to explain it. In this paper we try to understand why females are less supportive of democracy than males in a number of countries. Using data for 20 Sub-Saharan African countries, we test whether the gap is due to individual differences previously ignored or to country-wide characteristics. We find that controlling for individual characteristics does not offset the gender gap, but our results indicate that

the gap is eroded by high levels of human development and political rights.

Impact of Improved Maize Adoption on Welfare of Farm Households in Malawi: A Panel Data Analysis

- World Development---2014---Sosina Bezu,Girma Kassie,Bekele Shiferaw,Jacob Ricker-Gilbert

This paper assesses rural households' decision to use improved maize varieties in Malawi and examines its impact on household welfare using a three-year household panel data. The distributional effect of maize technology adoption is investigated by looking at impacts across wealth and gender groups. We applied control function approach and IV regression to control for possible endogeneity of input subsidy and area under improved maize. We found that area under improved maize varieties is positively correlated with own maize consumption, income and asset holdings. We found evidence that improved maize adoption has a stronger impact on welfare of poorer households.

Understanding the Process of Agricultural Technology Adoption: Mineral Fertilizer in Eastern DR Congo

- World Development---2014---Isabel Lambrecht,Bernard Vanlauwe,Roel Merckx,Miet Maertens

We analyze the adoption of mineral fertilizer in South-Kivu. We model technology adoption as a three-step-process, including awareness, tryout, and adoption; and empirically analyze these steps using cross-sectional farm-household data, and bivariate and Heckman selection probit models. We find that awareness about fertilizer is high (57%) and mainly determined by education and social capital. Tryout is low (13% of aware farmers) but positively influenced by extension interventions. Continued adoption is high (70% of tryout farmers) but capital constraints are important and not all extension interventions are effective for continued adoption. Our results entail implications for extension policies in poor areas.

The Impact of Technological Capabilities on Invention: An Investigation Based on Country Responsiveness Scores

- World Development---2014---Giovanni Cerulli

This study explores the impact of “technological capabilities” (TCs) on invention (measured by “patenting intensity”) in a dataset of 42 emerging and advanced countries observed over 13years (1995–2007). By computing country responsiveness scores we are able to: (i) rank countries according to their inventive responsiveness; (ii) detect more influential TCs factors; (iii) test the presence of increasing/decreasing patenting returns to TCs. Results show an inverted-U relation between invention responsiveness and TCs intensity. We conclude that self-reinforcing mechanisms characterize the early stage of TCs accumulation (increasing returns), and weakening mechanisms higher levels of TCs intensity (decreasing returns). Findings are widely discussed.

Administrative Overspending in Indonesian Districts: The Role of Local Politics

- World Development---2014---Bambang Suharnoko Sjahrir,Krisztina Kis-Katos,Günther Schulze

We analyze the determinants of the excessive administrative spending of local governments in Indonesia. In an unbalanced panel data set of 399 districts for 2001–09, we show that the proliferation of districts has not led to increased administrative spending; instead a lack of political accountability is responsible for this excess. The degree of political competition influences the level of administrative spending significantly; newly introduced direct elections of district heads, however, did not curtail the waste.

Personalizing the Middle-Income Trap: An Inter-Generational Migrant View from Rural Thailand

- World Development---2014---Jonathan Rigg,Buapun Promphaking,Ann Le Mare

Using the experiences of first and second generation migrants from three villages in Thailand, we “personalize” the middle income trap, seeking to understand how and why migrants with growing levels of education and human capital remain rooted to their natal villages. Agrarian change is such that the village remains the locus of familial belonging and livelihood security, limiting engagement with the knowledge economy, sometimes for good reason given the precarity of much non-farm work. We conclude that the middle-income trap for these villages in Thailand is as much personal as it is institutional and structural.

REDD+ and Empowered Deliberative Democracy: Learning from Tanzania

- World Development---2014---Irmeli Mustalahti,O. Sarobidy Rakotonarivo

This study was guided by the Empowered Deliberative Democracy (EDD) discourse. We analyzed how the Tanzanian Community Carbon Enterprise (CCE) model could reinforce the representation of disadvantaged groups in Reducing Emissions from Deforestation and Forest Degradation (REDD+). The findings from Tanzanian suggest unmet conditions with disadvantaged groups’ representation in local decision-making and project implementation. We argue that mechanism to support horizontal accountability could include audits and monitoring carried out by disadvantaged groups. This type of internal mechanism could for example allow careful consideration of carbon responsibilities and to allow disadvantaged groups to influence service delivery and implementation.

A Cross-Country Analysis of Perceived Economic Status and Life Satisfaction in High- and Low-Income Countries

- World Development---2014---Laura Camfield,Lucio Esposito

What are the challenges posed by the analysis of self-reported life satisfaction and material wellbeing/hardship? We explore the complex relationship

between objective and subjective indicators using primary data from two diverse sources—a questionnaire survey of 3883 undergraduate students in eight economically developed and developing countries and interviews with 310 adults in the Dominican Republic. Our findings underline the value of subjective data; at the same time, they stress the importance for development researchers of gaining a deeper understanding of what subjective data really tell us, alongside the need for a richer conceptualization of individual emotions and states of mind.

International Remittances and Human Capital Formation

- World Development---2014---Vania Salas Garcia

This article investigates the effect of international migration on children left behind in Peru. The theoretical model is based on human capital theory and educational investment decision linked to remittances. The model analyzes the role of international remittances on the investment decision between sending children to a public school or to a private school. Using data for the period 2007–10, this study addressed the problem of a left-censored endogenous variable for panel data by using a two-step estimation, and found that international remittances have a positive effect on the likelihood to send children to private schools controlling for absenteeism of parents.

Conflict, Combatants, and Cash: Economic Reintegration and Livelihoods of Ex-combatants in Nepal

- World Development---2014---Dambaru B. Subedi

In post-conflict peacebuilding, the significance of reintegration programs for ex-combatants and the manner of how their success or failure ameliorates or deteriorates conditions for peace is now less debatable. However, there is little theoretical or empirical documentation regarding the such critical questions as: Can a cash-based approach reintegrate ex-combatants? What formal or informal mechanisms do ex-combatants engage in to earn a living in a post-conflict society? How can we

understand and assess economic reintegration of ex-combatants in a situation where a cash-based scheme substitutes for reintegration programs? Using a case study of the Maoist ex-combatants from Nepal, this paper addresses these questions.

Measuring Acute Poverty in the Developing World: Robustness and Scope of the Multidimensional Poverty Index

- World Development---2014---Sabina Alkire, Maria Emma Santos

This paper presents the Multidimensional Poverty Index (MPI), a measure of acute poverty, understood as a person's inability to meet minimum international standards in indicators related to the Millennium Development Goals and to core functionings. It constitutes the first implementation of the direct method to measure poverty for over 100 developing countries. After presenting the MPI, we analyze its scope and robustness, with a focus on the data challenges and methodological issues involved in constructing and estimating it. A range of robustness tests indicate that the MPI offers a reliable framework that can complement global income poverty estimates.

How Ethnic Diversity Affects Economic Growth

- World Development---2014---Erkan Gören

This paper investigates the empirical relationship between ethnic diversity, polarization, and economic growth. Ethnicity is assumed to affect economic growth through a number of possible transmission channels that are generally included in cross-country growth regressions. This paper provides an extensive empirical analysis shedding light on the various sources through which ethnic diversity and polarization affects economic growth indirectly. It advances and empirically establishes the hypothesis that ethnic diversity has a strong direct negative impact on economic growth, whereas ethnic polarization has non-negligible indirect economic effects through the specified channel variables.

Economic Regulations, Red Tape, and Bureaucratic Corruption in Post-Communist Economies

- World Development---2014---Dinissa Duvanova

Should state regulatory involvement in the economy necessarily generate corruption? While excessive regulatory burden is often treated as a cause of corruption, this paper argues otherwise. It distinguishes regulatory policy, or *de jure* regulatory regimes from regulatory implementation and offers a more nuanced argument about the relationship between state regulations and bureaucratic corruption. The analysis of business survey data covering 25 post-communist economies demonstrates that mechanisms of regulatory implementation, rather than heavy-handed regulatory policy, are responsible for bribery. This analysis draws attention to the theoretical distinction between different types of regulatory hurdles and their differential effects on the quality of governance.

Growth with Equity for the Development of Mexico: Poverty, Inequality, and Economic Growth (1992–2008)

- World Development---2014---Alberto Javier Iniguez-Montiel

This paper constitutes an attempt to determine the relative contribution of changes in economic growth and in the distribution of income to changes in poverty in Mexico. Our findings clearly indicate that growth with redistribution (lower income inequality) was the key to reducing poverty continuously and in an important manner during 2000–2006. However, after 2006, decreasing per-capita income, coupled with the persistently high inequality (Gini of 52%), caused the reversal of the favorable trend observed since 1996, raising poverty to pre-2002 levels. Consequently, it is argued that, for Mexico, a middle-income country exhibiting quite low growth rates and high inequality levels, the further improvement in its distribution of income and assets is essential if the economy is to succeed in making a real dent in poverty. For that purpose, the

implementation of an active pro-poor growth policy should be strongly encouraged.

The Liberalization of Retail Services in India

- World Development---2014---Csilla Lakatos, Tani Fukui

Despite the recent controversy about opening up the distribution sector to foreign retailers, there is political will that remains in favor of pushing through reforms in India. In this paper, we quantify the economic impact of the removal of barriers to foreign investment in multi-brand retailing on different stakeholders using a newly developed general equilibrium model. The model accounts explicitly for both foreign direct investment and the activities of foreign affiliates using heterogeneous production technologies. We find that the unilateral reduction of barriers to FDI in distribution services in India benefits the economy as a whole, consumers, and foreign producers but hurts domestic distributors. Nevertheless, when we consider the associated productivity improvements documented in the literature to downstream and upstream industries, we find that domestic producers are expected to benefit from the liberalization of the distribution sector as well.

Explaining Global Patterns of International Aid for Linked Biodiversity Conservation and Development

- World Development---2014---Daniel C. Miller

There is little systematic knowledge about the nature, extent, and trends of international aid for projects that link biodiversity conservation and development goals. This study uses a new dataset to analyze spatial and temporal patterns of such aid globally over the past three decades. Results reveal significant donor selectivity in aid allocation, though linked conservation and development aid comprised more than two-thirds of all biodiversity-related assistance. Biodiversity aid generally was directed to biodiversity-rich, well-governed countries, but countries able to exert greater political

leverage secured more linked aid than aid targeted to conservation without a stated development objective.

Exogenous Shocks and Growth Crises in Low-Income Countries: A Vulnerability Index

- World Development---2014---Era Dabla-Norris,Yasemin Bal Gündüz

This paper develops a new index which provides early warning signals of a growth crisis in the event of large external shocks in low-income countries (LICs). Multivariate regression analysis and a univariate signaling approach are used to map information from a parsimonious set of underlying policy, structural, and institutional indicators into a composite vulnerability index. Both the in-sample and out-of-sample predictive power of the index are high. In particular, it explains well the growth crises observed in LICs during the global financial crisis.

The Contribution of Education to Economic Growth: A Review of the Evidence, with Special Attention and an Application to Sub-Saharan Africa

- World Development---2014---Paul Glewwe,Eugenie Maiga,Haochi Zheng

This paper examines recent studies that estimate the impact of education on economic growth. It explains why cross-country regressions face formidable econometric problems. Recent studies are reviewed: some show strong impacts of education on economic growth; others show little effect. All have multiple estimation problems, which may explain their divergent results. Evidence shows that education quality in Sub-Saharan Africa is much lower than in other developing countries. Estimates from three influential studies are extended; the results suggest that the impact of education on economic growth in Sub-Saharan Africa is lower than in other countries, likely due to lower school quality.

Bureaucratic Delay, Local-Level Monitoring, and Delivery of Small Infrastructure Projects: Evidence from a Field Experiment in Bolivia

- World Development---2014---Monica Yanez-Pagans,Gustavo Machicado-Salas,Carlos Gustavo Machicado Salas

Decentralization of public services to local governments and community participation in the monitoring of the delivery is now regarded as the key to improved public service delivery in developing countries. This paper examines bureaucratic delay within the allocation of small infrastructure projects in Bolivia, and it presents a randomized field experiment designed to improve public service delivery by promoting voice, transparency, and accountability among grassroots organizations. The findings of this paper suggest that monitoring tools designed to promote transparency and access to information by grassroots organizations might play an important role in improving public service delivery outcomes.

Capturing the Margins: World Market Prices and Cotton Farmer Incomes in West Africa

- World Development---2014---Thomas J. Bassett

World cotton prices soared to record levels in March 2011, reaching \$2.20 a pound in contrast to 40–80¢/pound between 2000 and 2010. The price spike serves as a natural experiment that offers insights into the relationship between world cotton prices and producer prices in West Africa. A comparative study of Burkina Faso and Côte d'Ivoire shows that national and regional level processes such as price setting mechanisms, inequalities in knowledge and power, and the oligopsonistic structure of West Africa's cotton economies exert a strong influence on the share of world market prices that producers ultimately receive.

Diaspora Investments and Firm Export Performance in Selected Sub-Saharan African Countries

- World Development---2014---Amadou Boly,Nicola Coniglio,Francesco Prota,Adnan Seric

Diasporans can contribute to the development of their home countries by investing their capital in existing businesses and/or setting up new ventures in their countries-of-origin. This paper analyzes whether these growingly important investors differ from domestic firms and foreign investors in terms of export behavior. Our results indicate that diaspora firms are more likely to be exporters, to export more intensively and toward more destinations compared to domestic firms; in addition their export performance is not substantially dissimilar to that of MNEs. The presence of diaspora investors and entrepreneurs may contribute to boost the internationalization of developing countries.

Returns to Education in India

- World Development---2014---Scott Fulford

In India both men and women with more education live in households with greater consumption per capita. Yet aggregating across age cohorts and states, an extra year of education brings male cohorts only 4% more consumption and provides no additional consumption for female cohorts. This result is robust to: (1) accounting for survey measurement error, (2) different measures of household consumption and composition, (3) allowing returns to differ by state and school quality, and (4) age misreporting. The only area with substantial returns is entering into regular wage work which still employs only a small fraction of the population.

The Social Dynamics of Labor Shortage in South African Small-Scale Agriculture

- World Development---2014---Elizabeth Hull

This article examines the relationship between unemployment, family structure, and labor allocation in rural South Africa. Chronic joblessness has meant that many young, unemployed adults remain in the parental home. However, their productive labor is often not utilized in family farming. Using detailed ethnographic data on intra-household social relations, I argue that the prohibitive cost of marriage, and its consequent decline, has led to the erosion of obligations formerly

implied by the “conjugal contract”. Young, unmarried adults often have limited responsibilities to provide labor or income to the parental home, diminishing the overall viability of small-scale farming.

Policies for Agricultural Productivity Growth and Poverty Reduction in Rural Ethiopia

- World Development---2014---Zewdu Abro,Bamlaku Alamirew Alemu,Munir A. Hanjra

Increasing the productivity of smallholder agriculture holds the key to poverty reduction. The empirical literature is limited to ascertain the linkages and the implications for policy uptake in Ethiopia. We examine the impact of growth in agricultural productivity on household poverty dynamics in rural Ethiopia using a panel dataset (1994–2009). Findings suggest that government policies aimed at reducing poverty should adopt a growth plus approach—designing policy interventions to support agricultural productivity growth, plus to protect assets and enhance market access for rural households in the country.

The Effects of Mexico’ s Seguro Popular Health Insurance on Infant Mortality: An Estimation with Selection on the Outcome Variable

- World Development---2014---Tobias Pfutze

This paper estimates the effects of Mexico’ s Seguro Popular health insurance on infant mortality during its first 5years of implementation. It uses data on births reported in the micro sample from Mexico’ s 2010 general population census. However, births of surviving children are more likely to be observed than births of non-surviving ones. This selection on the outcome variable is addressed using the weighted exogenous sampling maximum likelihood (WESML) estimator, originally developed for the case of choice-based samples. The results indicate that the program can be expected to reduce Mexico’ s infant mortality by close to 5 out of 1,000 births.

The Impact of Bolsa Família on Women's Decision-Making Power

- World Development---2014---Alan de Brauw, Daniel Gilligan, John Hoddinott, Shalini Roy

Conditional cash transfer programs with female beneficiaries have scope to increase women's intrahousehold decision-making power. Yet quantitative evidence is limited. We show that Brazil's Bolsa Família program has significant impacts on women's decision making, but with considerable heterogeneity in effects. In aggregate, Bolsa Família significantly increases women's decision-making power regarding contraception. This effect is driven by urban households, in which Bolsa Família also significantly increases women's decision-making power in spheres related to children's school attendance and health expenses, household durable goods purchases, and contraception use. Meanwhile, in rural households, we find no increases and possible reductions in women's decision-making power.

Moving Off the Farm: Land Institutions to Facilitate Structural Transformation and Agricultural Productivity Growth in China

- World Development---2014---Klaus Deininger, Songqing Jin, Fang Xia, Jikun Huang

Agriculture made major contributions to China's growth and poverty reduction, but the literature has rarely focused on the institutional factors that might underpin such structural transformation and productivity. Drawing on an 8-year panel of 1,200 households in six provinces, we find that land tenure insecurity, measured by past land reallocations, discourages households from quitting agriculture, and the recognition of land rights through formal certificates encourages the temporary migration of rural labor. A sustained increase in nonagricultural opportunities will reinforce the importance of secure land tenure, a precondition for successful structural transformation and continued economic attractiveness of rural areas.

The Politics of Technological Upgrading: International Transfer to and Adaptation of GM Cotton in Argentina

- World Development---2014---Valeria Arza, Patrick van Zwaneberg

We describe patterns of international transfer to and adaptation of genetically modified (GM) cotton in Argentina, and ask whether political bargaining between the technology owner, a multinational enterprise (MNE), and host country actors may have influenced upgrading. We suggest that the MNE was able to use its exclusive capacity to upgrade GM cotton technologies as a negotiation tool to persuade host actors to change the rules that affected its multi-lines of business in the country. This implies wider policy scope to encourage technology upgrading; host actors could negotiate over a wider range of aspects of interest to MNEs.

Mexican Migrants to the US: What Do Unrealized Migration Intentions Tell Us About Gender Inequalities?

- World Development---2014---Isabelle Chort

This paper exploits unrealized intentions to migrate to highlight mobility constraints. I analyze the discrepancies between Mexicans' intention to migrate and their subsequent migration behavior using the two waves of the Mexican Family Life Survey panel (2002 and 2005–06). I first provide evidence that intentions contain behavioral information. Controlling for various shocks likely to affect the migration decision, I find that women's probability to carry out their migration plans is systematically lower than men's. Different interpretations are investigated, but empirical evidence suggests that women's unrealized migration plans are due to female-specific costs and constraints.

The Impact of Governance and Institutional Quality on MFI Outreach and Financial Performance in Sub-Saharan Africa

- World Development---2014---Thierno Barry, Ruth Tacneng

This paper examines whether shareholder-owned MFIs financially and socially perform better than NGOs in sub-Saharan Africa (SSA). We also investigate the role of institutional quality in altering MFIs' incentives and behavior in determining outreach. Our results indicate that NGOs are more profitable and have better outreach than banks and cooperatives. While a weak rule of law favors relationship-based exchanges and thus, results in NGO superiority, stronger institutional quality may encourage banks to cater to more borrowers, hence, shareholder-owned MFIs do not socially perform differently from NGOs. Overall, this study shows that NGOs are the best conduits of microfinance in SSA.

Regulation in Microinsurance Markets: Principles, Practice, and Directions for Future Development

- World Development---2014---Christian Biner, Martin Eling, Joan T. Schmit

Regulation of any market can either promote or impede its development, thus affecting social welfare. In this paper, we are concerned with the impact of regulation in microinsurance markets. We evaluate existing and potential regulatory mechanisms with regard to its underlying economic rationale, and offer recommendations intended to enhance support and minimize barriers for microinsurance market development. Specifically, we recommend avoiding incentives for regulatory arbitrage; responding to the characteristics of the microinsurance market, including licensing, capital, reinsurance, and distribution systems; enhancing the market through financial literacy initiatives; and providing support in the form of data collection and management training.

Does Tourism Eco-Certification Pay? Costa Rica's Blue Flag Program

- World Development---2014---Allen Blackman, María Angélica Naranjo, Juan Robalino, Francisco Alpizar Rodríguez, Jorge Rivera

According to advocates, eco-certification can stem environmental damages from tourism in developing countries. Yet we know little about tourism operators' economic incentives to get certified. To help fill that gap, we use detailed panel data to analyze the Blue Flag beach certification program in Costa Rica where nature-based tourism has caused significant environmental damage. We use new hotel investment to proxy for private benefits, and fixed effects and propensity score matching to control for self-selection bias. We find that Blue Flag certification spurs significant new hotel investment, particularly in luxury hotels and in economically advantaged communities.

Out of Sight, Not Out of Mind. Education Networks and International Trade

- World Development---2014---Marina Murat

University students typically develop between them long-lasting ties of friendship and trust, as well as an attachment to their university. If they are foreign students, they also form a bond to their country of study. This paper investigates the impact of university ties on the UK's trade with 167 countries during 1999–2009. I find robust evidence that education network ties boost the UK's bilateral trade flows. Specifically, the impact of networks is stronger on trade between the United Kingdom and countries with dissimilar institutions and culture, and particularly with post-communist economies. Results are robust to different econometric specifications and regressors.

Estimating the Scale and Geography of Global Poverty Now and in the Future: How Much Difference Do Method and Assumptions Make?

- World Development---2014---Peter Edward, Andy Sumner

Estimates of the historic and future scale and location or “geography” of global poverty by income/expenditure have a long and contentious history. In recent projections made on global poverty, methods and assumptions vary so widely it is impossible to

compare studies in a systematic way even on their estimates of current poverty. In light of this, we discuss the methodological issues arising and use a custom-built model to provide a new, consistent set of long-run estimates of global poverty to show the impact of different methods and assumptions on the scale and location of global poverty.

Labor Market Discrimination in Lima, Peru: Evidence from a Field Experiment

- World Development---2014---Francisco Galarza, Gustavo Yamada

We analyze labor discrimination in Peru, a fast-growing country where much anecdotal evidence suggests the presence of discriminatory practices in everyday life. Using surnames (indigenous/white) as a proxy for race, we sent 4820 fictitious CVs in response to 1205 real job vacancies for professional, technical, and unskilled jobs in Lima. Overall, whites receive more callbacks than indigenous applicants, and beautiful applicants receive more callbacks than homely-looking ones. The magnitude and significance of the racial and beauty gaps in callbacks substantially vary by job category. In particular, better looks only seem to matter in getting more callbacks for professional jobs.

The Politics of the Mahatma Gandhi National Rural Employment Guarantee Act in Andhra Pradesh

- World Development---2014---Diego Maiorano

The Mahatma Gandhi National Rural Employment Guarantee Act is India's (and the world's) largest employment scheme. While many analyses exist on the impact and implementation faults of this program, scant attention has been dedicated to how political dynamics have influenced implementation. This paper will try to fill this gap with evidence from the southern state of Andhra Pradesh. It will argue that the implementation performance of the scheme has been fairly good, despite the abysmal performance of the state government with previous employment schemes; the

key factor in determining such a shift was the political commitment of the state's chief minister.

Exploiting the Poor: Bureaucratic Corruption and Poverty in Africa

- World Development---2014---Mogens K. Justesen, Christian Bjørnskov

While extant research has focused on the causes and consequences of corruption at the macro-level, less effort has been devoted to understanding the micro-foundation of corruption. We argue that poor people are more likely to be victims of corrupt behavior by street-level bureaucrats as the poor often rely heavily on services provided by governments. We test this proposition using micro-level survey data from the Afrobarometer. Multilevel regressions across 18 countries show that poor people are much more prone to experience having to pay bribes to government officials.

The Millennium Challenge Corporation: Organizational Constraints on US Foreign Aid, 2004–11

- World Development---2014---James H. Lebovic

The Millennium Challenge Corporation (MCC) was established in 2004 to channel billions of US foreign assistance dollars to various infrastructure projects within a select group of low income countries that could presumably help themselves, when ruling justly, investing in people, and encouraging economic freedom were considered primary contributors to self-sustaining economic growth. Through multi-method analysis, this study reveals that, with its choice of assessment categories and accompanying indicators, the MCC undermines its governing principles in aid-candidate qualification.

Subnational Climate Justice? Adaptation Finance Distribution and Climate Vulnerability

- World Development---2014---Sam Barrett

This article investigates subnational adaptation finance distribution within Malawi. Malawi is highly climate vulnerable and a significant per-capita recipient of

adaptation finance. This empirical study models distribution dynamics through “need” (climate vulnerability) and “government interest” (patronage). Results indicate those areas most in need receive relatively little finance. Rather, donor utility and the ability to absorb capital offer the most persuasive explanations for distribution across the state. These findings suggest that the distribution of adaptation funds do not support the larger goal of climate justice.

Effect of Conflict on Dietary Diversity: Evidence from Côte d’ Ivoire

- World Development---2014---Andrew L. Dabalen, Saumik Paul

In this paper we estimate the causal effects of conflict on dietary diversity in Côte d’ Ivoire. To identify the true impact of conflict, we use (1) pre-war and post-war household data, (2) the specific counts of conflict events across departments, and (3) self-reported victimization indicators. We find robust and statistically significant evidence of households in the worst-hit conflict areas and individuals who are the direct victims of the conflict having lower dietary diversity. The propensity score-matching estimates do not alter the main findings. Other robustness checks including subsamples of households with children support the existing findings.

Stepping into Formal Politics

- World Development---2014---Alexandra M. Girard

Gender quotas, decentralization of irrigation management, and reliance on MGNREGA for labor provision challenge the traditional patriarchal canal management system by institutionalizing women as formal decision-makers and members of the irrigation labor force in northern India. Based on a survey of 592 women in rural Himachal Pradesh, this paper quantitatively analyses how these policies affect women’ s engagement in formal political processes. Results indicate that factors from the private and individual domains influence female participation in formal political processes. Most importantly, India’ s gender inclusive policies provide women with the opportunity to legitimately

engage in formal political processes governing resource management.

Exploring the Relation Between the Degree of Novelty of Innovations and User–Producer Interaction Across Different Income Regions

- World Development---2014---Gouya Harirchi, Cristina Chaminade

User–producer interactions have been recognized as important for innovation. With the rapid growth of emerging economies’ markets, and an increasing degree of technological sophistication of both users and producers in those markets, user–producer interaction is becoming global. Using original firm-level data, this paper explores how collaboration with users in different income regions affects the degree of innovations’ novelty. We find that collaborating with international users is positively related to higher degrees of novelty. Furthermore, firms in low- and middle income countries will benefit more from south–south user collaboration than a south–north one.

Women’ s Access to Labor Market Opportunities, Control of Household Resources, and Domestic Violence: Evidence from Bangladesh

- World Development---2014---Rachel Heath

While there are many positive societal implications of increased female labor force participation, working may increase a woman’ s risk of domestic violence. Using data I collected from Bangladesh, I document a positive correlation between work and domestic violence, but only among women with low education or young age at marriage. These results suggest that women with low bargaining power face increased risk of domestic violence upon entering the labor force as their husbands seek to counteract their increased bargaining power. Consequently, policies that increase women’ s baseline bargaining power will decrease the risk that they face domestic violence upon beginning work.

Manufacturing Paradoxes: Foreign Ownership, Governance, and Value Chains in China's Light Industries

- World Development---2014---Mark P. Dallas

Utilizing Chinese industrial data and detailed transactional trade data, this paper finds two paradoxes. First, the distribution of FDI across value chains in light industries is the opposite of many extant explanations. Second, China's dominance as an exporter is belied by the weaknesses of its domestic firms within the governance of value chains, with important implications for firm upgrading. By analyzing millions of US Customs Bureau trade transactions, the paradoxes are resolved by examining intermediary contractors in East Asian value chains. Even 30 years after reforms began and in the technologically simplest industries, Chinese firms continue to struggle to break through substantial 'contractual' barriers to entry.

Corporate Investments in Asian Markets: Financial Conditions, Financial Development, and Financial Constraints

- World Development---2014---Maria Socorro Gochoco-Bautista,Noli Sotocinal,Jianxin Wang

This paper explores the mechanisms through which finance affects corporate investments and capital accumulation. We separate the effects of financial conditions from those of financial development. Based on a sample of firms from five Asian emerging economies, we find that (i) financial conditions affect firms' growth opportunities and investment demand, while financial development primarily affects firms' external financing constraints; (ii) large firms benefit more from improved financial conditions, while small firms benefit more from financial development; and (iii) these effects are asymmetric—in general, stronger when the global financial crisis was unfolding and weaker during the subsequent rebound.

Selling Success: Constructing Value in Conservation and Development

- World Development---2014---Bram Büscher

"Selling success" is crucial in conservation and development. Solutions, ideas, projects, and people must actively be constructed as valuable to get donors and policy-makers to buy (into) them. Exactly how success "travels" and becomes capital, however, is not often explicated. Using a southern African conservation and development intervention, the paper compares "positive translation" along the project's accountability chain with the broader circulation of positive references to the project's payments for ecosystem services initiative. While both illuminate the construction of value in conservation and development, the paper concludes that a neoliberal context increasingly emphasizes the latter tactic of "epistemic circulation".

Is There an Alternative for Irrigation Reform?

- World Development---2014---Diana Suhardiman,Mark Giordano

Poor performance of government-managed irrigation systems persists in developing countries despite numerous policy interventions over the last four decades. We argue that many of these interventions have failed, because they did not recognize irrigation bureaucracies as prime actors in policy change. This paper examines the varied actors and agendas within irrigation bureaucracies, highlighting the dichotomy between "hydraulic missions" on the one hand and direct service provision to farmers on the other. To increase the significance of future reform, bureaucracies must be considered as explicit actors, and reform efforts should derive from better understanding of the farmer–agency interface.

Do Natural Resource Revenues Hinder Financial Development? The Role of Political Institutions

- World Development---2014---Sambit Bhat-tacharyya,Roland Hodler

We hypothesize that natural resource revenues may deteriorate contract enforcement if political institutions are weak. As poor contract enforcement leads to low financial development, resource revenues may hinder financial development in countries with poor

political institutions, but not in countries with comparatively better political institutions. We provide empirical support for this hypothesis based on within-country variation in our sample covering the period 1970–2005 and 133 countries. Our results are robust to the use of additional control variables, different samples, and alternative measures of financial development and political institutions.

E-Government, Internet Adoption, and Corruption: An Empirical Investigation

- World Development---2014---Nasr Elbahnasawy

This study empirically investigates the impact of e-government and internet adoption on curbing corruption, by utilizing a large panel dataset. The results reveal that e-government is a powerful tool in reducing corruption—via telecommunication infrastructure and the scope and quality of online services—which is strengthened by greater internet adoption. The interaction effects between e-government and internet adoption suggest both as complements in anti-corruption programs. A dynamic panel data model that addresses the endogeneity problem and considers corruption persistency is employed. Results of panel Granger causality tests indicate a unidirectional causality from e-government to corruption, while a bilateral causality between internet adoption and corruption.

The Influence of Legitimacy Perceptions on Cooperation – A Framed Field Experiment

- World Development---2014---Jetske Bouma,K.J. Joy,Suhas Paranjape,Erik Ansink

Decentralization of irrigation management is claimed to improve performance by enhancing legitimacy and, thus, increasing cooperation. We test this hypothesis by collecting information about water users' legitimacy perceptions and assessing the impact of these perceptions on irrigation charge payments and behavior in a framed field experiment. Our results show that legitimacy perceptions differ between communities and between water users association members and non-members but that these differences do not explain

charge payments nor behavior in the irrigation treatment of the game. We conclude that decentralization may enhance legitimacy perceptions but that this does not necessarily increase cooperation in irrigation management.

The Impact of Aid and Public Investment Volatility on Economic Growth in Sub-Saharan Africa

- World Development---2014---Malimu Museru,Francois Toerien,Sean Gossel

This study investigates the effects of aid inflows and the volatility of public investment on economic growth in 26 Sub-Saharan African countries over the period from 1992 to 2011. Three volatility variables comprising aid, government revenue, and public investment are incorporated into an aid-growth model to test for their effect on economic growth. Using the Generalized Method of Moments (GMM) technique and averaged data for five four-year sub-periods, we show that although foreign aid has a positive impact on growth once potential endogeneity has been accounted for, aid effectiveness may have been eroded by volatility in public investment.

Slavery, Statehood, and Economic Development in Sub-Saharan Africa

- World Development---2014---Dirk Bezemer,Jutta Bolt,Robert Lensink

Although Africa's indigenous systems of slavery have been extensively described in the historical literature, comparatively little attention has been paid to analyzing its long term impact on economic and political development. Based on data collected from anthropological records we conduct an econometric analysis. We find that indigenous slavery is robustly and negatively associated with current income levels, but not with income levels immediately after independence. We explore one channel of transmission from indigenous slavery to income growth consistent with this changing effect over time and find evidence that indigenous slavery impeded the development of capable and accountable states in Africa.

Efficiency-Adjusted Public Capital and Growth

- World Development---2014---Sanjeev Gupta,Alvar Kangur,Chris Papageorgiou,Abdoul Wane

This paper constructs an efficiency-adjusted public capital stock series and re-examines the public capital and growth relationship. The paper also examines the effects of four specific stages of the public investment process—appraisal, selection, implementation and evaluation—on capital accumulation and growth. The results show that public capital is a significant contributor to economic growth. The quality of public investment, as measured by variables capturing the adequacy of project selection and implementation, is statistically significant in explaining variations in economic growth, a result mainly driven by low-income countries.

Financial Inclusion, Gender Dimension, and Economic Impact on Poor Households

- World Development---2014---Vighneswara Swamy

We examine the question: “In the context of gender dimension what is the evidence of the impact of the financial inclusion programs on poor households represented by women relative to that represented by men?” By constructing a good counterfactual and comparison group, we employ the difference-in-difference estimator approach with Panel Least Squares and Generalized Methods of Moments using standard errors for a robust analysis. We notice that income growth (CAGR) net of inflation effect was 8.40% for women as against 3.97% for men, indicating that the gender of participating poor undoubtedly affects the outcomes of these programs.

Does Commercialization Undermine the Benefits of Decentralization for Local Services Provision? Evidence from Mexico’ s Urban Water and Sanitation Sector

- World Development---2014---Veronica Herrera

Decentralization has been promoted as a means to better reflect citizen preferences and improve local services.

Many developing countries decentralized and promoted neoliberal policies such as commercialization simultaneously, leaving mayors with the responsibility of improving public services through self-financing reforms. This study evaluates experiences in three Mexican cities to assess whether decentralization and commercialization practices have resulted in improved water and sanitation services. It finds that commercialization has increased social conflict surrounding urban services provision and that local institutional constraints further undermine mayor’ s ability to adopt politically contentious policies. The result has been stalled and uneven service improvements.

Inequality and Fractionalization

- World Development---2014---Gregory Casey,Ann Owen

We present evidence that ethnic fractionalization explains variations in per capita income, institutions, and schooling better than inequality. To do so, we identify instruments for ethnic fractionalization and inequality based on historical experience and geography. While simultaneously instrumenting for both variables, we find that ethnic fractionalization is negatively related to the level of income, schooling, and institutional quality, but inequality is not consistently related in a statistically significant way. If anything, the evidence suggests that inequality is positively related to economic development. We also show that previous results indicating negative effects of inequality may be inadvertently capturing the impact of ethnic fractionalization.

The Persistence of Subjective Poverty in Urban Ethiopia

- World Development---2014---Yonas Alem,Gunnar Köhlin,Jesper Stage

Using data spanning 15years, we study subjective and consumption poverty in urban Ethiopia. Despite rapid economic growth and declining consumption poverty, subjective poverty remains largely unchanged. We find that households with a history of poverty continue to perceive themselves as poor even if their material

consumption improves. The relative economic position of households is a strong determinant of subjective poverty. Having some type of employment makes households less likely to perceive themselves as poor, even if they remain in objective poverty. We argue that any analysis to measure the impact of growth on welfare should also encompass subjective measures.

Aid with Blinkers: Environmental Governance of Uranium Mining in Niger

- World Development---2014---Rasmus Kløcker Larsen,Christiane Alzouma Mamosso

The role of development cooperation in fostering improved environmental governance of extractive industries in African countries exposed to the expanding global uranium frontier remains ambiguous. With primary data, this paper demonstrates how foreign aid to Niger has ignored grievances on grave environmental impacts and rampant institutional failures while a crisis discourse on desertification and food insecurity diverts attention from geopolitical interests in mineral wealth. We argue that aid delivery remains insufficient to address structural deficiencies cemented by decades of investment-friendly ‘politics of mining’ and conclude that domestic reforms must be backed by stronger transnational accountability mechanisms to overcome corporate impunity.

The Surprising Effects of the Great Recession: Losers and Winners in Thailand in 2008–09

- World Development---2014---Jonathan Haughton,Shahidur Khandker

The “great recession” of 2008–09 affected Thailand significantly, reducing exports by 19% and tourist arrivals by 14%. Yet monthly survey data show, after controlling for household variables, that real consumption per capita rose in 2009 relative to 2008 for most groups, including the poor, and urban and rural households. Losers included some residents of Bangkok, especially those aged 20–29. Nationally, school enrollment rates did not fall, and durables purchases rose. A simulation exercise based on the drop in GDP would

have missed these effects. Hence the importance of country-specific policy analysis, rooted in timely local evidence.

Adding Environment to the Collective Action Problem: Individuals, Civil Society, and the Mangrove-Fishery Commons in Ecuador

- World Development---2014---Christine M. Beitzl

Research on the commons suggests a more robust understanding of human-resource interactions is needed to strengthen theories about collective action and sustainable governance. I combine ethnographic and fishery data to explore how resource characteristics and institutions influence people’s behavior toward common pool resources in coastal Ecuador. This comparative study of the commons at two levels (mangroves and the cockle fishery) highlights how trust, communication, and social obligation depend on social histories of resource systems and types of collective action problems, largely explaining why local institutions encourage individuals to uphold mangrove forest conservation but have little effect on cooperation in fisheries.

FDI Spillovers and Time since Foreign Entry

- World Development---2014---Bruno Merlevede,Koen Schoors,Mariana Spatareanu

This study investigates the effect of foreign direct investment (FDI) on the productivity of local firms. In contrast to existing literature our empirical approach does not require FDI to have immediate or permanent effects. We find that foreign entry initially negatively affects local competitors’ productivity, followed by a positive permanent effect from majority foreign owned firms present for longer time. The effect on the productivity of local suppliers, in contrast, is transient. Majority foreign owned firms boost local suppliers’ productivity a few years after entry, then the effect fades out. Minority foreign owned firms have similar but smaller effect.

Aid Effectiveness in Times of Political Change: Lessons from the Post-Communist Transition

- World Development---2014---Emmanuel Frot, Anders Olofsgård, Maria Berlin

We argue that the tilt toward donor interests over recipient needs in aid allocation and practices may be particularly strong in new partnerships. Using the natural experiment of Eastern transition we find that commercial and strategic concerns influenced both aid flows and entry in the first half of the 1990s, but much less so later on. We also find that fractionalization increased and that early aid to the region was particularly volatile, unpredictable and tied. Our results may explain why aid to Iraq and Afghanistan has had little development impact and serves as warning for Burma and Arab Spring regimes.

Crime and Microenterprise Growth: Evidence from Mexico

- World Development---2014---Ariel Ben-Yishay, Sarah Pearlman

We explore the relationship between property crime and growth among microenterprises in Mexico. We use data on microenterprises and crime incidence from victimization surveys. We find that higher rates of property crime are associated with a significantly lower probability an enterprise plans to expand or experiences income growth in the subsequent 12 months. These effects are unique to property crimes and are not due to preventative measures undertaken by more rapidly expanding firms or other sources of reverse causality. These conclusions also are robust to a number of controls for firm heterogeneity and for local institutional quality.

What Determines Gender Inequality in Household Food Security in Kenya? Application of Exogenous Switching Treatment Regression

- World Development---2014---Menale Kassie, Simon Wagura Ndiritu, Jesper Stage, Menale Kassie Berresaw

This paper explores the link between the gender of a household head and food security in rural Kenya. The results show that the food security gap between male-headed households (MHHs) and female-headed households (FHHs) is explained by their differences in observable and unobservable characteristics. FHHs' food security status would have been higher than it is now if the returns (coefficients) on their observed characteristics had been the same as the returns on the MHHs' characteristics. Even if that had been the case, however, results indicate that FHHs would still have been less food-secure than the MHHs due to unobservable characteristics.

Determinants of Donor Generosity: A Survey of the Aid Budget Literature

- World Development---2014---Andreas Fuchs, Axel Dreher, Peter Nunnenkamp

This article provides a survey of the aid budget literature and examines the determinants of the development aid efforts of 22 Development Assistance Committee (DAC) members over the 1976–2011 period. In fixed effects regressions, we identify aid inertia, per-capita GDP, the creation of an independent aid agency, colonial history, Russian military capacity, peer effects, terror incidents, aid to CEEC/NIS countries, and imports from developing countries as determinants of the Official Development Assistance (ODA)-to-GNI ratio. Excluding donor fixed effects, several variables, including colonial history and the aid agency dummy, are no longer significant; the impact of per-capita GDP gets weaker, while donors' budget deficits decrease aid effort.

Diversification and Development in Pastoralist Ethiopia

- World Development---2014---Derek Headey, Alemayehu Taffesse, Liangzhi You

Recent droughts in the Horn of Africa have again raised concerns over the viability of pastoralism. Vulnerability to drought, arguably increasing on the back of climate change and population pressures, provides a

compelling justification for encouraging economic diversification. It is less clear, however, which specific social or economic sectors can provide pro-poor economic transformation. In this paper we assess the potential for diversification into both sedentary agricultural and non-farm activities in Ethiopia. We conclude that while irrigation and large farm investments do have sizeable potential to create jobs, education should be the central pillar of diversification strategies in pastoralist areas.

How Public Pension affects Elderly Labor Supply and Well-being: Evidence from India

- World Development---2014---Neeraj Kaushal

I study the effect of a recent expansion in India's National Old Age Pension Scheme on elderly well-being. Estimates suggest that public pension has a modestly negative effect on the employment of elderly/near elderly men with a primary or lower education but no effect on the employment of similar women. Pension raised family expenditures, lowering poverty, and the effect was smaller on families headed by illiterate persons suggesting lower pension coverage of this most disadvantaged group. Further, I find that households spent most of the pension income on medical care and education, suggesting possible intra-family transfers across generations.

Food Standards are Good – For Middle-Class Farmers

- World Development---2014---Henrik Hansen,Neda Trifkovic

We estimate the causal effect of food standards on Vietnamese pangasius farmers' wellbeing measured by per capita consumption expenditure. We estimate both the average effects and the local average treatment effects on poorer and richer farmers by instrumental variable quantile regression. Our results indicate that large returns can be accrued from food standards, but only for the upper middle-class farmers, i.e., those between the 50% and 85% quantiles of the expenditure distribution. Overall, our result points to an exclusionary impact of standards for the poorest farmers while the richest

do not apply standards because the added gain is too small.

Industrialization Trajectories in Madagascar's Export Apparel Industry: Ownership, Embeddedness, Markets, and Upgrading

- World Development---2014---Mike Morris,Cornelia Staritz

The paper shows the importance of ownership as a conceptual category within global value chain (GVC) analysis through analyzing firm types based on their GVC linkage, market access, and ownership profile in Madagascar's apparel export industry. The central argument is that ownership leading to variances in embeddedness matters. Ownership characteristics of supplier firms shape the ability to shift between different end markets, respond to lead firm requirements, and pursue upgrading. With Madagascar's exclusion from AGOA benefits this has enabled locally embedded European/French diaspora-owned firms and regionally embedded Mauritian-owned firms to shift market channels and upgrade while Asian-owned firms largely exited the industry.

The Paradox of Export Growth in Areas of Weak Governance: The Case of the Ready Made Garment Sector in Bangladesh

- World Development---2014---Faisal Z. Ahmed,Ane Greenleaf,Audrey Sacks

Can export growth occur in states with weak governance and competitive clientelism? Conventional wisdom is that effective industrial policy requires a politically stable country with a centralized government. Absent these conditions, countries can pursue alternative types of industrial policies. Contexts with stable, or predictable, mis-governance and a government committed to nonintervention can yield strong export performance. We test this hypothesis in Bangladesh by examining the creation of industrial policy in the Ready Made Garment (RMG) sector. This paper highlights how the particular "political settlement" in

Bangladesh has created a viable environment in which the RMG sector continues to grow.

How Much Infrastructure Is Too Much? A New Approach and Evidence from China

- World Development---2014---Hao Shi,Shaoqing Huang

This paper extends the Akerberg–Caves–Frazer approach to a nonparametric aggregate production function to address both the endogeneity and the function misspecification issues in estimating the returns to infrastructure and private capital and thus the optimal allocation between them. Based on Chinese provincial data over 1995–2011, we find that in 1997 most Chinese provinces were under-invested in infrastructure, whereas in 2008 most of the western provinces were over-invested in infrastructure. Such findings suggest that the nationwide large-scale infrastructure investment enacted by the Chinese government after the 1997 and 2008 financial crises may be of different economic efficiency.

Taxation and Democratization

- World Development---2014---Thushyanthan Baskaran

Anecdotal evidence from pre-modern Europe and North America suggests that rulers are forced to become more democratic once they impose a significant fiscal burden on their citizens. One difficulty in testing this “taxation causes democratization” hypothesis empirically is the endogeneity of public revenues. I use introductions of value added taxes and autonomous revenue authorities as sources of quasi-exogenous variation to identify the causal effect of the fiscal burden borne by citizens on democracy. The instrumental variables regressions with a panel of 122 countries over the period 1981–2008 suggest that revenues have on average a mild positive effect on democracy.

Adding Value to Randomization with Qualitative Analysis: The Case of Microcredit in Rural Morocco

- World Development---2014---Solène Morvant-Roux,Isabelle Guérin,Marc Roesch,Jean-Yves Moissoneron

This paper analyzes microcredit demand and use to draw lessons on how households appropriate microcredit services. It introduces qualitative analysis to a randomized study. Findings suggest that microcredit demand and use is shaped not only by agro-ecological conditions, but by two major partially interrelated factors: debt-related norms articulated with the perception of the sanction in case of repayment default, and the “social life” of microcredit, namely, how social actors, credit officers, and local leaders, engage with microcredit. On a conceptual perspective we argue that microcredit “markets” do not result from supply confronting demand, but instead, are historical, political, and social constructs.

Self-Employment in the Developing World

- World Development---2014---Thomas (Tim) Gindling,David Newhouse

This paper analyzes heterogeneity among the self-employed in 74 developing countries, representing two-thirds of the population of the developing world. After profiling how worker characteristics vary by employment status, it classifies self-employed workers outside agriculture as “successful” or “unsuccessful” entrepreneurs, based on two measures of success: whether the worker is an employer, and whether the worker resides in a non-poor household. Four main findings emerge. First, jobs exhibit a clear pecking order, with household income and worker education highest for employers, followed by wage and salaried employees, non-agricultural own-account workers, non-agricultural unpaid family workers, and finally agricultural workers. Second, a substantial minority of own-account workers reside in non-poor households, suggesting that their profits are often a secondary source of household income. Third, as per capita income increases

across countries, the structure of employment shifts rapidly, first out of agriculture into unsuccessful non-agricultural self-employment, and then mainly into non-agricultural wage employment. Finally, roughly one-third of the unsuccessful entrepreneurs share similar characteristics with their successful counterparts, suggesting they have the potential to be successful but face constraints to growth. The authors conclude that although interventions such as access to credit can benefit a substantial portion of the self-employed, effectively targeting the minority of self-employed with higher growth potential is important, particularly in low-income contexts. The results also highlight the potential benefits of policies that facilitate shifts in the nature of work, first from agricultural labor into non-agricultural self-employment, and then into wage and salaried jobs.

Land Tenure and Tropical Forest Carbon Management

- World Development---2014---Lisa Naughton-Treves, Kelly Wendland

This essay introduces five papers investigating land tenure issues related to conserving tropical forests via incentive-based strategies (e.g., PES, REDD+). After briefly reviewing key terms and concepts, we point to important contributions from the papers regarding (a) a deeper theoretical and empirical understanding of the relationship between land tenure and forest outcomes, and (b) policy lessons from early efforts to address tenure in sites targeted for forest carbon projects.

Governance, Location and Avoided Deforestation from Protected Areas: Greater Restrictions Can Have Lower Impact, Due to Differences in Location

- World Development---2014---Alexander Pfaff, Juan Robalino, Eirivelthon Lima, Catalina Sandoval, Luis Diego Herrera

For Acre, in the Brazilian Amazon, we find that protection types with differences in governance, including different constraints on local economic development,

also differ in their locations. Taking this into account, we estimate the deforestation impacts of these protection types that feature different levels of restrictions. To avoid bias, we compare these protected locations with unprotected locations that are similar in their characteristics relevant for deforestation. We find that sustainable use protection, whose governance permits some local deforestation, is found on sites with high clearing threat. That allows more avoided deforestation than from integral protection, which bans clearing but seems feasible only further from deforestation threats. Based on our results, it seems that the political economy involved in siting such restrictions on production is likely to affect the ability of protected areas to reduce emissions from deforestation and degradation.

Complex Tenure and Deforestation: Implications for Conservation Incentives in the Ecuadorian Amazon

- World Development---2014---Margaret B. Holland, Free de Koning, Manuel Morales, Lisa Naughton-Treves, Brian E. Robinson, Luis Suárez

This paper analyzes deforestation in areas of overlapping land tenure in the northern Ecuadorian Amazon. We use a random coefficients model to test for differences in forest cover across tenure forms over time. Tenure categories are significantly associated with changes in deforestation, even after controlling for multiple factors. Deforestation slows dramatically in the latter time period; and model results link parks with reduced deforestation. The same is true for lands where indigenous territories overlap with forest protection. Our results suggest that Ecuador's conservation incentive program could refine its targeting by focusing on indigenous areas and communal lands outside of parks.

How are REDD+ Proponents Addressing Tenure Problems? Evidence from Brazil, Cameroon, Tanzania, Indonesia, and Vietnam

- World Development---2014---William D. Sunderlin, Anne M. Larson, Amy E. Duchelle, Ida Aju

This paper assesses proponent activities to address tenure insecurity in light of actions required for effective and equitable implementation of REDD+. Field research was carried out at 19 REDD+ project sites and 71 villages in Brazil, Cameroon, Tanzania, Indonesia, and Vietnam. Results show proponents addressed tenure insecurity by demarcating village and forest boundaries and identifying legal right holders, but were limited in their ability to resolve local tenure challenges that were national in origin and scope. Still needed are national tenure actions, integration of national and local tenure efforts, clarification of international and national REDD+ policies, and conflict resolution mechanisms.

Linking Forest Tenure Reform, Environmental Compliance, and Incentives: Lessons from REDD+ Initiatives in the Brazilian Amazon

- World Development---2014---Amy E. Duchelle,Marina Cromberg,Maria Fernanda Gebara,Raissa Guerra,Tadeu Melo,Anne Larson,Peter Cronkleton,Jan Börner,Erin Sills,Sven Wunder,Simone Bauch,Peter May,Galia Selaya,William D. Sunderlin

Pervasive tenure insecurity in developing countries is a key challenge for REDD+. Brazil, a leader in REDD+, has advanced efforts to link forest tenure reform and environmental compliance. We describe how these policies have shaped sub-national interventions with detailed data on land tenure and livelihoods in four REDD+ pilot sites in the Brazilian Amazon. Despite different local contexts, REDD+ proponents have converged on a similar strategy of collaborating with government agencies to clarify tenure and pave the way for a mix of regulatory enforcement and incentive-based REDD+ mechanisms. This polycentric governance model holds promise for effective and equitable REDD+ implementation.

Does Tenure Security Lead to REDD+ Project Effectiveness? Reflections from Five Emerging Sites in Indonesia

- World Development---2014---Ida Aju Pradnja Resosudarmo,Stibniati Atmadja,Andini Desita Ekaputri,Dian Y. Intarini,Yayan Indriatmoko,Pangestuti Astri

In the REDD+ debate, tenure security is often linked to equity concerns. Yet REDD+ is also about the effectiveness of reducing emissions. We propose a conceptual framework linking tenure with REDD+ effectiveness, taking into account that tenure security equally protects the right to reduce and to increase emissions. Survey-based research, at five emerging REDD+ sites in Indonesia in 2010, revealed that tenure is ambiguous and contested, thus insecure. Low dependence on forest-based livelihoods suggests limited interest in reducing emissions. Securing community tenure does not necessarily lead to REDD+ effectiveness unless it can compete with other economic interests that emit GHGs.

Social Capital and Improved Stoves Usage Decisions in the Northern Peruvian Andes

- World Development---2014---Marcos Agurto Adrianzen

This paper explores how village level technology usage patterns and bonding social capital (the strength of intra-communal links) mutually influence the individual usage decision of an improved stove in the Peruvian Andes. It shows that the individual usage likelihood is more responsive to village usage patterns if communal bonding links are relatively strong, and that bonding social capital discourages individual usage if the proportion of beneficiaries experiencing usage problems is relatively high. Usage problems were mainly related to faulty stove's materials, which were likely exogenous to households' characteristics. Social capital was measured before the intervention, which alleviates reverse causality issues.

Women' s Land Rights and Children' s Human Capital in Vietnam

- World Development---2014---Nidhiya Menon,Yana Rodgers,Huong Nguyen

Vietnam' s 1993 Land Law created a land market by granting households land-use rights which could be exchanged, leased, and mortgaged. Using a matched household sample from Vietnam' s 2004 and 2008 Household Living Standards Survey, this study analyzes whether land titling for women led to improvements in child health and education. Results indicate that female-only held land-use rights decreased the incidence of illness among children, increased their health insurance coverage, raised school enrollment, and reallocated household expenditures toward food and away from alcohol and tobacco. These effects were almost all stronger than in households with male-only or jointly-held land-use rights.

Economic Development without Pre-Requisites: How Bolivian Producers Met Strict Food Safety Standards and Dominated the Global Brazil-Nut Market

- World Development---2014---Salo V. Coslovsky

Brazilian firms used to dominate the brazil nut (BN) market to such an extent that the product still carries the country' s name. In a surprising twist, 77% of all BNs are now processed and exported by Bolivia, a country with far fewer resources than its neighbor. This paper analyzes the impact of EU regulations on the global BN market. It finds that Bolivian producers prevailed because they joined forces to revamp their manufacturing practices and meet EU sanitary standards despite continued mutual mistrust. In contrast, Brazilian producers have been unable to work cooperatively and lost access to the European market entirely.

The Role of Religion in Community-based Natural Resource Management

- World Development---2014---Michael Cox,Sergio Villamayor-Tomas,Yasha Hartberg

While community-based resource management (CBRM) systems frequently include religious beliefs, little has been done to explore and document the role that religion may play in traditional CBRM. To address this gap, in this paper we present the results of a meta-analysis of the role that religion plays in CBRM. We find that several important governance functions are implemented as religious practices and through beliefs in the supernatural. We also find that religious governance can positively affect natural resource conditions. We conclude that such belief systems should be accounted for as new policy interventions are implemented.

Exploitative Briefcase Businessmen, Parasites, and Other Myths and Legends: Assembly Traders and the Performance of Maize Markets in Eastern and Southern Africa

- World Development---2014---Nicholas Sitko,Thomas Jayne

Small-scale assemblers are both the most vilified and least understood actors in food value chains in Sub-Saharan Africa. Drawing on data from Kenya, Zambia, Malawi, and Mozambique, this article explores how maize assemblers influence the market access conditions of small-scale farmers. Assembly markets for maize are found to be highly competitive in terms of the number of traders operating and marketing margins. Farmers' market access conditions in remote areas are particularly improved by the operation of assembly traders. Direct state operations in markets have sometimes unintentionally exacerbated market access conditions for farmers through their effects on rural assembly markets. While smallholder farmers face important marketing challenges, the brightest prospects for effectively addressing them require greater support for the development of competitive assembly markets rather than supplanting them.

Integrated Landscape Initiatives for African Agriculture, Development, and Conservation: A Region-Wide Assessment

- World Development---2014---Jeffrey C. Milder, Abigail K. Hart, Philip Dobie, Joshua Minai, Christi Zaleski

Recent years have witnessed increased investment in African rural landscapes for agriculture and food security, poverty alleviation, climate change adaptation, and ecosystem conservation. While such investments historically tended to be made independently under sectoral programs, a new wave of integrated landscape initiatives (ILIs) is promoting integrated, multi-objective management of rural landscapes. We surveyed leaders and managers of 87 ILIs in 33 African countries to provide the first region-wide portrait of contexts, motivations, design, participation, and outcomes of such initiatives. Results suggest that ILIs are promoting “multi-functionality” of rural regions, while aiding stakeholders in mediating tradeoffs and synergies among multiple outcomes.

Are Remittances and Foreign Aid a Hedge Against Food Price Shocks in Developing Countries?

- World Development---2014---Jean-Louis Combes, Christian Hubert Ebeke, Sabine Mireille Ntsama, Thierry Yogo

This paper explores the role of remittances and foreign aid inflows during food price shocks. The results yield four findings. First, low income countries and the Sub-Saharan African region are the most vulnerable to food price shocks. Second, remittance and aid inflows dampen the effect of positive food price shock and food price instability on household consumption in vulnerable countries. Third, negative food price shock episodes are associated with a significant increase in household consumption in vulnerable countries. Fourth, a lower remittance-to-GDP ratio is required in order to fully absorb the effects of food price shocks.

Downward Accountability in Unequal Alliances: Explaining NGO Responses to Zapatista Demands

- World Development---2014---Abigail Andrews

This paper examines the conditions that foster downward accountability among nongovernmental organizations (NGOs). To do so, I compare how NGOs responded in an unusual case where, from 1999–2003, the Zapatista Movement demanded more say over projects. I compare 77 NGOs, some that dropped out and others that accommodated the movement’s demands. I argue that funders’ reporting requirements inhibited NGOs from being responsive to beneficiaries. However, living alongside the movement pushed inner-circle NGOs to practice downward accountability to sustain their legitimacy. In turn, horizontal pressure among NGOs influenced organizations further afield, especially those that identified closely with the movement.

Growth and Volatility of Tax Revenues in Latin America

- World Development---2014---Hans Fricke, Bernd Süßmuth

Against the backdrop of high macroeconomic instability and the need to meet the demands of public spending, we analyze the trade-off between growth and volatility of tax revenues in Latin America. Short-run and long-run elasticities for a sample of 11 economies are estimated accounting for state-dependent asymmetric reactions. Controlling for composition of revenue sources and other idiosyncrasies, we find revenues above (below) its long-run equilibrium to react stronger (weaker) to business cycle dynamics. Our detailed elasticity estimates can give some orientation on how to stably reach higher tax levels on the way to develop an adequate internal tax system.

Long-Term Effects of Civil Conflict on Women’s Health Outcomes in Peru

- World Development---2014---F. Grimard, Sonia Laszlo

Peru's internal conflict resulted in over 69,000 deaths and disappearances from 1980 to 2000. We investigate the long-term health effects on women exposed to this conflict in utero and in early life. Utilizing recent Demographic and Health Surveys (DHSs) and district-level conflict data, we find that exposure in utero has long lasting impacts on a woman's height (an indicator of long-term health), even controlling for life-cycle factors (education and wealth) and the availability of public health centers. We find no long-term effects on short term health (anemia and Body Mass Index (BMI)) or psychosocial indicators (domestic abuse).

Transitions of Innovation Activities in Latecomer Countries: An Exploratory Case Study of South Korea

- World Development---2014---Jae-Yong Choung,Hye-Ran Hwang,Wichin Song

The main aim of this study is to explore the diverse route of innovation activities and key characteristics during the transition period of the emerging economies using the analytical framework of innovation system and product life cycle. Study distinguishes three archetypes of innovation activities: deepening of the process, architectural, and radical innovations. Study also argues that each route of innovation activities in the transition period of the emerging economies requires corresponding institutional frameworks, different base of capabilities, and different relationships among innovation actors to facilitate the transition from imitator to innovator. Finally, some policy implications of this attribute are considered.

The Effect of Development Aid Unpredictability and Migrants' Remittances on Fiscal Consolidation in Developing Countries

- World Development---2014---Sèna Kimm Gnanon

We use panel data on 74 developing countries for the period 1980–2007 to examine the effects of aid unpredictability and migrants' remittances on fiscal consolidation in these countries. Using two definitions

of fiscal adjustment and a conditional logit model to perform our analysis, evidence is shown that except for the case of low-income countries (especially gradual fiscal retrenchment), remittances increase the likelihood of fiscal consolidation, be the latter gradual or rapid. Surprisingly, we observe that aid unpredictability does not affect the adoption of fiscal consolidation measures in all the groups considered.

The Political Economy of Slums: Theory and Evidence from Sub-Saharan Africa

- World Development---2014---Sean Fox

Over 800 million people in Africa, Asia, and Latin America live in slums. Why? I argue that slums are a result of “disjointed modernization” and show that 70% of cross-country variation in slum incidence is explained by demographic, economic, and institutional factors. I trace the origins of disjointed modernization in sub-Saharan Africa back to the colonial period and show that colonial era investments and institutions are reflected in contemporary variation in slum incidence. I argue that status quo interests and the rise of an anti-urbanization bias in development discourse have inhibited investment and reform in the postcolonial era.

Firm Productivity, Exchange Rate Movements, Sources of Finance, and Export Orientation

- World Development---2014---Mustafa Caglayan,Firat Demir

We investigate the level and volatility effects of real exchange rates on productivity growth of manufacturing firms with heterogeneous access to debt, and domestic and foreign equity markets in Turkey. We find that while volatility affects productivity growth negatively, having access to foreign or domestic equity, or debt markets does not alleviate these effects. Furthermore, foreign or publicly traded companies do not appear to perform significantly better than the rest. We detect, however, that productivity is positively related to credit market access. Additionally, we find that

while export-oriented firms react positively to currency appreciations, they are hurt more from volatility.

Rent-seeking at Home, Capturing Market Share Abroad: The Domestic Determinants of the Transnationalization of China State Construction Engineering Corporation

- World Development---2014---Chih-shian Liou

How do the Chinese central state and central state-owned construction enterprises interact with one another as China's overseas contracting unfolds in the post-corporatization period? Building upon a neo-institutional analysis of the principal-agent relationship, this article finds that contrary to most of the accusations leveled against the global outreach of Chinese SOEs, state-backed transnationalization is by no means state-dominated. SOE managers' continuous bureaucratic ties enable the firm to navigate through China's gigantic but fragmented bureaucracy in favor of corporate commercial interests, which reflects the negotiated nature of the state-SOE relationship in the course of transnationalization.

The Lasting Impact of Parental Early Life Malnutrition on Their Offspring: Evidence from the China Great Leap Forward Famine

- World Development---2014---Seonghoon Kim,Quheng Deng,Belton Fleisher,Shi Li

We investigate whether the effects of parents' in utero malnutrition extend to the second generation (their children). Specifically, we explore whether the second generation's level of schooling is negatively impacted by their parents' malnutrition in utero, using the China Famine as a natural experiment. We find that, the impact of mother's in utero malnutrition due to the Famine reduced second generation male and female entrance into junior secondary school by about 5–7 percentage points. We measure famine severity with provincial excess death rates instrumented by measures of adverse climate conditions, which corrects for possible biases induced by measurement errors and omitted variables. Our findings indicate the existence

of an important second-generation multiplier of policies that support the nutrition of pregnant women and infants in any country where nutritional deficiencies remain today.

Land Contestation at the Micro Scale: Struggles for Space in the African Marshes

- World Development---2014---An Ansoms,Inge Wagemakers,Michael Madison Walker,Jude Muri-son

Africa is increasingly confronted with the commercialization of its space. Whereas attention mainly goes to macro-scale land grabs, land contestation and grabbing at the micro scale are largely ignored. This paper analyses how local actors instrumentalize the renegotiation over African wetland rights to call into question the prevailing social order. We illustrate how deficiencies in formal instruments allow certain powerful actors to capture the momentum of an open moment. We plead in favor of a better understanding of political power struggles through which land rights are shaped; and point to the shortcomings of a technocratic approach to land governance.

The Tertiary Tilt: Education and Inequality in the Developing World

- World Development---2014---Lloyd Gruber,Stephen Kosack

Education is widely perceived to be a tonic for the rising inequality that often accompanies development. But most developing-country governments tilt their education spending toward higher education, which disproportionately benefits elites. We find that in countries with high “tertiary tilts,” rising primary enrollment is associated a decade later with far higher inequality—not the lower Gini coefficients many would expect. Since most developing countries tilt their spending toward higher education, our analysis suggests that efforts that concentrate only on expanding mass education, such as the UN's Millennium Campaign, could end up raising inequality in much of the developing world.

How Successful Transnational Non-governmental Organizations Set Themselves up for Failure on the Ground

- World Development---2014---Cristina M. Balboa

This paper examines transnational non-governmental organization (TNGO) influence on global, national, or local policy arenas, as well as how a TNGO's actions in one arena might aid or encumber its effectiveness in another. It expands Steinberg's spheres of influence framework (2001, 2003) to create a new capacity typology. Through examining Conservation International's work in Milne Bay, Papua New Guinea, this paper demonstrates the "paradox of global capacity": a phenomenon where a TNGO prioritizes certain capacities that paradoxically grant it access to work at the local level while impeding its efforts to create lasting change there.

Scale-up Nation: China's Specialization in Innovative Manufacturing

- World Development---2014---Jonas Nahm,Edward S. Steinfeld

On the basis of more than one hundred interviews conducted in 42 firms in China's wind turbine and solar PV sectors during 2010–2013, this article seeks to specify the nature and extent of China-based technology innovation. We argue that Chinese firms have developed unique capabilities surrounding technology commercialization and manufacturing-related innovation. We provide a taxonomy for understanding such capabilities, showing the ways in which they are related to multidirectional, cross-border learning among firms. Our analysis points the way toward new frameworks for understanding national competitiveness and industrial upgrading.

Over-Indebtedness in Microfinance – An Empirical Analysis of Related Factors on the Borrower Level

- World Development---2014---Jessica Schicks

This paper analyzes the over-indebtedness of microborrowers in Ghana from a customer protection perspective. It measures over-indebtedness as a subjective indicator based on loan-related sacrifices that borrowers report. It finds that male microborrowers are more likely to be over-indebted. So are borrowers with adverse economic shocks, low returns on investment, and non-productive loan use. Over-indebtedness is lower for borrowers with good debt-literacy. General financial literacy and numeracy seem insufficient to reduce over-indebtedness. The paper details the relationship of the above factors to the specific sacrifices borrowers make and suggests that policy measures address the full complexity of the over-indebtedness phenomenon.

Involving Communities in the Targeting of Cash Transfer Programs for Vulnerable Children: Opportunities and Challenges

- World Development---2014---Laura Robertson,Phyllis Mushati,Morten Skovdal,Jeffrey W. Eaton,Jeremiah C. Makoni,Tom Crea,Gideon Mavise,Lovemore Dumba,Christina Schumacher,Lorraine Sherr,Constance Nyamukapa,Simon Gregson

We used baseline data, collected in July–September 2009, from a randomized controlled trial of a cash transfer program for vulnerable children in eastern Zimbabwe to investigate the effectiveness, coverage, and efficiency of census- and community-based targeting methods for reaching vulnerable children. Focus group discussions and in-depth interviews with beneficiaries and other stakeholders were used to explore community perspectives on targeting. Community members reported that their participation improved ownership and reduced conflict and jealousy. However, all the methods failed to target a large proportion of vulnerable children and there was poor agreement between the community- and census-based methods.

Remittances and Financial Inclusion: Evidence from El Salvador

- World Development---2014---Diego Anzoategui,Asli Demircuc-Kunt,Maria Martinez

This paper investigates the impact of remittances on financial inclusion. Using household-level survey data for El Salvador, we examine whether remittances affect households' use of savings and credit instruments from formal financial institutions. We find that although remittances have a positive impact on financial inclusion by promoting the use of deposit accounts, they do not have a significant and robust effect on the demand for and use of credit from formal institutions. If anything, by relaxing credit constraints, remittances might reduce the need for external financing from financial institutions, while at the same time increasing the demand for savings instruments.

Do Sanitary, Phytosanitary, and Quality-related Standards Affect International Trade? Evidence from Chilean Fruit Exports

- World Development---2014---Oscar Melo,Alejandra Engler,Laura Nahuehual,Gabriela Cofre,José Barrena

Increasing awareness of food safety issues has led to intensive use of sanitary, phytosanitary and quality-related regulations and standards, imposing a burden on exporting countries worldwide. This study assesses the impact of such regulations and standards estimating a gravity model for Chilean fresh fruit exports that incorporates a stringency-perception index that comprises different dimensions of trade requirements. Our results suggest that an increase in stringency has a negative and substantial effect on exported volumes, and the reduction is higher if stringency increases in developed countries. Results also showed that different dimensions have different effects on trade.

Preferences for Community-based Targeting - Field Experimental Evidence from Zambia

- World Development---2014---Esther Schüring

Community-based targeting is frequently used in low-income countries to identify the poor. Yet evidence about its performance is inconclusive and factors of

success are understudied. Drawing on controlled field experiments, this paper studies how individual targeting preferences translate into group outcomes and which determinants of progressiveness prevail in rural Zambia. It finds that individuals pursue poverty motives but act selfishly if not restrained. Egalitarianism and favoritism are not as pronounced as critics suggest. Even if individual and group allocations vary considerably, this does not result in individuals' dissatisfaction. Better access to information and greater trust make targeting outcomes more progressive.

Decentralization and Governance

- World Development---2014---Jean-Paul Faguet

The most important theoretical argument concerning decentralization is that it can make government more accountable and responsive to the governed. Improving governance is also a central justification of real-world reformers. But the literature has mostly focused on policy-relevant outcomes, such as education and health services, public investment, and fiscal deficits. This paper examines how decentralization affects governance, in particular how it might increase political competition, improve public accountability, reduce political instability, and impose incentive-compatible limits on government power, but also threaten fiscal sustainability. Such improvements in governance can help spur the broad historical transitions that define development.

Second Generation Fiscal Federalism: Political Aspects of Decentralization and Economic Development

- World Development---2014---Barry Weingast

This essay contributes to second generation fiscal federalism (SGFF), which traces the implications of incentives created by political and fiscal institutions. The approach explores how various forms of fiscal federalism work in the presence of political officials who, rather than being benevolent social planners, face various forms of political incentives. The paper focuses on three sets of positive models: First, it explores self-enforcing federalism; that is, how federal systems

are held together given various tendencies for federal systems to become centralized or fall apart. Second, it considers how specific political institutions, such as democracy, interact with decentralization. Finally, it studies various political impediments to economic growth, again highlighting the interaction with decentralization.

The Politics of Federalism in Argentina and its Implications for Governance and Accountability

- World Development---2014---Martín Ardanaz, Marcelo Leiras, Mariano Tommasi

This paper contributes to an agenda that views the effects of federalism and decentralization as dependent on the incentives of national and subnational political actors. It studies the mechanisms by which subnational actors affect decisions at the central level, in the context of a highly decentralized middle-income democracy, Argentina. In this federal country, provincial actors and concerns weigh heavily on national decisions. Most Argentine provinces are dominated by entrenched elites, with limited political competition, weak division of powers, and clientelistic political linkages. Provincial dominance and national relevance reinforce each other, dragging Argentine politics toward the practices and features of its most background regions.

Constitutional Structures for a Strong Democracy: Considerations on the Government of Pakistan

- World Development---2014---Roger Myerson

I consider structural reforms to democracy in Pakistan using ideas from the analysis of oligopolistic competition and game theory. Successful democracy requires strong, flexible political parties and high-quality, responsible leaders. Parliamentary responsibility for government helps develop strong parties. National parties should be able to nominate candidates in all elections at all levels. For flexibility, members of the National Assembly should be free to form new parties. With federalism, provincial and local democracy also reduce

political entry barriers. Approval-voting open-list proportional representation can strengthen democratic leadership in all communities. Runoff elections would allow more flexible party competition in single-seat districts.

Decentralization and Veiled Corruption under China’ s “Rule of Mandates”

- World Development---2014---Mayling Birney

This paper shows why corruption is especially difficult to detect under China’ s system of decentralized authoritarian rule, which I call a “rule of mandates.” Local officials must pursue high priority political targets but have immense discretion over which laws to implement. A relative standard for corruption consequently arises since non-implementation of laws may be mandate-serving or may be corrupt; and determining which requires extra information on why non-implementation occurred. The theory is supported by evidence from original survey and case research on the implementation of the village elections law. I discuss implications for anticorruption efforts, development patterns, and future research.

Water Reforms, Decentralization and Child Mortality in Colombia, 1990–2005

- World Development---2014---Claudia Grana-dos, Fabio Sanchez Torres

This paper attempts to determine the municipal level impact of the 1994 Law 142 water and sewerage services reforms on child mortality and service coverage. The objective of these reforms was to transfer service provision from the municipalities to specialized companies. These reforms were undertaken within the 1990s decentralization process which established that the provision of water and sewerage services was the responsibility of local governments. The results obtained indicate that municipalities that reformed exhibit a slower reduction of child mortality rates and lower increases in water coverage than the ones that did not reform.

Traditional Governance, Citizen Engagement, and Local Public Goods: Evidence from Mexico

- World Development---2014---Alberto Díaz-Cayeros, Beatriz Magaloni, Alexander Ruiz-Euler

We study the governance of public good provision in poor communities in Oaxaca, Mexico. We estimate the effect of *usos y costumbres*—a form of participatory democracy prevalent in indigenous communities—on the provision of local public goods. Because governance is endogenous, we address selection effects by matching on municipal characteristics and long-term settlement patterns. Using a first-differences design we show that these municipalities increase access to electricity, sewerage, and education faster than communities ruled by political parties. We also show they are places of vibrant political participation, not authoritarian enclaves protecting the political monopoly of local bosses.

The Effects of Participatory Budgeting on Municipal Expenditures and Infant Mortality in Brazil

- World Development---2014---Sónia Gonçalves

This paper investigates whether the use of participatory budgeting in Brazilian municipalities during 1990–2004 affected the pattern of municipal expenditures and had any impact on living conditions. It shows that municipalities using participatory budgeting favored an allocation of public expenditures that closely matched popular preferences and channeled a larger fraction of their budgets to investments in sanitation and health services. This change is accompanied by a reduction in infant mortality rates. This suggests that promoting a more direct interaction between service users and elected officials in budgetary policy can affect both how local resources are spent and living standard outcomes.

Does Trade Foster Employment Growth in Emerging Markets? Evidence from Turkey

- World Development---2013---Alessia Lo Turco, Daniela Maggioni

This work investigates the impact of importing, exporting, and two-way trading on firm labor demand in Turkish manufacturing. Adopting Multiple Propensity Score Matching techniques and Difference in Difference estimator, we support the positive internationalization impact on firm employment for an emergent country. Our evidence reveals the existence of complementarity effects between exports and imports, which is strengthened for high trade intensity firms. Furthermore, only high intensity exporting seems to promote the workforce skill upgrading in terms of an increase in the R&D worker share. The employment creation effect of firm internationalization reflects its large positive impact on firm production scale.

Is Small Beautiful? Financial Structure, Size and Access to Finance

- World Development---2013---Thorsten Beck, Asli Demirguc-Kunt, Dorothe Singer

Combining two unique data sets, this paper explores the relationship between financial structure and firms' access to financial services. Specifically, it considers the importance of three different types of financial institutions: low-end financial institutions, specialized lenders, and banks. Two findings stand out. First, dominance of the financial system by banks is associated with lower use of financial services by firms of all sizes, while low-end financial institutions and specialized lenders seem particularly suited to ease access to finance in low-income countries. Second, there is no evidence that smaller institutions are better in providing access to finance.

Female Empowerment as a Core Driver of Democratic Development: A Dynamic Panel Model from 1980 to 2005

- World Development---2013---Paula Wynchow, Jianghong Li, Eugen Mattes

We investigated the causal effects of female empowerment (female educational attainment, female labor force participation, and total fertility rates) on democratic development for 97 countries from 1980 to 2005.

Using Polity IV as an indicator of levels of democracy, our results show that female empowerment was strongly associated with democratic development over this period. The effect of female education increased with lags of 5 and 10 years, suggesting that democracy is more likely to occur in nations with a history of educating girls and a longer experience of the social and economic conditions that have occurred because of this investment.

A Life Course Model of Human Rights Realization, Female Empowerment, and Gender Inequality in India

- World Development---2013---Sanjukta Chaudhuri

The degree to which females achieve basic human rights in early life plays an enabling role in empowering them during adulthood. A new metric of female status (Full Rights Realization Rate – FRRR) is defined as the proportion of females in early life who fully achieve a basket of basic rights. This metric was developed for four early life stages for females in India. Only small proportions of females achieve life stage specific “full basket” of rights. FRRR in one life stage is positively correlated with FRRRs in subsequent life stages. All FRRRs are positively correlated with adult women’s status.

The Women’s Empowerment in Agriculture Index

- World Development---2013---Sabina Alkire,Ruth Meinzen-Dick,Amber Peterman,Agnes Quisumbing,Greg Seymour,Ana Vaz

The Women’s Empowerment in Agriculture Index (WEAI) measures the empowerment, agency, and inclusion of women in the agricultural sector and comprises two subindexes. The first assesses empowerment of women in five domains, including (1) decisions about agricultural production, (2) access to and decisionmaking power about productive resources, (3) control of use of income, (4) leadership in the community, and (5) time allocation. The second subindex measures the percentage of women whose achievements are at least as

high as men in their households and, for women lacking parity, the relative empowerment gap with respect to the male in their household. This article documents the development of the WEAI and presents pilot findings from Bangladesh, Guatemala, and Uganda.

Does Economic Globalization affect Regional Inequality? A Cross-country Analysis

- World Development---2013---Roberto Ezcurra,Andrés Rodríguez-Pose

This paper investigates the relationship between economic globalization and regional inequality in a panel of 47 countries over the period 1990–2007, using a measure of globalization that distinguishes the different dimensions of economic integration. The results show that there is a positive and statistically significant association between economic globalization and the magnitude of regional disparities. Countries with a greater degree of economic integration with the rest of the world tend to register higher levels of regional inequality. This finding is robust to the inclusion of additional explanatory variables and to the choice of the specific measure used to quantify the relevance of spatial inequality within the sample countries. Our analysis also reveals that the spatial impact of economic globalization is greater in low- and middle-income countries, whose levels of regional disparities are on average significantly higher than in high-income countries.

Joint Titling in Rural Peru: Impact on Women’s Participation in Household Decision-Making

- World Development---2013---Henrik Wiig

Peru has implemented joint property rights between spouses and cohabitants on 57% of 1.5 million formalized agricultural plots. Bargaining theory indicates such redistribution of assets should empower women. This project measures influence on decision-making in 1,280 rural households, interviewing man and woman separately. A historical coincidence during the land reform of the 1960–70s made only some communities eligible for plot titling. The process was exogenous and

independent of both household and community characteristics. The significantly positive impact on female empowerment in simple mean comparison and econometric models including pre-titling historic variables is hence unbiased.

Oil Exporters' Dilemma: How Much to Save and How Much to Invest

- World Development---2013---Reda Cherif,Fuad Hasanov

Policymakers in oil-exporting countries confront the question of how to allocate oil revenues among consumption, saving, and investment in the face of high income volatility. We study this allocation problem in a precautionary saving and investment model under uncertainty. Consistent with data in the 2000s, precautionary saving is sizable and the marginal propensity to consume out of permanent shocks is below one, in stark contrast to the predictions of the perfect foresight model. The optimal investment rate is high if productivity in the tradable sector is high enough.

Soybeans, Poverty and Inequality in the Brazilian Amazon

- World Development---2013---Diana Weinhold,Evan Killick,Eustáquio J. Reis

Using a mixed-method approach of econometric and ethnographic field research, this article examines the social and economic costs and benefits of increases in soybean production in the Brazilian Amazon. Statistical analysis suggests that increased soy production both reduces poverty indicators and raises median rural incomes, but is also associated with increased measures of inequality. Qualitative fieldwork sheds light on the wider political and social causes and consequences of this increasing inequality, pointing to ethnic differences between large soy farmers and local populations that raise long standing prejudices and tensions.

Lasting Welfare Effects of Widowhood in Mali

- World Development---2013---Dominique van de Walle

Widows and their children are largely hidden from view in the data used to inform social policy discussions in Africa. Data for Mali reveal that households headed by widows have significantly lower living standards than other households in rural and urban areas. Furthermore, the welfare difference persists even after widows are absorbed into male headed households. An examination of individual measures of well-being further reveals that, relative to other women, worse outcomes for ever-widowed women persist through remarriage. These detrimental effects are passed on to children, suggesting an intergenerational transmission of poverty stemming from widowhood.

Violence, Instability, and Trade: Evidence from Kenya' s Cut Flower Sector

- World Development---2013---Andrew Muhammad,D' Souza, Anna,William Amponsah,Anna D'Souza

We examine the implications of the violence and instability following the 2007 Kenyan elections and how it affected cut flower trade between Kenya and the EU. Using the Rotterdam demand model, we find that the post-election violence had a negative impact on EU imports from Kenya equivalent to €33 million – which is significant given the importance of flowers to Kenya' s economy. Results show that even a short period of violence can have an effect on trade since instability in an exporting country causes importers to source from other countries perceived as less risky (persisting even when order is restored).

Capital Flight in the Presence of Domestic Borrowing: Evidence from Eastern European Economies

- World Development---2013---Josef Brada,Ali Kutan,Goran Vukšić

We estimate capital flight from 10 Central and Eastern European countries for the period 1996–2009. Capital flight from the transition economies is mainly an economic phenomenon, driven by differences in interest

rates and investors' perceptions of economic conditions in their countries as well as by the ease with which they are able to obtain funds that can be transferred overseas through domestic loans and capital inflows. Domestic credit expansion is an important source of financing for capital flight. Paradoxically, financial liberalization has fueled rather than reduced capital flight by reducing its costs and increasing the funds that can be moved abroad.

Does Industry Affiliation Influence Wages? Evidence from Indonesia and the Asian Financial Crisis

- World Development---2013---Aashish Mehta,Wei Sun

We exploit panel data and large, abrupt, and unusual dislocations of Indonesian workers in the wake of the Asian Financial Crisis to investigate the robustness and persistence of inter-industry wage differentials (IWDs). Unobserved worker characteristics explain 36% of IWDs. IWDs persist through the post-crisis decade, although, consistent with a rent-sharing explanation, they shift alongside sectors' terms of trade in the wake of the crisis. Agriculture pays a wage penalty, and manufacturing offers a statistically significant but small premium. Most IWDs do not seem to be driven by minimum wage laws, worker monitoring costs, the disagreeability of the work, job-specific skills, industry-specific human capital, nonwage benefits, or contracting terms.

Food Versus Fuel: Extractive Industries, Insecure Land Tenure, and Gaps in World Food Production

- World Development---2013---Thomas K. Rudel

Corporations now go “to the ends of the earth” to extract natural resources like oil and diamonds from the earth at the same time that farmers, investors, and development experts try to expand the supply of food, sometimes through large land acquisitions in remote regions. These two processes of globalization interact in important ways. Cross-national analyses

indicate that oil and mineral dependent nations with neo-patrimonial elites have lower than expected areas under cultivation and yields from cereal crops. Booms in extractive sectors and neo-patrimonial practices in governance have debilitated agricultural enterprises within nations and conceivably throughout the globe.

The Vulnerability of Microfinance to Financial Turmoil – Evidence from the Global Financial Crisis

- World Development---2013---Charlotte Wagner,Adalbert Winkler

Has microfinance become crisis-prone like other sources of finance? This paper provides empirical evidence on credit growth patterns of microfinance institutions in the early 2000s. Results suggest that microfinance has become vulnerable to financial turmoil. In the global financial crisis credit growth dropped sharply. Moreover, the crisis impact was more severe when institutions had been active in tapping domestic and international financial markets for funds and had operated in countries experiencing a severe post-crisis recession. Finally we find that microcredit adopted the cyclical characteristics of credit growth in the traditional banking sector, with credit booms followed by credit busts.

The Determinants of Capital Intensity in Manufacturing: The Role of Factor Market Imperfections

- World Development---2013---Rana Hasan,Devashish Mitra,Asha Sundaram

We study the role of factor market imperfections in determining industry-level capital intensities. Using cross-country panel data on manufacturing industries, we find that labor market imperfections arising from labor regulation have a greater influence on capital intensity than do credit market imperfections. Less restrictive labor regulations are associated with lower capital intensity in manufacturing, especially in middle-income and developing economies and in sectors that either require more frequent labor adjustment or are more unskilled labor intensive. This suggests that

stringent labor regulations can impose costs on labor use, thereby curtailing gains from trade based on factor-abundance driven comparative advantage.

Export Upgrading and Growth: The Prerequisite of Domestic Embeddedness

- World Development---2013---Sandra Poncet,Felipe Starosta de Waldemar

Our work contributes to the literature relating output structure and economic development by showing that growth gains from upgrading are not unconditional. Relying on data from a panel of Chinese cities, we show that the level of capabilities available to domestic firms operating in ordinary trade is an important driver of economic growth. However, no direct gains emanate from the complexity of goods produced by either processing-trade activities or foreign firms. This suggests that the sources of product upgrading matter, and that domestic embeddedness is key in order for capacity building and technology adoption to be growth enhancing.

Are Carbon Taxes Good for the Poor? A General Equilibrium Analysis for Vietnam

- World Development---2013---Ian Coxhead,Anan Wattanakuljarus,Chan V. Nguyen

We evaluate effects of an environmental tax using a general equilibrium model linked to a household database. The burden of the tax, applied mainly to energy, is passed forward by non-tradable industries and backward by tradable industries facing fixed world prices. The tax is thus equivalent to a real exchange rate appreciation, and since export industries are labor-intensive, reduces employment, and increases poverty, especially when labor supply is responsive to wages. The use of revenues to increase transfers to households can offset poverty increases, but does not create jobs; thus the tax will likely conflict with other development policy objectives.

Monetization, Financial Development, and Growth: Time Series Evidence from 22 Countries in Sub-Saharan Africa

- World Development---2013---Peter Rousseau,D'Onofrio, Alexandra,Alexandra D'Onofrio

Does financial development enable economic growth in developing countries? We find evidence for this in sub-Saharan Africa, a region where there is an urgent need to promote growth. Using a modern time series methodology and data for 22 countries over the period from 1960 to 2009, we find unidirectional links from financial development to measures of real activity for about two-thirds of them. In most cases the effects come from narrow money rather than more broadly-defined financial aggregates. This suggests that monetization plays a distinct role in capital accumulation and growth in many of these countries.

Political Influence of Exporting and Import-Competing Firms: Evidence from Eastern European and Central Asian Countries

- World Development---2013---Mahmut Yasar

Theoretical studies have emphasized the role firms play in shaping laws and regulations through political activities. This paper examines whether import-competing firms and exporting firms possess differing levels of political influence by using firm-level data from 27 Eastern European and Central Asian countries. To control for endogeneity, we estimate a multivariate probit model using a simulated maximum-likelihood algorithm. We find that exporting firms have stronger political influence than import-competing firms, indicating that more free trade policies are the likely outcome of political-rent seeking in these countries. The results have significant implications for countries' economic growth and development.

Anti-dumping Duties and their Impact on Exporters: Firm Level Evidence from China

- World Development---2013---Piyush Chandra,Cheryl Long

Despite a dramatic rise in the instances of anti-dumping (AD) duties, their impact on the targeted firms is not clear. Using detailed firm level data we find robust evidence that the US AD duty led to over 12 (or five) percent decrease in labor productivity (or TFP) of targeted Chinese firms. We also find that firms with high initial export intensity experience both a higher decrease in exports (and total sales) and a bigger drop in productivity due to the US AD duties. Our results suggest reduced economies of scale as a possible mechanism for the drop in firm productivity.

How Much Do Rights Matter?

- World Development---2013---Johannes Federke,Robert Klitgaard

Do better political rights yield more economic development? By addressing the econometric challenges plaguing this question, we find support for a positive impact of rights on development. For a significant grouping of countries the association is nonlinear: the positive impact of rights is particularly strong at low rights levels; it is either absent or negative in an intermediate rights range; and returns to a moderate positive impact at high levels of rights. There is also evidence to suggest that transitions from autocratic political dispensations are associated with significant negative output shocks.

Child Labor Variation by Type of Respondent: Evidence from a Large-Scale Study

- World Development---2013---Ana Dammert,Jose Galdo

This study uses a nationally representative survey to analyze a key survey design decision in child labor measurement: self-reporting versus proxy interviewing. The child/proxy disagreement affects 20% of the sample, which translates into a 17.1 percentage point difference in the national rate of child labor. Marginal effects from standard child labor supply functions show child/proxy differences, particularly when the household experienced negative shocks. We find that attitudes and social perceptions toward child labor are not

related to the likelihood of disagreement. A modified bivariate choice model reports statistically significant probabilities of misclassification that range between 9% and 30%.

Drivers of Export Upgrading

- World Development---2013---Shujin Zhu,Xiaolan Fu

This paper analyses the determinants of export upgrading using a cross-country panel dataset over the 1992–2006 period. The results suggest that the export sophistication of countries is enhanced by capital deepening, engagement in knowledge creation, transfers via investment in education and R&D and foreign direct investment and imports. Institutional quality also facilitates the export upgrading of countries. The effect of natural resources on the structural upgrading of exports appears to be complex and mixed and is dependent upon the type of resources involved. The effects of these determinants vary between low, middle, and high income country groups.

Escaping Capability Traps Through Problem Driven Iterative Adaptation (PDIA)

- World Development---2013---Matt Andrews,Lant Pritchett,Michael Woolcock

Many development initiatives fail to improve performance because they promote isomorphic mimicry—governments change what they look like, not what they do. This article proposes a new approach to doing development, Problem-Driven Iterative Adaptation (PDIA), which contrasts with standard approaches. PDIA focuses on solving locally nominated and prioritized performance problems (instead of transplanting “best practice” solutions). PDIA encourages positive deviance and experimentation (instead of requiring that agents implement policies as designed). PDIA creates feedback loops that facilitate rapid learning (instead of lagged learning from ex post evaluation). PDIA engages many agents to create viable, relevant interventions (instead of depending on external experts).

Implementing Social Protection in Agro-pastoralist and Pastoralist Areas: How Local Distribution Structures Moderate PSNP Outcomes in Ethiopia

- World Development---2013---Rachel Sabates-Wheeler,Jeremy Lind,John Hoddinott

Widespread poverty and vulnerability in pastoralist areas highlight the critical need to extend the provision of social protection to these populations. Using mixed methods we show that program designs predicated on experiences in agrarian areas, such as Ethiopia's Productive Safety Net Programme, cannot easily be transplanted into pastoral areas given the nature of their distributional channels. We explore how two such channels modify the impact of the PSNP: practices of sharing within mutual support networks and, the role of informal authority structures in targeting and appeals decisions.

Motives to Remit: Evidence from Tracked Internal Migrants in Ethiopia

- World Development---2013---Alan de Brauw,Valerie Mueller,Tassew Woldehanna

Remittances are used by households for insurance, investment, and income. Flows from internal migrants are relatively understudied in Africa, where migrants are less likely to remit to their origin households. We use a unique matched migrant sample to study what drives the low remittance rates in Ethiopia. Descriptive statistics suggest remitters are positively selected in terms of wealth characteristics compared with the average tracked migrant. Limited skill transferability and liquidity largely explain low remittance rates in Ethiopia. Migrants are additionally motivated to remit as a form of self-insurance against own shocks to income and to protect their family's productive assets.

The Impact of Remittances on Investment and Poverty in Ghana

- World Development---2013---Richard Adams,Alfredo Cuecuecha

This paper analyzes the impact of internal remittances (from Ghana) and international remittances (from African or other countries) on investment and poverty in Ghana. It has three findings. First, when compared to what they would have spent without the receipt of remittances, households receiving remittances spend less at the margin on food. Second, households receiving remittances spend more at the margin on three investment goods: education, housing, and health. Third, the receipt of remittances greatly reduces likelihood of household poverty. These findings support the growing view that remittances can reduce poverty and increase investment in developing countries.

FDI and Local Linkages in Developing Countries: Evidence from Sub-Saharan Africa

- World Development---2013---Vito Amendolagine,Amadou Boly,Nicola Coniglio,Francesco Prota,Adnan Seric

This paper investigates the determinants of backward linkages of foreign manufacturing firms in 19 Sub-Saharan African countries. We shed light on the micro and macro level factors which contribute to a higher degree of interactions between foreign subsidiaries and local firms. Our results indicate that the time since entry of foreign firms, the presence of a local partner in the ownership structure and a finalmarket orientation are associated with higher local linkages. Finally, we lend further support to the idea that good institutions and in particular a reliable legal system are pre-conditions for boosting the linkages generated by foreign firms.

A Drop of Water in the Indian Ocean? The Impact of GlobalGap Certification on Lychee Farmers in Madagascar

- World Development---2013---Julie Subervie,Isabelle Vagneron

The private standard GlobalGap was introduced into Madagascar's lychee value chain in the mid-2000s in response to the demand for certified lychees. Following the initial craze, however, the number of certified

farmers soon dropped as the financial support to the exporters dried up. Based on a natural experiment, we assess the impact of GlobalGap certification on the marketing performances of currently certified lychee farmers. While our results do suggest a positive average impact of certification on both the quantities sold and the prices received by certified producers, we shall see that this effect is not homogenously distributed.

**Who Benefits from Economic Freedom?
Unraveling the Effect of Economic Freedom on
Subjective Well-Being**

- World Development---2013---Kai Gehring

Who benefits from economic freedom? Results from a panel of 86 countries over the 1990–2005 period suggest that overall economic freedom has a significant positive effect on subjective well-being. Its dimensions legal security and property rights, sound money, and regulation are in particular strong predictors of higher well-being. The overall positive effect is not affected by socio-demographics; the effects of individual dimensions vary, however. Developing countries profit more from higher economic freedom, in particular from reducing the regulatory burden. Culture moderates the effect: societies that are more tolerant and have a positive attitude toward the market economy profit the most.

**On The Choice and Impacts of Innovative
International Food Assistance Instruments**

- World Development---2013---Erin C. Lentz,Christopher Barrett,Miguel I. Gómez,Daniel G. Maxwell

The rise of new food assistance instruments, including local and regional procurement, cash, and vouchers, has surpassed increase in understanding of the trade-offs among and impacts of these options relative to traditional food aid. Response choices rarely appear to result from systematic response analyses. Further, impacts along multiple dimensions—timeliness, cost-effectiveness, local market effects, recipient satisfaction, food quality, impact on smallholder suppliers, etc.—

may be competing or synergistic. No single food assistance tool is always and everywhere preferable. A growing body of evidence, including the papers in this special section, nonetheless demonstrates the clear value-added of new food assistance instruments.

**The Timeliness and Cost-Effectiveness of the
Local and Regional Procurement of Food Aid**

- World Development---2013---Erin C. Lentz,Simone Passarelli,Christopher Barrett

Local and regional procurement (LRP) of food aid is often claimed to lead to quicker and more cost-effective response. We generate timeliness and cost-effectiveness estimates by comparing US-funded LRP activities in nine countries against in-kind, transoceanic food aid shipments from the US to the same countries during the same timeframe. Procuring food locally or distributing cash or vouchers results in a time savings of nearly 14weeks, a 62 percent gain. Cost-effectiveness varies significantly by commodity type. Procuring grains locally saved over 50 percent, on average, while local procurement of processed commodities was not always cost-effective.

**Market Prices and Food Aid Local and Regional
Procurement and Distribution: A Multi-Country
Analysis**

- World Development---2013---Teevrat Garg,Christopher Barrett,Miguel I. Gómez,Erin C. Lentz,William J. Violette

To date, no research has rigorously addressed the concern that local and regional procurement (LRP) of food aid could affect food prices and food price volatility in food aid source and recipient countries. We assemble spatially and temporally disaggregated data and estimate the relationship between food prices and their volatility and local food aid procurement and distribution across seven countries for several commodities. In most cases, LRP activities have no statistically significant relationship with either local price levels or food price volatility. The few exceptions underscore the importance of market monitoring.

Recipients' Satisfaction with Locally Procured Food Aid Rations: Comparative Evidence from a Three Country Matched Survey

- World Development---2013---William J. Violette,Aur lie P. Harou,Joanna B. Upton,Samuel D. Bell,Christopher Barrett,Miguel I. G mez,Erin C. Lentz

Using survey data from natural experiments in three countries that simultaneously received food aid sourced locally and from the United States, we test the hypothesis that locally-sourced commodities are more culturally appropriate and thus preferred over traditional food aid commodities sourced from the donor country. We use a semi-nonparametric regression method to estimate recipients' satisfaction with these commodities across a range of criteria. We establish that recipients of locally procured rations are generally more satisfied with the commodities they receive than are recipients of US-sourced foods. This pattern is especially pronounced among less-well-off recipients.

Tradeoffs or Synergies? Assessing Local and Regional Food Aid Procurement through Case Studies in Burkina Faso and Guatemala

- World Development---2013---Aur lie P. Harou,Joanna B. Upton,Erin C. Lentz,Christopher Barrett,Miguel I. G mez

We compare the impacts across a range of criteria of local and regional procurement (LRP) relative to transoceanic shipment of food aid in Burkina Faso and Guatemala. We find that neither instrument dominates the other across all criteria in either country, although LRP commonly performs at least as well as transoceanic shipment with respect to timeliness, cost, market price impacts, satisfying recipients' preferences, food quality and safety, and in benefiting smallholder suppliers. LRP is plainly a valuable food assistance tool, but its advantages and disadvantages must be carefully weighed, compared, and prioritized depending on the context and program objectives.

Enhancing Nutrition: A New Tool for Ex-Ante Comparison of Commodity-based Vouchers and Food Transfers

- World Development---2013---David Ryckembusch,Romeo Frega,Marcio Guilherme Silva,Ugo Gentilini,Issa Sanogo,Nils Grede,Lynn Brown

This article presents a new analytical tool for ex-ante comparison of the cost-effectiveness of two transfer modalities in pursuing specific nutritional objectives. It does so by introducing a metric to score the nutrient value of a food basket—the Nutrient Value Score (NVS)—and explains how this metric can be combined with full supply chain analysis and costing to generate a new tool, the Omega Value. The use of the Omega Value allows policy-makers who design a program with nutrition objectives to compare direct food transfers and commodity-based food vouchers in terms of both cost efficiency and cost effectiveness.

What Drives Program Choice in Food Security Crises? Examining the “Response Analysis” Question

- World Development---2013---Daniel G. Maxwell,John W. Parker,Heather C. Stobaugh

Over the past decade, the analysis of food security crises has improved, and a wider range of responses is available. But the question remains: is improved analysis driving program response choices in food security interventions? This research considers the “response analysis” question in the Horn of Africa and documents the role of evidence and other factors influencing program choice. Based on interviews with donor, agency, and government staff, this paper briefly notes existing tools, proposes a “road map” for response analysis, explores the way in which donor resources have changed, and outlines major factors that constrain or shape response choice.

Contemporary Processes of Large-Scale Land Acquisition in Sub-Saharan Africa: Legal Deficiency or Elite Capture of the Rule of Law?

- World Development---2013---Laura German,George Schoneveld,Esther Mwangi

Growth of emerging economies, policy commitments to biofuels and volatility in commodity prices have contributed to a marked increase in the pace and scale of foreign direct investment in land-based enterprises in the global South. This paper explores the relationship between policy and practice associated with customary rights protections in the context of large-scale land acquisitions through a document review and case study analyses from Ghana, Mozambique, Tanzania, and Zambia. Findings point to the difficulty of safeguarding customary rights even in countries providing “best practice” legal protections, and point to the fundamental role of human agency in shaping outcomes.

Bad Governance and Poor Children: A Comparative Analysis of Government Efficiency and Severe Child Deprivation in 68 Low- and Middle-income Countries

- World Development---2013---Björn Halleröd,Bo Rothstein,Adel Daoud,Shailen Nandy

Research on democratization and quality of government (QoG) has highlighted the impact of poor governance on people’s living conditions. Simultaneously we have gained knowledge about global child poverty. Here these two strands of research are brought together. We use survey micro-data from 68 low- and middle-income countries (N=2,120,734) measuring deprivation of seven basic human needs (safe water, food, sanitation, shelter, education, health care, and information) among children. We show that QoG affected four of the deprivation indicators. In contrast, democratization appears to have no impact on the extent of child deprivation.

Geography of Gender Gaps: Regional Patterns of Income and Farm–Nonfarm Interaction Among Male- and Female-Headed Households in Eight African Countries

- World Development---2013---Agnes Andersson Djurfeldt,Göran Djurfeldt,Johanna Bergman Lodin

Many studies stress the existence of gender based income gaps across African production systems. Contextualizing such gaps in relation to regional characteristics, production systems, and nonfarm linkages challenges this. Household level data from 21 regions across eight African countries, collected in 2002 and 2008, are used to analyze production dynamics, market participation, and nonfarm linkages. Gender gaps are absent in 17 of the regions regardless of the overall regional income level. The results suggest that neither poverty nor growth in general discriminates against female headed households, but that causes of gender discrimination need to be found in specific regional contexts.

Child Poverty in an Emergency and Conflict Context: A Multidimensional Profile and an Identification of the Poorest Children in Western Darfur

- World Development---2013---Jean-François Trani,Tim I. Cannings

The conflict in Darfur represents a complex emergency situation. Challenges to humanitarian intervention are multiplied by inadequate information on local living conditions. This study applies the Alkire and Foster multidimensional poverty index to a set of dimensions of deprivation identified through a household survey, including dimensions usually missing such as economic exploitation, physical safety, empowerment, and psychological wellbeing. Our findings show that children with disabilities, particularly girls, are more often multidimensionally poor. We argue that multiple domains of deprivation complicate efforts to tackle poverty among children in Western Darfur and require

a more comprehensive and coordinated approach by relief agencies.

Institutional Solutions to the Asymmetric Information Problem in Health and Development Services for the Poor

- World Development---2013---David K. Leonard, Gerald Bloom, Kara Hanson, O' Farrell, Juan, Neil Spicer

The world's poorest pay for professional services and thus are in a "market," whether the services are provided in the public or private sectors. The associated problems of unequal information are particularly acute in undergoverned countries, where state regulation is weak. We systematically review the evidence on solutions to these problems in a variety of professions. Payments by clients are more likely to have a positive effect on quality if they are made through locally-managed organizations rather than directly to individual practitioners, particularly if those organizations have an institutionalized history of other—regarding values and incorporate client participation.

Does Parental Disability Matter to Child Education? Evidence from Vietnam

- World Development---2013---Daniel Mont, Cuong Nguyen

This paper examines the effect of parental disability on the education of children in Vietnam. Having a disabled parent reduces a child's probability of attending school by 16%, and lowers the expected number of grades completed. The negative impact on school outcomes is larger for boys, but is more pronounced when the mother is the disabled parent. The conclusion is that to achieve the Millennium Development Goal of universal primary school, the government should directly support the education of children with disabled parents and/or support disabled adults, thus lessening the incentive for their children to not attend school.

The Demand Side of Social Protection: Lessons from Cambodia's Labor Rights Experience

- World Development---2013---Alisa DiCaprio

In fragile states, recent efforts to advance the social protection agenda have focused primarily on loosening supply-side constraints. But the resulting kaleidoscope of donor-driven projects has often overlooked the need to create a sense of ownership by beneficiaries. In part this is because it is unclear what political and social structures effectively facilitate activism in situations where state-society relations are contentious. We use Cambodia's unusual success creating and sustaining a labor rights regime to illustrate the dynamics behind one type of social regime change that has opened up governance over worker protections in a sustainable and potentially replicable way.

Managing Wild Resources: Institutional Choice and the Recovery of Resource Rent in Southwest China

- World Development---2013---Brian E. Robinson, Bill Provencher, David Lewis

Managing harvests from natural resource systems is often seen as necessary to recover resource rent, that is, for wise and sustainable use. This paper develops a method to estimate resource rent recovery for a class of nontimber forest products and, using a unique dataset on the harvest of wild mushrooms in southwestern China, we empirically estimate this in open access, common access, and privately managed forests. We show that villages that lack rules (open access) do not always perform poorly. We explore how geographic context, resource endowments, transaction costs, and institutional goals may drive incentives for developing self-governing institutions.

How Effective are Cash Transfers at Improving Nutritional Status?

- World Development---2013---James Manley, Seth Gitter, Vanya Slavchevska

Cash transfer programs have not always affected children's nutritional status. We reviewed 30,000 articles relating cash transfer programs and height for age, finding 21 papers on 17 programs. Applying meta-analysis we examine the overarching relationship, finding that the programs' average impact on height-for-age is positive, but small and not statistically significant. We evaluate many programs, child and local characteristics' correlation with estimated outcome. Conditional programs statistically accomplish the same as unconditional. However, conditionalities not related to health or education strongly inhibit child growth. We see girls benefiting more than boys and more disadvantaged areas benefiting more.

Land Retirement and Nonfarm Labor Market Participation: An Analysis of China's Sloping Land Conversion Program

- World Development---2013---Peter Kelly,Xuexi Huo

China's Sloping Land Conversion Program pays more than 32 million households to plant trees on highly erodible cropland, and has effected major land-use changes. Farmers retire land indefinitely but receive time-limited subsidies, after which they, in principle, enter nonfarm employment. We analyze annual data we collected on over 3,000 individuals and plots from 1998–2006, which contain variation in enrollment timing and alternative measures of enrollment, and conclude enrollment has a small but significant and robust positive effect on nonfarm employment. It arises not from alleviating constraints, as recent papers have suggested, but rather from simple farm to nonfarm labor substitution.

Social Norms and Aspirations: Age of Marriage and Education in Rural India

- World Development---2013---Annemie Maertens

Using a unique dataset that I collected in three villages in semi-arid India, I analyze the role of perceived returns to education and social norms regarding the

ideal age of marriage in the educational plans, i.e., aspirations, parents have for their children. I show that perceptions of the ideal age of marriage significantly constrain the education that parents aspire to have for their daughters, but not their sons. Furthermore, aspirations are sensitive to the perceived returns to higher education in the case of boys, but not in the case of girls.

Rising Regional Inequality in China: Fact or Artifact?

- World Development---2013---Chao Li,John Gibson

China's local populations can be counted in two ways: people with hukou household registration from each place, and people actually residing in each place. For most of the first three decades of the reform era the hukou count denominated per capita GDP figures. Output and living standards were overstated in coastal provinces and understated in the interior. The distortion grew bigger as the non-hukou migrants increased to over 100 million. Much of the apparent increase in inter-provincial inequality is a statistical artifact caused by this distortion. The recent switch to using the resident count to denominate GDP introduced new distortions.

Frustrated Freedom: The Effects of Agency and Wealth on Wellbeing in Rural Mozambique

- World Development---2013---Bart Victor,Edward F. Fischer,Bruce Cooil,Alfredo Vergara,Abraham Mukolo,Meridith Blevins

In the capability approach to poverty, wellbeing is threatened by both deficits of wealth and deficits of agency. Sen describes that “unfreedom,” or low levels of agency, will suppress the wellbeing effects of higher levels of wealth. We introduce another condition, “frustrated freedom,” in which higher levels of agency belief can heighten the poverty effects of low levels of wealth. Presenting data from a study of female heads of household in rural Mozambique, we find that agency belief moderates the relationship between wealth and wellbeing, uncovering evidence of frustrated freedom.

Going Where the Money Is: Strategies for Taxing Economic Elites in Unequal Democracies

- World Development---2013---Tasha Fairfield

How can policymakers circumvent obstacles to taxing economic elites? This question is critical for developing countries, especially in Latin America where strengthening tax capacity depends significantly on tapping under-taxed, highly-concentrated income and profits. Drawing on diverse literatures and extensive fieldwork, the paper identifies six strategies that facilitate enactment of modest tax increases by mobilizing popular support and/or tempering elite antagonism. Case studies from Chile, Argentina, and Bolivia illustrate the effect of these strategies on the fate of tax reform initiatives. The analysis builds theory on tax politics and yields implications for research on reform coalitions and gradual institutional change.

Rethinking Microentrepreneurship and Business Development Programs: Vulnerability and Ambition in Low-income Urban Caribbean Households

- World Development---2013---Hebe Verrest

Current development thinking and practice emphasize the potential of microentrepreneurship for poverty reduction. To effectuate this potential, many business development programs (BDPs), particularly focusing on microfinance and training, were implemented. This article questions the relevance of BDPs for microentrepreneurs through a comparative study on home-based economic activities (HBEAs) in two Caribbean cities. It shows that BDPs are relevant to only a minority of entrepreneurs. This can be explained by variations in household vulnerability and entrepreneurial ambition. The article therefore argues that analyzing microentrepreneurship's relevance for poverty reduction requires an understanding of microenterprises in the broader context of household livelihood characteristics.

The Political Dynamics of Economic Growth

- World Development---2013---Kunal Sen

We argue that an understanding of the political drivers of economic growth needs an explanation of the political dynamics around the transition from one growth phase to another, and that the political drivers of early stage growth accelerations are different from that of growth maintenance. Informal institutions are likely to play a role in growth acceleration, while formal institutions of credible commitment, the provisioning of public goods and the overcoming of co-ordination failures will be more important in growth maintenance. We present empirical evidence drawn from country case-studies and cross-country econometric analysis that provides support to our theoretical propositions.

The Impact of International Standards Certification on the Performance of Firms in Less Developed Countries

- World Development---2013---Micheline Goedhuys,Leo Sleuwaegen

This paper examines the effects of international standards certification (ISC) on both productivity and sales performance for firms from a wide set of countries exhibiting different degrees of institutional development. Against a large dataset of manufacturing firms operating in 59 countries we find that ISC raises productivity and sales performance of firms through efficiency gains and quality signaling, with the effects being larger in countries where market supporting institutions are weak. The largest gain in performance comes from direct productivity improvements helping firms to climb the technological ladder and closing the productivity gap with firms based in developed countries.

Access to Finance in Sub-Saharan Africa: Is There a Gender Gap?

- World Development---2013---Reyes Aterido,Thorsten Beck,Leonardo Iacovone

We show the existence of an unconditional gender gap in Sub-Saharan Africa. However, when key observable characteristics of the enterprises or individuals are taken into account the gender gap disappears. In the case of enterprises, we explain our finding with

differences in key characteristics and a potential selection bias. In the case of individuals, the lower use of formal financial services by women can be explained by gender gaps in other dimensions related to the use of financial services, such as their lower level of income and education, and by their household and employment status.

Gender and Microfinance Performance: Why Does the Institutional Context Matter?

- World Development---2013---Dirk Michael Boehe, Luciano Barin Cruz

This paper investigates why and under which institutional circumstances female membership in microfinance institutions (MFI) improves MFI performance in terms of debt repayment. Specifically, this paper theorizes that female membership in MFIs improves the MFI's performance through enhanced debt repayment, especially under adverse cognitive and regulatory institutional conditions. We draw upon unique qualitative and quantitative data covering 26 microfinance projects in 22 African, Eastern European, Latin American, and Asian countries. This study has implications for the microfinance literature in that it challenges the widely held assumption that female participation has a positive effect on MFI performance under all institutional circumstances.

Privatization of Education and Labor Force Inequality in Urban Francophone Africa: The Transition from School to Work in Ouagadougou

- World Development---2013---Anne E. Calvès, Jean-François Kobiané, N' Bouké, Afiwa

As in many other francophone African countries, there has been increased privatization of the school system in Burkina Faso since the 1990s, especially in urban areas. Based on a unique retrospective survey conducted in Ouagadougou, this research investigates a largely unexplored issue in Africa: the impact of private schooling on subsequent transition to paid employment. While private schooling accelerates entry into the paid labor market and increases the odds of getting a waged first

job, multivariate analyses reveal that this advantage is caused by differentials in the educational attainment and socio-economic origin of school-leavers from private and public schools.

Using Census Data to Explore the Spatial Distribution of Human Development

- World Development---2013---Iñaki Permanyer

The Human Development Index (HDI) has been criticized for not incorporating distributional issues. We propose using census data to construct a municipal-based HDI that allows exploring the distribution of human development with unprecedented geographical coverage and detail. Moreover, we present a new methodology that allows decomposing overall human development inequality according to the contribution of its subcomponents. We illustrate our methodology for Mexico's last three census rounds. Municipal-based human development has increased over time and inequality between municipalities has decreased. The wealth component has increasingly accounted for most of the existing inequality in human development during the last 20 years.

Can One-to-One Computing Narrow the Digital Divide and the Educational Gap in China? The Case of Beijing Migrant Schools

- World Development---2013---Di Mo, Johan Swinnen, Linxiu Zhang, Hongmei Yi, Qinghe Qu, Matthew Boswell, Scott Rozelle

One Laptop Per Child (OLPC) is a high profile initiative to narrow the inequality of access to ICT and improve educational performance. However, there is little empirical evidence on its impacts. In order to assess the effectiveness of OLPC, we conducted a randomized experiment of OLPC with Chinese characteristics involving 300 third-grade students in Beijing migrant schools. Our results show that the program improved student computer skills by 0.33 standard deviations and math scores by 0.17 standard deviations. The program also increased student time spent using ed-

educational software and decreased student time spent watching TV. Student self-esteem also improved.

Missing Millions and Measuring Development Progress

- World Development---2013---Roy Carr-Hill

In developing countries, assessments of progress toward development goals are based increasingly on household surveys. These are inappropriate for obtaining information about the poorest. Typically, they omit by design: the homeless; those in institutions; and mobile, nomadic, or pastoralist populations. Moreover, in practice, household surveys typically under-represent: those in fragile, disjointed households; slum populations and areas posing security risks. Those six sub-groups constitute a large fraction of the “poorest of the poor” . We estimate that 250 million are missed worldwide from the sampling frames of such surveys and from many censuses and their omission may well lead to substantial biases.

US based NGOs in International Development: Financial and Economic Determinants of Survival

- World Development---2013---Peter Nunnenkamp,Hannes Öhler,Tillmann Schwörer

The accountability of non-governmental organizations (NGOs) has various dimensions. From an economic perspective, official financiers, private donors as well as aid recipients could expect more charitable output from NGOs, if less efficient organizations were squeezed out of international development activities. We consider administrative overheads as an important aspect of NGO efficiency. Our empirical analysis focuses on the effects of administrative overheads, public funding and the interrelations between these two factors on the probability of “market” exit for almost 900 US based NGOs with overseas aid activities since the mid-1980s. We find that larger administrative overheads increase the probability of exit for NGOs receiving any public funding. However, this effect weakens with increasing shares of public funding of NGOs.

Innovation, Intellectual Property Rights, and Economic Development: A Unified Empirical Investigation

- World Development---2013---John Hudson,Alexandru Minea

Two important strands of literature investigate the way the effect of intellectual property rights (IPR) on innovation depends on either the initial IPR level or the level of economic development. We expand on this by studying their joint effect, in a single, unified, empirical framework. We find that the effect of IPR on innovation is more complex than previously thought, displaying important nonlinearities depending on the initial levels of both IPR and per capita GDP. The policy implications of this are examined and include the conclusion that a single global level of IPR is in general sub-optimal.

Fiscal Policy Implementation in Sub-Saharan Africa

- World Development---2013---Victor Lledó,Marcos Poplawski-Ribeiro

This paper investigates economic and institutional constraints to fiscal policy implementation in sub-Saharan Africa. We find that planned fiscal adjustments or expansions are less likely to be implemented the larger they are, the more fragile the rule of law in the country, and the weaker the institutions framing the implementation of the annual fiscal budget. The findings support ongoing efforts in the region to enhance forecasting capacity; adopt realistic fiscal plans; and strengthen governance and public financial management procedures, with a focus on accounting, reporting, and external controls of government’ s fiscal accounts.

Fiscal Incentives, Public Spending, and Productivity – County-Level Evidence from a Chinese Province

- World Development---2013---Stefan Brehm

This article develops a new empirical approach to analyze the potential link between fiscal decentralization

and economic efficiency based on a stochastic frontier model with spatial error correction. Fiscal decentralization is not considered to be a source of growth in itself but an incentive scheme that impacts local governments' spending as a means to improve investment conditions. Panel data for Zhejiang Province during 1995–2005 indicate that revenue and expenditure decentralization both promoted allocative efficiency. Yet, the impact of fiscal incentives decreases with rising income inequality among county governments.

Revisiting the Issue of Elite Capture of Participatory Initiatives

- World Development---2013---Jens Lund, Moeko Saito-Jensen

Based on case studies of two communities implementing participatory forestry in Tanzania and India, we revisit the issue of elite capture of participatory initiatives. Our cases illustrate how initial elite capture of the participatory initiatives is circumvented over time through various forms of resistance orchestrated by initially disadvantaged groups. Based on the cases we argue that studies of elite capture should be based on in-depth and longitudinal empirical investigations that carefully characterize forms and outcomes of elite capture and consider both the changing dynamics of social settings and the perceptions held by the people under study.

Revisiting the Effects of IMF Programs on Poverty and Inequality

- World Development---2013---Doris Oberdabernig

Investigating how lending programs of the International Monetary Fund (IMF) affect poverty and inequality, we explicitly address model uncertainty. We control for endogenous selection into IMF programs using data on 86 low- and middle income countries for the 1982–2009 period and analyze program effects on various poverty and inequality measures. The results rely on averaging over 90 specifications of treatment effect models and indicate adverse short-run effects of IMF agreements on poverty and inequality for the whole sample, while for

a 2000–09 subsample the results are reversed. There is evidence that significant short-run effects might disappear in the long-run.

Are Remittances a Substitute for Credit? Carrying the Financial Burden of Health Shocks in National and Transnational Households

- World Development---2013---Christian Ambrosius, Alfredo Cuecuecha

This paper tests for the assumption that remittances are a substitute for credit by comparing the response to health-related shocks among national and transnational households using Mexican household panel data. While the occurrence of serious health shocks that required hospital treatment doubled the average debt burden of exposed households compared to the control group, households with nuclear family members (a parent, child, or spouse) in the US did not increase their debts due to health shocks. This finding is consistent with the view that remittances respond to households' demand for financing emergencies and make them less reliant on debt-financing.

Protecting Power: How Western States Retain The Dominant Voice in The World Bank's Governance

- World Development---2013---Jakob Vestergaard, Robert H. Wade

The global economic crisis raised the urgency of reforming the Bretton Woods organizations in order to get more “buy in” from developing countries. But the “voice” reforms announced in 2010, heralded as a major shift in favor of developing countries, left them severely under-represented relative to their weight in the world economy, both collectively and many individually. This paper reveals how the World Bank and representatives of western states manipulated the process to make voting power changes appear substantial. The paper then discusses alternative voting power systems for the Bank, in light of the generally accepted need to enhance the legitimacy of the organization.

Institutions, Infrastructure, and Trade

- World Development---2013---Joseph Francois, Miriam Manchin

We work with a panel of bilateral trade, exploring the influence of infrastructure and institutional quality on patterns of trade with a Poisson estimator, extended with the Baier and Berstrand method for multilateral resistance and accounting for firm heterogeneity and selection. Trade depends on institutional quality and exporter and importer access to well developed transport and communications infrastructure. While we emphasize exports of developing countries, low institutional and infrastructure quality in the South also limits market access for exports from the North. The pattern of results implies that policy emphasis on developing country market access while not providing enough support for trade facilitation, may be misplaced.

Determinants of Expenditure Decentralization: Evidence from China

- World Development---2013---Alfred Wu, Wen Wang

This study is the first attempt to examine the determinants of expenditure decentralization at sub-provincial levels in China. The Chinese central government gives detailed guidelines to local governments on public finance, but, ironically, their expenditure assignment is far from being well-regulated. Differences in fiscal decentralization on the expenditure side are enormous among local governments. Employing a panel dataset of 1995–2006, we provide empirical evidence that transfer dependency negatively affects expenditure decentralization in Chinese local governments. It suggests that intermediate governments, i.e., provincial governments, may have “grabbed” central grants for self-interests.

The Global Food Crisis: Disaster, Opportunity or Non-event? Household Level Evidence from Côte d’ Ivoire

- World Development---2013---Ralitza Dimova, Monnet Gbakou

Using 2008 LSMS data for Côte d’ Ivoire, we study the welfare implications of the price increase of key imported staple food—rice—and consider the consumption smoothing effect of locally produced food and cash crop varieties. While middle income urban households are adversely affected by rising rice prices, relatively poor rural households benefit. Availability of local staple alternatives leads to further income redistribution from net consumers toward net producers of staples. By contrast, the ability to generate income from tropical cash crops not only improves the welfare of rural households, but helps smooth the consumption of urban households.

Financial Efficiency and Social Impact of Microfinance Institutions Using Self-Organizing Maps

- World Development---2013---Philippe Louis, Alex Seret, Bart Baesens

This paper contributes to the literature by investigating whether the increased focus on financial self-sustainability of microfinance institutions has been disadvantageous to the target audience. We investigate the association between social efficiency and financial performance using a comprehensive data set that includes 650 microfinance institutions. A self-organizing map methodology is used to fully capture the existing heterogeneity among institutions. The results show that we cannot support the hypothesis that there exists a trade-off. On the contrary, we find evidence of a significant, positive relationship between social efficiency and financial performance.

Does Economic Upgrading Lead to Social Upgrading in Global Production Networks? Evidence from Morocco

- World Development---2013---Arianna Rossi

This paper contributes to the global production networks (GPNs) literature by analyzing the relationship between economic upgrading (increase in the value added of production) and social upgrading (improvements for workers in GPNs). It does so by drawing on

primary data from Moroccan garment supplier firms, showing that economic upgrading can lead to social upgrading with mixed outcomes. Especially in a fast fashion model, the most advanced form of economic upgrading, functional upgrading, often translates into social upgrading and downgrading simultaneously for different workers. This is due to contradictory commercial requirements imposed by global buyers in GPNs.

Private Donations, Government Grants, Commercial Activities, and Fundraising: Cointegration and Causality for NGOs in International Development Cooperation

- World Development---2013---Dierk Herzer, Peter Nunnenkamp

NGOs could help scale up foreign aid efforts by mobilizing private donations. However, fundraising activities do not necessarily result in higher donations, and substitution effects between different sources of revenue may diminish the overall pool of NGOs' resources. This paper examines the long-run determinants of private donations to US-based NGOs engaged in international development cooperation using panel cointegration techniques. According to our results, a marginal dollar spent on fundraising yields almost five dollars in new donations in the long-run. Government grants crowd in private donations in the long-run, whereas commercial revenues crowd out donations in the long-run.

Structural Change in Developing Countries: Has it Decreased Gender Inequality?

- World Development---2013---Michelle Rendall

This paper examines the evolution of female labor market outcomes from 1987 to 2008 by assessing the role of changing labor demand requirements in four developing countries: Brazil, Mexico, India and Thailand. The results highlight the importance of structural change in reducing gender disparities by decreasing the labor demand for physical attributes. The results show that India, the country with the greatest physical labor requirements, exhibits the largest labor market gender

inequality. In contrast, Brazil's labor requirements have followed a similar trend seen in the United States, reducing gender inequality in both wages and labor force participation.

The Effect of Women's Bargaining Power on Child Nutrition in Rural Senegal

- World Development---2013---Aurélia Lépine, Eric Strobl

We examine how women's bargaining power affects child nutritional status using data from rural Senegal. In order to correct for the potential endogeneity of women's bargaining power we use information on a mother's ethnicity relative to that of the community she resides in order to construct an arguably exogenous exclusion restriction. While standard OLS estimates suggest that if a mother has more bargaining power, her children will have a better nutritional status, our IV estimates indicate that the true impact is underestimated if the endogeneity of bargaining power is not taken into account.

From Nutrition to Aspirations and Self-Efficacy: Gender Bias over Time among Children in Four Countries

- World Development---2013---Stefan Dercon, Abhijeet Singh

We use data on children at ages 8, 12, and 15 from Young Lives, a cohort study of 12,000 children across Ethiopia, India (Andhra Pradesh), Peru, and Vietnam to document the presence of a gender gap across indicators of nutrition, education, aspirations, subjective well-being, and psychosocial competencies. We find considerable heterogeneity across countries, ages, and indicators in the existence and direction of gender gaps. Second, we find evidence of an "institutionalized" gender bias against girls in education in India and, to an extent, Ethiopia. Poorer non-cognitive skills could be a channel for continuing gender bias through poorer labor market outcomes.

Does Prime-Age Mortality Reduce Per-Capita Household Income? Evidence from Rural Zambia

- World Development---2013---Toman Omar Mahmoud,Rainer Thiele,Toman Barsbai

This paper evaluates the impact of prime-age mortality on per-adult equivalent incomes of surviving household members in rural Zambia. The analysis uses difference-in-difference matching techniques and controls for spillover effects by excluding households from the control group if members departed or joined for reasons related to prime-age mortality. The latter is required because per-adult equivalent incomes of non-afflicted households may be indirectly affected, e.g., by hosting orphans. We find evidence of negative spillover effects on non-afflicted households. However, the death of a prime-age member has no significant short-run effect on per-adult equivalent income of afflicted households.

Reversing Urban Bias in African Rice Markets: Evidence from Senegal

- World Development---2013---Matty Demont,Pieter Rutsaert,Maimouna Ndour,Wim Verbeke

Urban bias constitutes an important institutional impediment to economic development in poor countries. Some African governments now recognize that they should invest in agricultural productivity in order to reverse urban bias, but often forget the equally important objective of investing in quality tailored to consumers so as to reverse urban bias' footprint on food markets. We conduct framed field experiments in two major urban markets in Senegal and find that the majority of urban consumers are willing to pay quality premiums for local rice suggesting that investment in post-harvest rice quality is a priority in the reversal of urban bias.

Disrupting Demand for Commercial Seed: Input Subsidies in Malawi and Zambia

- World Development---2013---Nicole Mason,Jacob Ricker-Gilbert

This study uses nationally representative household-level panel data from Malawi and Zambia to identify the determinants of subsidized maize seed and fertilizer receipt, and to estimate how input subsidies affect households' commercial purchases of improved maize seed varieties. In both countries we find that households in areas where the ruling party won the last presidential election acquire significantly more subsidized inputs than other households. Results also indicate that each additional kilogram of subsidized maize seed acquired by a household reduces its commercial improved maize seed purchases by 0.58kg in Malawi and by 0.49kg in Zambia on average.

Fiscal Capacity and the Quality of Government in Sub-Saharan Africa

- World Development---2013---Thushyanthan Baskaran,Arne Bigsten

Historical evidence from the industrialized world suggests that the expansion of the modern state' s capacity to tax eventually led to more democratic and less corrupt governments. Using a dataset that covers 31 sub-Saharan African countries over the 1990–2005 period, we study whether the positive effect of fiscal capacity on the quality of government prevails in contemporaneous sub-Saharan Africa as well. The results provide consistent evidence that within sub-Saharan Africa, fiscal capacity decreases corruption and increases democracy.

Nation-Building and Conflict in Modern Africa

- World Development---2013---Sanghamitra Bandyopadhyay,Elliott Green

Nation-building has long been seen as an important focus of post-colonial African governments. However, up until now there has been no empirical analysis of the consequences of nation-building policies. Here we compile an original dataset measuring nine different types of nation-building policies. We first use logistic regressions to test the effect of nation-building policies on civil wars using two different datasets of civil wars, and find no evidence of a negative relationship between

nation-building and civil war onset. Furthermore, a survival analysis exercise reveals a robust relationship between the proximity of nation-building policies and the onset of civil war.

The Effects of Risk and Shocks on Non-Farm Enterprise Development in Rural Ethiopia

- World Development---2013---Bob Rijkers,Mans Soderbom

This paper assesses the impact of risk and shocks on non-farm enterprise development in rural Ethiopia using a matched household–enterprise–community dataset augmented with precipitation based measures of risk. The likelihood of running a non-farm firm and the returns to running such firms co-vary with agricultural productivity shocks. Diversification into non-farm activities thus provides limited protection against fluctuations in agricultural performance. This may explain why ex-ante risk has no impact on the likelihood of running a non-farm firm. It nonetheless hampers non-farm enterprise development by repressing investment and inducing sorting into less capital-intensive activities.

Corporate-Led Sustainable Development and Energy Poverty Alleviation at the Bottom of the Pyramid: The Case of the CleanCook in Nigeria

- World Development---2013---Temilade Sesan,Sujatha Raman,Mike Clifford,Ian Forbes

Corporations are increasingly viewed as key actors in poverty alleviation. “Bottom of the Pyramid” (BoP) advocates suggest that MultiNational Corporations (MNCs) can simultaneously alleviate poverty and make profits by selling scaled-down products to the poor. Our paper investigates this claim using the case of the CleanCook stove-and-fuel technology introduced in Nigeria by an MNC working through a nonprofit organization and local business actors. Supply and demand-side analyses show that the CleanCook is least likely to reach the energy-poor BoP households originally targeted. The evidence suggests that serving

the BoP requires greater differentiation than can be achieved with profit-driven business models.

Can Big Push Interventions Take Small-Scale Farmers out of Poverty? Insights from the Sauri Millennium Village in Kenya

- World Development---2013---Bernadette M. Wanjala,Roldan Muradian

This paper analyzes the impact of the Millennium Village Project (MVP) in Sauri, Kenya. We found significant higher agricultural productivity, self-consumption, production margins, and total (surrogate) income, but an insignificant impact on cash income among targeted households, when compared to similar ones in neighboring villages. These outcomes are explained by a large allocation of productivity gains to self-consumption, instead of to the market. Despite showing sizeable effects of the MVP, the results call for revising of the assumptions about the relationship between agricultural productivity and cash income on which the MVP and other rural development interventions rely on.

The In-House Contracting Paradox: Flexibility, Control, and Tension

- World Development---2013---Jong-Woon Lee

This study argues that the coordination of workplace changes brought about by increased flexibility attained through the utilization of contract labor is fraught with tension, which influences the ways in which employment relationships are shaped in the context of any given firm. The essence of such tension lies in the pursuit of organizational flexibility and quality control in the production process. Contradictions arise out of the attempt of user firms to avoid direct responsibility for the workforce while at the same time exerting managerial control over externalized contract workers. Such tensions and paradoxes are associated with conflicts of interest, and compromise between and within workplace actors.

Human Rights Treaty Ratification of Aid Receiving Countries

- World Development---2013---Arvind Magesan

This paper examines the consequences of participation in unenforceable international human rights institutions for economic and political development. Specifically, we study the empirical relationship between foreign aid, human rights, and participation in the United Nations Human Rights Treaties (HRT). We find that HRT participation has a significant positive effect on a country's foreign aid receipts, but precipitates a decline in domestic human rights institutions. Taken together, the results suggest that rewarding participation in international human rights agreements with foreign aid is detrimental to human rights in recipient countries.

The Privatization of the Fixed-Line Telecommunications Operator in OECD, Latin America, Asia, and Africa: One Size Does Not Fit All

- World Development---2013---F. Gasmi,A. Maingard,P. Nomba,Laura Recuero Virto

This paper challenges the idea that there exists a unique model of reform for infrastructure sectors which is equally applicable across regions and countries and expected to yield similar outcomes. We perform an empirical analysis of the impact of privatization of the fixed-line activity of the traditional telecommunications operator on network expansion, tariffs, and labor efficiency in a 1985–2007 data set on a selection of 108 countries that we split into regional sub-samples. We find that the performance of privatization depends to a large extent on regional factors related to market profitability, wealth, and geography.

Job Creation through Infrastructure Investment in the Middle East and North Africa

- World Development---2013---Elena Ian-chovichina,Antonio Estache,Renaud Foucart,Grégoire Garsous,Tito Yepes

To meet its infrastructure needs, the Middle East needs to invest, on average, around 6% of its GDP annually, although with differences across countries. This could lead to direct job creation of about 2.5 million direct, indirect and induced infrastructure-related jobs. Because of significant differences in financing opportunities, fiscal constraints could be binding for the poorest countries. The effectiveness of job creation from infrastructure will depend on the quality of targeting and on cost subsidies as well as on the effectiveness of (re)training programs. Managing unrealistic expectations will also matter as infrastructure jobs will help but will not solve the region's employment challenge.

Returning to Dakar: A Mixed Methods Analysis of the Role of Migration Experience for Occupational Status

- World Development---2013---Cora Leonie Mezger Kveder,Marie-Laurence Flahaux

This paper applies mixed methods to examine the occupational status of Senegalese return migrants and nonmigrants in Dakar and to explore the role of differential migration experiences for occupational outcomes. The analysis uses quantitative data from the MAFE-Senegal survey (2008) and qualitative semi-structured interviews with return migrants. While returnees do not seem to drop out of the labor market, they are overrepresented among the self-employed. However, self-employment is not necessarily associated with positive migration experiences. Rather than a choice, self-employment appears to be a “last resort” for individuals who were not able to accumulate capital or prepare their return.

A Matter of Time: Revisiting Growth Convergence in China

- World Development---2013---Fredrik Andersson,David Edgerton,Sonja Oppen

China's unbalanced growth strategy has seemingly fostered growing inter-regional growth disparities and there is little evidence of wealth trickling down from

richer provinces to poorer provinces. Standard convergence tests, however, may be ill specified to detect underlying long-term growth trends in small samples due to the pronounced and frequent inter-regional short-term fluctuations. Our paper suggests a novel approach to distinguish between these long-term growth trends and short-term fluctuations. Based on provincial data from 1978 to 2009, our results indicate that China's provinces only diverge over the short-term. Over the long term, provinces cluster into two converging growth clubs.

Gender Inequality in Social Institutions and Gendered Development Outcomes

- World Development---2013---Boris Branisa,Stephan Klasen,Maria Ziegler

We examine the effect of social institutions related to gender inequality on development outcomes. By characterizing and applying the recently developed Social Institution and Gender Index (SIGI) and its sub-components, we show how social institutions related to gender inequality are associated with female education, child mortality, fertility, and governance (corruption) in developing countries, even when controlling for other socioeconomic and cultural factors. Policies focusing on affecting gendered development outcomes need to consider inequalities in social institutions as a constraint and consider promoting ways to reduce gender inequalities in social institutions.

Ten Years of “Q-Squared” : Implications for Understanding and Explaining Poverty

- World Development---2013---Paul Shaffer

Over the past decade, there have been a number of initiatives to promote a more systematic integration of “quantitative” and “qualitative,” or “Q-Squared,” approaches to poverty analysis in the Global South, and a large body of literature had emerged. The objective of the article is to present a (selective) review of this empirical work with a view to demonstrate the value it has added for understanding and explaining poverty. The evidence strongly suggests that Q-Squared approaches

have aided our understanding of the characteristics of the poor and the causes of poverty.

The Politics of Code Enforcement and Implementation in Vietnam’ s Apparel and Footwear Factories

- World Development---2013---Jee Young Kim

What happens when transnational private regulation of labor standards is put into practice on the factory floor? This article addresses this question with field research data on Vietnam’ s apparel and footwear industries. The Vietnamese case shows that code enforcement and implementation are highly political processes fraught with conflicts and attempts at evasion. The consequences, moreover, contradict the conventional wisdom of low regulatory effectiveness; heightened legal awareness and strengthened labor law enforcement may result from these processes. This study illustrates two mechanisms (conflict and ritualistic compliance) that can raise the effectiveness of private regulation.

The Economics of the Arab Spring

- World Development---2013---Adeel Malik,Bassem Awadallah

A singular failure of the Arab world is the absence of a private sector that is independent, competitive, and integrated with global markets. This paper argues that private sector development is both a political and regional challenge. In so far as the private sector generates incomes that are independent of the rent streams controlled by the state, it can pose a direct political challenge. It is also a regional challenge, since fragmented markets deny scale economies to firms and entrench the power of insiders. We argue that overcoming regional economic barriers constitutes the single most important collective action problem facing the region since the fall of Ottoman Empire.

The Social Determinants of the Rule of Law: A Comparison of Jamaica and Barbados

- World Development---2013---Andrew Dawson

This paper examines the social determinants of the rule of law by comparing Jamaica and Barbados, two countries with many similarities, but with divergent outcomes concerning the rule of law. The research takes a comparative historical approach, specifically investigating the origins of the divergence of the rule of law between Jamaica and Barbados by focusing on the late colonial period (1937–1966). Using new data collected from archival research, state legitimacy is identified as the key factor that helps explain the divergent trajectories of the rule of law in Jamaica and Barbados post-independence. Going beyond state-based explanations of the rule of law, the analysis suggests that the rule of law not only depends on characteristics of the state, but also on characteristics of society.

Governance of Global Value Chains in Response to Food Safety and Certification Standards: The Case of Shrimp from Vietnam

- World Development---2013---Nhuong Tran,Conner Bailey,Norbert Wilson,Michael Phillips

We use global value chain (GVC) theory to understand governance of Vietnam’ s shrimp farming industry. We describe this GVC as buyer-driven with important food safety standards imposed by governments of importing countries and new certification systems promoted by nongovernmental organizations (NGOs). Governance relations are clear between governments in importing countries and Vietnam, and between importers and NGOs. Governance relations become more fragmented further down the chain where large numbers of small-scale producers and traders operate. This fragmentation may adversely affect access to the most lucrative markets and have the unanticipated effect of marginalizing small-scale farmers and traders.

Demographic Transition in Resource Rich Countries: A Blessing or a Curse?

- World Development---2013---Kjetil Bjorvatn,Mohammad Reza Farzanegan

This study argues that resource wealth is a key factor

for understanding income effects of demographic transition. We develop a simple model highlighting how the income effect of increased labor supply may depend on resource rents, and provide empirical evidence that support the theoretical predictions. Using panel data covering the period from 1982 to 2006 for more than 120 countries, we find a negative interaction effect between resource wealth and demographic transition on national income. Moreover, the negative interaction effect does not depend on institutional quality, and is found also across different samples.

Global Poverty Estimates: A Sensitivity Analysis

- World Development---2013---Shatakshee Dhongde,Camelia Minoiu

Current estimates of global poverty vary substantially across studies. We undertake a sensitivity analysis to highlight the importance of methodological choices by measuring global poverty using different data sources, parametric and nonparametric estimation methods, and multiple poverty lines. Our results indicate that estimates of global poverty vary significantly when they are based alternately on data from household surveys versus national accounts but are relatively consistent across estimation methods. The decline in poverty over the past decade is found to be robust across methodological choices.

Super Cycles of Commodity Prices Since the Mid-Nineteenth Century

- World Development---2013---Bilge Erten,Jose Antonio Ocampo

Decomposition of real commodity prices suggests four super cycles during 1865–2010 ranging between 30 and 40years with amplitudes 20–40% higher or lower than the long-run trend. Non-oil price super-cycles follow world GDP, indicating they are essentially demand-determined; causality runs in the opposite direction for oil prices. The mean of each super-cycle of non-oil commodities is generally lower than for the previous cycle, supporting the Prebisch–Singer hypothesis. Tropical

agriculture experienced the strongest and steepest long-term downward trend through the twentieth century, followed by non-tropical agriculture and metals, while real oil prices experienced a long-term upward trend, interrupted temporarily during the twentieth century.

Effects of Global Liquidity on Commodity and Food Prices

- World Development---2013---Ansgar Belke,Ingo G. Bordon,Ulrich Volz

This article investigates the relationship between global liquidity and commodity and food prices applying a global cointegrated vector-autoregressive model. We use different measures of global liquidity and various indices of commodity and food prices for the period 1980–2011. Our results support the hypothesis that there is a positive long-run relation between global liquidity and the development of food and commodity prices, and that food and commodity prices adjust significantly to this cointegrating relation. Global liquidity, in contrast, does not adjust, it drives the relationship.

Did High Debts Distort Loan and Grant Allocation to IDA Countries?

- World Development---2013---Silvia Marchesi,Alessandro Missale

We examine the allocation of net loans, net transfers, and grants to IDA countries over the period 1982–2008 focusing on the role of debt and debt sustainability in the decisions of multilateral and bilateral donors. We find no evidence of defensive lending but strong evidence of defensive granting. A significant negative reaction of net loans to the debt ratio indeed characterizes the decisions of both multilateral and bilateral creditors. The impact of lower loans on the budget of debtor countries is however accommodated through higher grants, in addition to debt relief. These findings are consistent with a substitution of grants for loans and with the new approach to debt sustainability but question the efficiency and selectivity of foreign aid.

Aid Tying and Donor Fragmentation

- World Development---2013---Stephen Knack,Lodewijk Smets

This study analyzes theoretically and empirically the impact of aid fragmentation on donors' decisions to tie their development aid to purchases from contractors based in their own countries. Building on collective action theory, it argues that a donor with a larger share of the aid market in a country has stronger incentives to maximize the development impact of its aid, by tying less of it. Empirical tests strongly and consistently support the prediction that higher donor aid shares will be associated with less aid tying. This finding is robust to recipient controls, donor fixed effects, and instrumental variables estimation. Furthermore, it contradicts other studies suggesting that when a small number of donors dominate the aid market in a country, they may exploit their monopoly power by tying more of their aid.

Can Poor Countries Lobby for More US Bilateral Aid?

- World Development---2013---Gabriel V. Montes-Rojas,Gabriel Montes Rojas

This article explores if countries can lobby the US government for the allocation of US bilateral foreign aid. We consider an informational lobby model where lobbying has two effects. First, a direct effect by informing US policymakers about their countries' needs. Second, an indirect effect on policymakers by informing them about common interests in economic or geopolitical terms. The lobbyist thus influences the decisions about the allocation of aid resources. We estimate the effect of the recipient country's lobbying agents in obtaining foreign aid. The econometric results show that lobbying positively affects the amount of bilateral aid received.

The Role of Country-of-Origin Characteristics for Foreign Direct Investment and Technical Cooperation in Post-Reform India

- World Development---2013---Axel Dreher, Peter Nunnenkamp, Krishna Chaitanya Vadlamannati

The decisions of foreign investors on technical cooperation versus equity engagements and on the degree of ownership in FDI projects are likely to depend on their relative bargaining position vis-à-vis the host country. We perform negative binominal regressions by making use of a unique dataset on about 24,500 technical cooperation and FDI projects in India by investors from 45 countries of origin over the 1991–2004 period. We find that relative market size, relative financial market development, relative risk, relative endowment of human capital, and previous international experience significantly affect the type of engagement by foreign investors in post-reform India.

The Needy Donor: An Empirical Analysis of India's Aid Motives

- World Development---2013---Andreas Fuchs, Krishna Chaitanya Vadlamannati

With the intension of understanding why poor countries provide aid to other developing countries, we analyze aid commitments by India's Ministry of External Affairs to 125 countries over the 2008–10 period. Our findings are partially in line with our expectations of the behavior of a “needy” donor. Commercial and political self-interests dominate India's aid allocation. We find the importance of political interests to be significantly larger for India than for all donors of the Development Assistance Committee. Moreover, countries that are geographically closer are favored, and countries at a similar developmental stage are more likely to enter India's aid program.

Declining Inequality in Latin America in the 2000s: The Cases of Argentina, Brazil, and Mexico

- World Development---2013---Nora Lustig, Luis Lopez-Calva, Eduardo Ortiz-Juarez

During 2000–10, the Gini coefficient declined in 13 of 17 Latin American countries. The decline was statistically significant and robust to changes in the time interval, inequality measures, and data sources. In depth country studies for Argentina, Brazil, and Mexico suggest two main phenomena underlie this trend: a fall in the premium to skilled labor and more progressive government transfers. The fall in the premium to skills resulted from a combination of supply, demand, and institutional factors. Their relative importance depends on the country.

Shopping for Development: Multilateral Lending, Shareholder Composition and Borrower Preferences

- World Development---2013---Chris Humphrey, Katharina Michaelowa

This paper proposes two theoretical considerations regarding Multilateral development banks (MDBs). The first is that MDB activities are increasingly driven by the growing economic strength of many developing countries. The second is that categorizing MDBs according to the balance of power among shareholders helps explain why countries might prefer one or another MDB. We compare three different MDBs operating in Latin America—one dominated by nonborrowers (World Bank), another controlled by borrowing countries (Andean Development Corporation, CAF), and a third more evenly split between borrowers and non-borrowers (Inter-American Development Bank, IADB). Qualitative and statistical analysis suggests that demand factors play an important role in MDB lending.

Should Countries Engage in a Race to the Bottom? The Effect of Social Spending on FDI

- World Development---2013---R. Douglas Hecock, Eric M. Jepsen

This paper examines the effect of social spending in developing countries on Foreign Direct Investment (FDI). Existing studies on the race to the bottom in social services attempt to discern the extent to which FDI affects social expenditure. However, it remains an

open question whether FDI is actually attracted to lower spending levels. We find no indication that FDI is repelled by social spending; indeed there is strong evidence that investment is associated with greater programmatic emphases on health and education. These findings have important implications for leaders seeking to attract investment and for those attempting to expand social programs.

The Economic Growth Effect of Offshore Banking in Host Territories: Evidence from the Caribbean

- World Development---2013---James Butkiewicz,Leo-Rey Gordon

Following the success of renowned Caribbean offshore centers, several small islands have enacted offshore banking policies as a strategy for increasing economic growth. Several empirical studies have assessed the growth effect of such policies, but none accounts for sector size when estimating its growth impact. This study contributes to this literature by estimating the magnitude of offshore activity in each territory, and using this estimate as a continuous variable in an economic growth model. The results provide support for the hypothesis that facilitating offshore banking stimulates economic growth in host islands, and that the benefit is proportional to sector size.

Economic Performance under NAFTA: A Firm-Level Analysis of the Trade-productivity Linkages

- World Development---2013---Rafael De Hoyos,Leonardo Iacovone

Did North American Free Trade Agreement (NAFTA) make Mexican firms more productive? If so, through which channels? This paper addresses these questions by deploying a robust microeconomic approach that disentangles the various channels through which integration with the global markets can affect firm-level productivity. The results show that NAFTA stimulated the productivity of Mexican plants via: (1) increase in import competition and (2) positive effect on access to imported intermediate inputs. Crucially, the impact of

trade reforms was not identical for all integrated firms, with fully integrated firms (i.e., firms simultaneously exporting and importing) benefiting more than other integrated firms.

Cross-Country Heterogeneity and the Trade-Income Relationship

- World Development---2013---Dierk Herzer

We examine the relationship between trade and income using heterogeneous panel cointegration techniques to account for the potential cross-country heterogeneity in the effects of trade. Our main results are: (i) trade has, on average, a statistically significant, but relatively small positive effect on income, (ii) there is considerable heterogeneity in the effects of trade on income across countries, and (iii) the effect of trade on income tends to be greater in countries with higher levels of education, with a lower share of primary commodities in total exports, less business and labor market regulations, higher institutional quality, and higher development levels.

Credit contraction and international trade: Evidence from Chilean exporters

- World Development---2013---Ari Aisen,Roberto Alvarez,Andres Sagner,Javier Turén

Using data of Chilean exporting firms, this paper studies the effect of the financial crisis on the extensive and intensive margin of export in the aftermath of the crisis. The negative effect of the crisis on exports is highly heterogeneous. The evidence shows that larger exporters, belonging to industries more dependent on overall credit, have suffered disproportionately more during the crisis in terms of export growth, but less in terms of entry and exit. This has important policy implications, as public policy aiming at stimulating trade credit may not be as effective if overarching credit conditions remain subdued.

Geography and the Determinants of Firm Exports in Indonesia

- World Development---2013---Andrés Rodríguez-Pose,Vassilis Tselios,Deborah Winkler,Thomas Farole

This paper uses data from the Indonesian manufacturing census in order to uncover the determinants of firm exports over the period 1990–2005. We examine to what extent differences in firm export propensity and intensity are a consequence of firm-level (microeconomic), of place-based (macroeconomic) first- and second-nature geography characteristics, or of a combination of the two. The results indicate that both internal and external factors matter. Second-nature, rather than first-nature, geography makes an important difference. The conditions of a firm's province and those of neighboring provinces shape firm exports. Agglomeration effects, education, and transport infrastructure endowment play a particularly relevant role in Indonesian firms' export propensity, while export spillovers increase export intensity.

Disentangling the Effects of Fair Trade on the Quality of Malian Cotton

- World Development---2013---Gaelle Balineau

The increasing importance of premium segments and private labels raise skepticism about the ability of Fair Trade to help smallholders compete in high value-added markets. Using panel data collected in Mali, this paper contributes to the debate by estimating the impact of Fairtrade certification on the quality of Malian cotton. Controlling for the nonrandom certification of producers, results show a significant impact on the quality of cotton produced by both certified and geographically close noncertified growers via spillover effects. The analysis suggests that contract farming enforced by third-parties and demonstration effects foster the adoption of innovative agricultural practices.

Globalization and Gender Wage Inequality in China

- World Development---2013---Zhihong Chen,Ying Ge,Huiwen Lai,Chi Wan

This paper uses an enterprise-population-level dataset to investigate the link between globalization and gender inequality in the Chinese labor market. We find that foreign and exporting firms employ more female workers than domestic nonexporters. Foreign participation and export orientation within the same region and industry significantly encourage female employment and reduce the gender wage gap. Furthermore, we show that while a large gender wage gap exists for foreign and exporting firms, it mainly reflects the difference in gender productivity. Gender wage discrimination is observed only among private nonexporting firms. Overall, our results highlight the importance of globalization in encouraging female employment and reducing gender discrimination.

Financial Inclusion and Financial Integrity: Aligned Incentives?

- World Development---2013---Louis de Koker,Nicola Jentzsch

The Financial Action Task Force embraces financial inclusion as complementary to anti-money laundering and counter-terrorist financing, as it enhances transparency. This support is based on the premise that the increased use of formal financial services leads to a reduction of usage of informal services. We present evidence on eight African countries that both are not negatively associated. Moreover, informal employment and cash preference reduce the inclination to use mobile financial services. If an increase in transparency acts as disincentive to use formal services, the alignment of financial inclusion and integrity will fail.

The Globalization of Technology in Emerging Markets: A Gravity Model on the Determinants of International Patent Collaborations

- World Development---2013---Fabio Montobbio,Valerio Sterzi

International technological collaborations (ITCs) and face-to-face interactions are an important vehicle of knowledge diffusion. This paper analyzes ITCs among USPTO patents' inventors in eleven emerging economies and seven advanced countries (1990–2004) and a novel database on companies' country of origin. Technological proximity and sharing a common language are key drivers of ITCs. When the applicant's ownership is in the emerging country ITCs depend positively upon transport and communication costs (geographical distance and longitude) and negatively upon the strength of intellectual property rights (IPRs). Stronger IPRs positively affect ITCs from subsidiaries of multinational firms.

Democracy, State Capacity, and Economic Growth

- World Development---2013---Carl Henrik Knutsen

This paper discusses how regime type and state capacity may interact in affecting economic growth. The empirical analysis finds a positive and robust effect of democracy on growth in Sub-Saharan Africa, a continent historically characterized by weak-capacity states. Furthermore, the paper identifies a robust interaction effect between democracy and state capacity on growth, both in Africa and globally; the effect of democracy on growth increases when state capacity is reduced. Democracy is estimated to have a positive effect on growth in weak-capacity states, but not in high-capacity states. Additionally, the results indicate that state capacity enhances growth only in dictatorships.

The Resource Curse and its Potential Reversal

- World Development---2013---Anne Boschini, Jan Pettersson, Jesper Roine

Several recent papers suggest that the negative association between natural resource intensity and economic growth can be reversed if institutional quality is high enough. We try to understand this result in more detail by decomposing the resource measure, using alternative measures of both resources and institutions, and

by studying different time periods. While an institutional reversal is present in many specifications, only ores and metals interacted with the ICRG measure of institutional quality consistently have a negative growth effect but a positive interaction that turns the curse around when institutions are good enough.

Displacement and Erosion of Informal Risk-Sharing: Evidence from Nepal

- World Development---2013---Lai Ming Lam, Saumik Paul

Informal networks are essential risk-coping mechanisms for people living in impoverished communities. However, the consequences of displacement on informal institutions have received limited attention. Our study of displaced indigenous households from the Shuklaphanta Wildlife Reserve in Nepal indicates that displacement followed by an inadequate land compensation scheme led to serious household partitions and adversely affected patrilineal kinship relationships. Moreover, poor harvests in the resettled communities and growing conflicts over the control of limited land gradually destroyed the traditional patron–client system that governed permanent agriculture. Overall, the erosion of informal risk-coping mechanisms has created a vicious cycle of poverty.

What is Autonomous Adaption? Resource Scarcity and Smallholder Agency in Thailand

- World Development---2013---Tim Forsyth, Natalie Evans

The concept of autonomous adaptation is widely used to describe spontaneous acts of reducing risks posed by resource scarcity and, increasingly, climate change. Critics, however, have claimed it is unproven, or simplifies the agency by which smallholders respond to risk. This paper presents empirical research in eight Karen villages in Thailand to identify how resource scarcity is linked to adaptive responses including livelihood diversification. The paper argues that autonomous adaptation is driven by how environmental change and

scarcity present livelihood risks, rather than physical risks alone. Adaptation planning therefore should acknowledge different experiences of risk, and socio-economic barriers to adaptation.

Electoral Competition and Local Government Responsiveness in Brazil

- World Development---2013---Paulo Arvate

The empirical literature on the effects of competition on the supply of public goods shows controversial results at the local level. The main objective of this paper is to investigate this relationship in a federalist country (Brazil) where the political system places few barriers to the entry of competitors and local governments have the independence to establish their own public policy. We show that a higher effective number of candidates running for the executive branch increase the supply of local public goods (the number of student enrollments, teachers, and free immunizations).

Palmed Off: Incentive Problems with Joint-Venture Schemes for Oil Palm Development on Customary Land

- World Development---2013---R.A. Cramb

The oil palm boom has prompted governments and plantation companies to find ways to incorporate customary landholders in large-scale plantation developments. This paper examines the joint-venture model that has been widely promoted in Sarawak, Malaysia. Principal-agent theory is used to analyze the structural relations between the actors in joint-venture projects—the landholders, the government agency that acts as their trustee, and the private investor. The analysis shows that unequal access to information and influence has compromised the stated objectives of the joint-venture schemes, leaving customary landholders vulnerable to significant exploitation and losses. Thus there has been a systematic failure to achieve the anticipated developmental outcomes.

The Impact of Kinship Networks on the Adoption of Risk-Mitigating Strategies in Ethiopia

- World Development---2013---Salvatore Di Falco,Erwin Bulte

The adoption of certain farm management practices, such as tree planting and soil and water conservation, can reduce exposure to weather shocks. However, in many countries the adoption of such risk mitigating measures is far from complete. We explore how risk-sharing networks in the form of kinship, characterized by the moral imperative of within-group sharing, affects the adoption of risk mitigating activities in rural Ethiopia. We find suggestive evidence that compulsory sharing invites free riding and attenuates incentives for self-protection against weather shocks. We also find evidence of the existence of a possible substitution effect between credit and social networks.

The Role of Forest-Related Income in Household Economies and Rural Livelihoods in the Border-Region of Southern China

- World Development---2013---Nicholas J. Hogarth,Brian Belcher,Bruce Campbell,Natasha Stacey

Quarterly socioeconomic data from 240 households are used to study the links between forest-related income and rural livelihoods in southern China. Results show average forest-related income shares of 31.5%, which was predominantly derived from cultivated non-timber sources. Forest-related income was important to households at all income levels, although lower income households were more dependent due to a lack of other sources. Higher income households monopolized off-farm income and had more land than low income households. Forest-related income could be increased by making forest land more accessible to the poor, improving productivity, and removing constraints to smallholder engagement in timber marketing.

Conditional Cash Transfers and Payments for Environmental Services—A Conceptual Framework for Explaining and Judging Differences in Outcomes

- World Development---2013---U. Martin Persson, Francisco Alpizar Rodriguez

We develop a conceptual framework elucidating the main determinants of the impact of Conditional Cash Transfer (CCT) and Payments for Environmental Services (PES) programs. Using a simple multi-agent model and evaluations of existing programs, we show that (1) the share of the population who would meet the program's conditions in the absence of payments is a powerful predictor of program efficiency, and that (2) program efficiency is eroded by selection bias (people who already meet conditions self-select into the programs at higher rates than others). We then discuss possibilities for increasing efficiency and criteria for evaluating and choosing between CCTs/PES or other policy instruments.

How do “Mineral-States” Learn? Path-Dependence, Networks, and Policy Change in the Development of Economic Institutions

- World Development---2013---Jose Carlos Orihuela

Based on case-study methods, I draw lessons from the political economy of macroeconomic management in Chile and Peru to explain how “mineral-states” learn to think long term and eventually escape the resource curse. I give an institutionalist account of the rise of countercyclical funds, showing how the long-term development of elite networks qualifies the contemporary making of curse-escapes. Policy networks compose one central avenue of institutional development, for both the reproduction of path-dependence and the making of institutional change. The exposition challenges political economy of development frameworks which over-emphasize structural (initial) conditions and assume steady (rent-seeking) behavior of state agents.

Economic and Social Impacts of an Innovative Self-Help Group Model in India

- World Development---2013---Klaus Deininger, Yanyan Liu

We assess the impact of an approach in the Indian state of Andhra Pradesh that combines micro-credit with efforts to target the poor, address their specific needs, and enhance their economic potential. Our results support the pro-poor nature of the program and point toward benefits in terms of female empowerment and nutritional intake but not asset formation or income for program participants and other villagers. While study of longer-term effects is desirable, this suggests that even in the short term, the program helped improve consumption smoothing and income diversification.

Rediscovering the Virgin Lands: Agricultural Investment and Rural Livelihoods in a Eurasian Frontier Area

- World Development---2013---Martin Petrick, Jürgen Wandel, Katharina Karsten

Against the global debate on socially responsible agro-investment, we explore the conditions, patterns, and impacts of recent agricultural recovery in Kazakhstan's northern grain provinces. Vertically and horizontally integrated agroholdings brought outside investment and management to this region. With stable employment in agriculture, real consumption spending of rural households has doubled within an 8-year period. Due to the socialist tradition of industrialized farming operations, rural inhabitants regard themselves primarily as workers and not as land owners. We conclude that investment in large-scale farming can provide benefits to rural people even with less than ideal-type political representation.

Rural People's Reliance on Forests and the Non-Forest Environment in West Africa: Evidence from Ghana and Burkina Faso

- World Development---2013---Mariève Pouliot, Thorsten Treue

Based on data from 1014 households in Ghana and Burkina Faso, we demonstrate that non-forest environmental products play a crucial role in rural livelihoods, especially for women and the poorest. Forest incomes are generally small but richer households and especially men from these derive comparatively higher value from forests than other groups do. Environmental income also represents a safety net for households facing crises due to illness or death of a productive household member, but apparently not when cropping fails. We attribute rural people's high reliance on non-forest vs. forest products to the two countries restrictive and inequitable forest policies.

Beyond the Poverty Agenda? Insights from the New Politics of Development in Uganda

- World Development---2013---Sam Hickey

The politics of development has shifted significantly in recent years, with largely negative implications for the poverty agenda. This is particularly apparent in countries like Uganda where “poverty reduction papers” have been displaced by national development plans aimed at “structural transformation,” driven by the discovery of oil, the growing influence of rising powers vis-à-vis traditional donors and domestic political shifts. Although this heralds the possibility of deeper national ownership over development policy, international financial institutions have adopted strategies to maintain their influence. Moreover, Uganda currently lacks the underlying political capacities and relationships required to roll out this ambitious new agenda.

Do Stronger Collective Property Rights Improve Household Welfare? Evidence from a Field Study in Fiji

- World Development---2013---Terra Lawson-Remer

Extensive previous work has analyzed the functioning of collective ownership institutions, arguing that such institutions can better govern common pool resources under some conditions than private or state ownership. However, empirical research regarding the impact of

stronger collective ownership rights on household welfare is limited. Exploiting a natural experiment, this article uses a unique dataset to examine the impact of collective fisheries ownership on household income and food consumption in Fiji. Strengthening collective ownership rights improves household welfare as indicated by food consumption, but does not increase monetary income. Income improvements are instead attributable to Nongovernmental organization (NGO) project support.

Local Governance of Forests and the Role of External Organizations: Some Ties Matter More Than Others

- World Development---2013---Krister Andersson

Local efforts to govern forests can benefit from support from organizations operating at broader governance scales. This paper investigates why local users value the support from some organizations more than others, and the extent to which these preferences matter for governance choices. Analyzing data from 200 forest user groups in Bolivia, I find that users rate their relationships with nongovernmental organizations and municipal governments equally high, but only relationships with municipalities affect the probability of establishing local governance institutions. I attribute these results to differences in the external actors' motivation and ability to respond to local governance needs.

The Impact of Climate Shocks on Seed Purchase Decisions in Malawi: Implications for Climate Change Adaptation

- World Development---2013---Stella Nordhagen, Unai Pascual

This paper addresses the relevance of agricultural seed systems in terms of the production and dissemination of seed in the context of adaptation to climate change. Using nationwide household level data from Malawi, we examine the hypothesis that climatic shocks increase small-scale farmers' reliance on purchased seeds, in particular from local seed markets, an element of the

informal seed sector. The results are used to discuss the role of seed systems for potentially supporting small-scale farmers' adaptation mechanisms in the face of climate change in Malawi. This study has implications for other similar sub-Saharan African contexts.

Rural Electrification and Employment in Poor Countries: Evidence from Nicaragua

- World Development---2013---Louise Grogan,Asha Sadanand

This paper shows that rural electrification is associated with big changes in the time use of men and women in Nicaragua, even in the absence of labor-saving appliances. Electricity is shown to increase the propensity of rural Nicaraguan women to work outside the home by about 23%, but to have no impact on male employment. These findings suggest significant potential benefits to rural electrification that are not generally captured in cost-benefit analyses, such as greater women's earnings and reduced deforestation.

Emerging Private Education in Africa: Determinants of School Choice in Rural Kenya

- World Development---2013---Mikiko Nishimura,Takashi Yamano

The number of private schools has increased by more than four times since the introduction of the Free Primary Education (FPE) policy in 2003 in Kenya. With the help of panel data obtained from rural Kenya, we observed that the proportion of children attending private primary schools increased from 4.6% in 2004 to 11.5% in 2007. The estimation results suggest that parents react to the quality of public education, as measured by the pupil-teacher ratios of public schools, by attending private schools and transferring to different schools. Their reaction also depends on the wealth of households and gender.

Delivery Care in Tanzania: A Comparative Analysis of Use and Preferences

- World Development---2013---Bart Van Rijsbergen,D' Exelle, Ben,Ben D'Exelle

Maternal mortality remains high because of low use of skilled delivery care. While governments try to lower access barriers, little is known about women's preferences. This study combines data from a survey and a choice experiment in Tanzania to compare women's preferences with real choices of delivery care. We find that less empowered women and women who delivered their latest pregnancy outside a health facility find the technical quality of care less important, which indicates that their lower use of delivery care is partly induced by their preferences. Access barriers for poor women are particularly severe with delivery complications.

Is Micro too Small? Microcredit vs. SME Finance

- World Development---2013---Jonathan Bauchet,Jonathan Morduch

Microcredit and small and medium enterprise (SME) finance are often pitched as alternative strategies to create employment opportunities in low-income communities. So far, though, little is known about how employment patterns compare. We integrate evidence from three surveys to show that, compared to Bangladeshi microcredit customers, typical SME employees in Bangladesh have more education and professional skills, and live in households that are notably less poor. SME jobs also require long work weeks, clashing with family responsibilities. The evidence from Bangladesh rejects the idea that SME finance more efficiently creates jobs for the population currently served by microcredit.

How to Deliver Foreign Aid? The Case of Projects Governed by the Spanish International Agency

- World Development---2013---V́ctor Her-
mano,Natalia Mart́n-Cruz

International agencies use two alternative modes of governance to deliver international aid projects: under bilateral agreements with recipient governments (in-house), or through incumbent NGOs. Through the lenses of institutional and transaction cost economics,

this article examines 95 international aid projects delivered in Morocco and Ecuador by the Spanish international agency finding that those projects delivered “in-house” present different features than those projects outsourced through incumbent NGOs. Specifically, international aid projects delivered “in-house” involve important investments in specific assets, are much more complex, and can turn the public agency into a hostage of its own disbursement.

Does Access to Formal Agricultural Credit Depend on Caste?

- World Development---2013---Sunil Mitra Kumar

This paper analyzes whether caste impedes access to formal agricultural credit in India. Credit is provided mainly through cooperative and commercial banks. Using national data, we find that cooperative banks discriminate against lower caste borrowers, and find weak evidence that commercial banks instead bias lending in their favor in accordance with affirmative action policies. We compare the organizational structures of the two types of bank, and explain discrimination by cooperative banks in terms of interest group capture at the district level by showing that discrimination takes place in those districts where higher castes dominate.

Quality, Quantity, and Nutritional Impacts of Rice Price Changes in Vietnam

- World Development---2013---John Gibson,Bonggeun Kim

Asian governments intervene in the world rice market to protect domestic consumers. Whether consumers are nutritionally vulnerable depends on the elasticity of calories with respect to rice prices. Common demand models applied to household survey and market price data ignore quality substitution and force all adjustment onto the quantity (calorie) margin. This paper uses data from Vietnam on market prices, food quantity and quality. A 10% increase in the relative price of rice reduces household calorie consumption by less than 2% but this elasticity would be wrongly estimated

to be more than twice as large if quality substitution is ignored.

Determinants of Horizontal Spillovers from FDI: Evidence from a Large Meta-Analysis

- World Development---2013---Zuzana Irsova,Tomas Havranek

The voluminous empirical research on horizontal productivity spillovers from foreign investors to domestic firms has yielded mixed results. In this paper we collect 1,205 estimates of spillovers and examine which factors influence spillover magnitude. Our results suggest that horizontal spillovers are on average zero, but that their sign and magnitude depend systematically on the characteristics of the domestic economy and foreign investors. Foreign investors who form joint ventures with domestic firms and who come from countries with a modest technology edge create the largest benefits for the domestic economy.

Is Social Spending Procyclical? Evidence for Developing Countries

- World Development---2013---Javier Arze del Granado,Sanjeev Gupta,Alejandro Hajdenberg

This paper studies the cyclical behavior of public spending on health and education in 145 countries during 1987–2007. It finds that spending on education and health is procyclical in developing countries and acyclical in developed countries. In addition, education and health expenditures follow an asymmetric pattern in developing countries; they are procyclical during periods of positive output gap and acyclical during periods of negative output gap. Furthermore, the degree of cyclicity is higher the lower the level of economic development.

Is There a Disability Gap in Employment Rates in Developing Countries?

- World Development---2013---Suguru Mizunoya,Sophie Mitra

This paper examines differences in employment rates between persons with and without disabilities in 15 developing countries using the World Health Survey (WHS). We find that people with disabilities have lower employment rates than persons without disabilities in nine countries. Across countries, disability gaps in employment rates are more often found for men than women. The largest disability gap in employment rates is found for persons with multiple disabilities. For countries with a disability gap, results from a logistic decomposition suggest that observable characteristics of persons with/without disabilities do not explain most of the gap.

Uncertainty, Insecurity, and Emigration from Kazakhstan to Russia

- World Development---2013---Galina An,Charles M. Becker

Vast population movements have occurred within the (former) USSR as people return to countries of ethnic origin and seek employment. These varied motives are considered in an environment of economic recovery, with migration motivations including personal security, migration in search of higher expected earnings, and migration in search of less risky economic environments. We address these questions using a panel grouped data set on net migration between Kazakhstan and Russia during 1999–2007. Predominately Slavic regions do not have higher emigration rates, controlling for demographic and economic environment, but flight from earnings risk is detected.

“A Mile Wide and an Inch Deep” ? Understanding Public Support for Aid: The Case of the United Kingdom

- World Development---2013---Spencer Hen-son,Johanna Lindstrom

Despite interest in public support for aid to developing countries, there has been limited academic research. This paper reports analysis of survey data for the United Kingdom that explores the factors driving support for cuts in aid spending as a case example.

Dominant factors are found to be beliefs in the moral imperative to help reduce poverty in developing countries versus the prioritization of efforts to tackle poverty in the United Kingdom. Most socio-demographic factors are insignificant. The results highlight the need to examine support for aid in the context of government spending more generally.

Developmental Drivers of Nutritional Change: A Cross-Country Analysis

- World Development---2013---Derek Headey

We utilize a rich cross-country data set to understand within-country changes in nutrition, with a focus on the role of general developmental factors. We find that economic growth is a strong predictor of nutritional performance, as is growth in food production, although only in more food insecure countries. We find no evidence that infrastructure is directly important, but greater asset ownership, improved access to health services, higher rates of female secondary education, and lower fertility rates, are all strong predictors of improvements in nutrition. We show that national success stories are largely consistent with these findings.

Food Security, Gender, and Occupational Choice among Urban Low-Income Households

- World Development---2013---Maria Sagrario Floro,Ranjula Bali Swain

This paper examines an adaptive strategy using occupational choice that can be undertaken by household members in urban poor areas to help ensure their access to food. Our investigation focuses on self-employed women and men in 14 predominantly slum communities in Bolivia, Ecuador, Philippines, and Thailand. Results of our empirical analysis show that choice of business is associated with household vulnerability to food insecurity, with women in vulnerable households likely to engage in food enterprises. The findings suggest that urban low-income households can mitigate the risk of food shortage through the selection of an enterprise activity that earns money income and is a direct source of food for consumption.

Food Quality Changes and Implications: Evidence from the Rice Value Chain of Bangladesh

- World Development---2013---Bart Minten,K.A.S. Murshid,Thomas Reardon

In Dhaka, the share of the less expensive coarse rice is shown to be rapidly decreasing in rice markets and it thus seems that the role of rice as only a cheap staple food is being redefined. The increasing demand for the more expensive varieties is seemingly associated with a more important off-farm food sector—in particular, milling, retailing, and branding—as well as a transformed milling industry. We further find that the labor rewards for growing different rice varieties are not significantly different and that farmers do not benefit directly from consumers' increased willingness to pay for rice.

Staying Alive: Adult Literacy Programs and Child Mortality in Rural Ghana

- World Development---2013---Niels-Hugo Blunch

This paper estimates the causal effect of maternal participation in adult literacy programs on child mortality in rural Ghana, taking into account the possible endogeneity of program participation and endogenous program placement. Adult literacy program participation has a substantial impact on child mortality and is also cost-effective in reducing child mortality. The combined results of this paper point toward the potentially important role of adult literacy programs in promoting child health in Ghana through the acquisition of health knowledge by participants—in stark contrast with the decreased attention toward such programs in the developing world in recent years.

Market Imperfections and Child Labor

- World Development---2013---Christelle Dumas

This article looks into the relationship between market imperfections and child labor. A rural household model shows that households with medium-sized plots may increase child labor when the labor market improves,

contrary to the others. We estimate the relationship between child labor and various measures of market imperfections in Madagascar, controlling for a large set of village characteristics and district fixed effects. On average, market imperfections increase child labor but the effects are heterogeneous by land ownership (and consistent with the model). An improvement of markets is associated to a decrease in child labor, which is suggestive of new policies to fight against child labor.

Are Girls the Fairer Sex in India? Revisiting Intra-Household Allocation of Education Expenditure

- World Development---2013---Mehtabul Azam,Geeta Kingdon

Using a Hurdle model, the paper finds that although significant progress in gender equality in education was achieved during 1993–2005, pro-male gender bias still exists in the within-household allocation of educational expenditure. This bias occurs primarily through differential spending on sons and daughters in the primary and middle school age groups, but through the decision to enroll sons and not daughters in the secondary school age group. Bias is substantially greater in rural than urban areas. An important mechanism through which households spend less on girls is by sending sons to private schools and daughters to the fee-free government schools.

Microfinance and Gender: Is There a Glass Ceiling on Loan Size?

- World Development---2013---Isabelle Agier,Ariane Szafarz

Most of the customers of microfinance institutions are female. But do men and women benefit from the same credit conditions? We investigate this issue by presenting an original model and testing its predictions on an exceptional database comprising 34,000 loan applications from a Brazilian microfinance institution. The model determines the optimal loan size fixed by a gender-biased lender, depending on the borrower's creditworthiness and the intensity of the lender's

bias. The empirical analysis detects no gender bias in loan denial, but uncovers disparate treatment with regard to credit conditions. In particular, we find a “glass ceiling” effect. The gender gap in loan size increases disproportionately with respect to the scale of the borrower’s project. The results are insensitive to the loan officer’s gender.

Do Microloan Officers Want to Lend to the Less Advantaged? Evidence from a Choice Experiment

- World Development---2013---Moïse Sagamba,Oleg Shchetinin,Nurmukhammad Yusupov

The mission of microfinance is generally perceived as compensation for the failure of the mainstream financial institutions to deliver access to finance to the poor. Microloan officers are central players in microloan origination process. We conduct a choice experiment in Burundi, one of the poorest countries in the world, to determine whether the poorer and more deprived are indeed given preference by microloan officers. The results suggest that the less advantaged individuals have just slightly higher chances of being granted a loan. Surprisingly, we find very little difference between the preferences of microloan officers of nonprofit and for-profit MFIs.

Adverse Incorporation and Microfinance among Cross-Border Traders in Senegal

- World Development---2013---Cynthia Howson

This paper highlights the relevance of adverse incorporation as a neglected theoretical approach to debates on microfinance through a case study of cross-border traders in Senegal. Although women’s organizations do not exclude even the poorest women, traders in remote areas were unable to access credit due to particularly harsh standards of joint liability and adverse relations with donors, lenders, and elite women. Meanwhile, the peer monitoring function of group microcredit schemes is challenged by the fact that traders are strikingly uncritical of defaulting borrowers. Findings highlight the detrimental consequences of donors’

misconceptions regarding women’s organizations and economic activities.

Revisiting the “Cotton Problem”—A Comparative Analysis of Cotton Reforms in Sub-Saharan Africa

- World Development---2013---Claire Delpeuch,Anneleen Vandeplas

The cotton sector has been among the most regulated in sub-Saharan Africa (SSA), and still largely is in West and Central Africa (WCA), despite repeated reform recommendations by international donors. On the other hand, orthodox reforms in East and Southern Africa (ESA) have not always yielded the expected results. This paper uses a stylized contracting model to investigate the link between market structure and equity and efficiency in SSA cotton sectors; explain the outcomes of reforms in ESA; and analyze the potential consequences of reforms in WCA. We illustrate our arguments with empirical observations on cotton sector performance.

Disability and Poverty in Developing Countries: A Multidimensional Study

- World Development---2013---Sophie Mitra,Aleksandra Posarac,Brandon Vick

About 15% of the world population lives with some form of disability. Yet little is known about the economic lives of persons with disabilities, especially in developing countries. This paper uses for the first time internationally comparable data to draw an economic profile of persons with disabilities in 15 developing countries. In most countries, disability is found to be significantly associated with higher multidimensional poverty as well as lower educational attainment, lower employment rates, and higher medical expenditures. Among persons with disabilities, persons aged 40 and above and persons with multiple disabilities were more likely to be multi-dimensionally poor.

How Should MDG Success and Failure be Judged: Faster Progress or Achieving the Targets?

- World Development---2013---Sakiko Fukuda-Parr,Joshua Greenstein,David Stewart

This paper addresses the debate about the use of the Millennium Development Goals (MDGs) as performance measures in three ways. First we clarify the concept; like other global goals, the MDGs are benchmarks for gauging progress toward important objectives and should not be treated as planning goals. Second, when used as measures of national performance, the criterion of success should focus on the pace of progress rather than on achieving the targets. Third, we propose an alternative measurement method and find that with this metric, countries of Africa outperform global averages in progress to achieving the MDG targets.

How Did the Great Recession Affect Different Types of Workers? Evidence from 17 Middle-Income Countries

- World Development---2013---Yoonyoung Cho,David Newhouse

This paper examines how different types of workers in middle-income countries fared during the immediate aftermath of the great recession. Youth suffered extraordinary increases in unemployment and declines in wage employment. Employment to population ratios also plummeted for men, primarily due to their higher initial employment rates. Percentage employment declines within sector were gender-neutral, and there is little indication of strong added worker effects. Traditionally disadvantaged groups such as less educated and female workers were not necessarily most affected during the crisis, underscoring the importance of implementing targeted mitigation measures that focus on displaced youth and wage employees.

Gender in Transition: The Case of North Korea

- World Development---2013---Stephan Haggard,Marcus Noland

This paper uses survey data to examine the experience of women in North Korea's economic transition. Women have been shed from state-affiliated employment and thrust into a market environment characterized by weak institutions and corruption. More than one-third of men indicate that criminality and corruption is the best way to make money, and 95% of female traders report paying bribes. The increasingly male-dominated state preys on the increasingly female-dominated market. Energies are directed toward survival and this population appears to lack the tools to act collectively to improve their status.

Does Legalized Prostitution Increase Human Trafficking?

- World Development---2013---Seo-Young Cho,Axel Dreher,Eric Neumayer

This paper investigates the impact of legalized prostitution on human trafficking inflows. According to economic theory, there are two opposing effects of unknown magnitude. The scale effect of legalized prostitution leads to an expansion of the prostitution market, increasing human trafficking, while the substitution effect reduces demand for trafficked women as legal prostitutes are favored over trafficked ones. Our empirical analysis for a cross-section of up to 150 countries shows that the scale effect dominates the substitution effect. On average, countries where prostitution is legal experience larger reported human trafficking inflows.

Remittances and Portfolio Values: An Inquiry using Immigrants from Africa, Europe, and the Americas

- World Development---2013---Catalina Amuedo-Dorantes,Susan Pozo

Using a recent Spanish database, we show that remittances respond to cross-country differences in portfolio values, behavior consistent with immigrant's access to trans-national networks. Responsiveness to portfolio variables is found to persist regardless of education level. There are, however, differences in the portfolio variables to which immigrants respond, as we would

expect given migrants' diverse backgrounds, region of origin, and motive for emigrating. Remitting patterns are found to change with the length of migration spells suggestive that remittances sent for portfolio motives become more likely as the immediate needs of home family are addressed and asset accumulation becomes more important.

Citizens, Legislators, and Executive Disclosure: The Political Determinants of Fiscal Transparency

- World Development---2013---Joachim Wehner, Paolo de Renzio

Increased fiscal transparency is associated with improved budgetary outcomes, lower sovereign borrowing costs, decreased corruption, and less creative accounting by governments. Despite these benefits, hardly any effort has been invested in exploring the determinants of fiscal transparency. Using a new 85-country dataset, we focus on two important sources of domestic demand for open budgeting: citizens and legislators. Our results suggest that free and fair elections have a significant direct effect on budgetary disclosure, and that they dampen the adverse effect on fiscal transparency of dependence on natural resource revenues. We also find that partisan competition in democratically-elected legislatures is associated with higher levels of budgetary disclosure.

Redressing Grievances and Complaints Regarding Basic Service Delivery

- World Development---2013---Varun Gauri

Redress procedures are important for basic fairness. In addition, they can help address accountability problems in the implementation of social policies and provide information to policy makers regarding policy design. To function effectively, a system of redress requires a well-designed and inter-linked supply of redress procedures as well as, especially if rights consciousness is not well-developed in a society, a set of organizations that stimulate and aggregate demand for redress. On the supply side, this paper identifies three kinds of redress

procedures: administrative venues within government agencies, independent institutions outside government departments, and courts. On the demand side, the key institutions are non-governmental organizations/civil society organizations and the news media, both of which require a receptive political and economic climate to function effectively. Overall, procedures for redressing grievances and complaints regarding basic service delivery are under-developed in many countries, and deserve further analysis, piloting, and support.

The Profit Orientation of Microfinance Institutions and Effective Interest Rates

- World Development---2013---Peter W. Roberts

With the rise in the number of for-profit microfinance institutions (MFIs), commentators are asking whether the sector benefits by MFIs having stronger profit orientations. We address this question by analyzing the relationship between interest rates and adopting the for-profit legal form, appointing private sector representation and traditional banking experience to advisory boards, and participating in more extensive for-profit networks. The results consistently indicate that a stronger for-profit orientation corresponds with higher interest rates for MFI clients. However, this does not contribute to greater profitability and therefore sustainability because the stronger profit orientation is also associated with higher MFI costs.

Pricing in Microinsurance Markets

- World Development---2013---Christian Biener

Microinsurance markets have exhibited strong growth rates in recent years. Great parts of the industry are, however, challenged by fundamental issues of providing insurance products, one of the most significant of which is pricing risk. In this paper, we provide a nontechnical analysis of insurance pricing problems and a review of the set of opportunities that can address some of the specific pricing constraints in microinsurance markets. A key contribution of this paper is the investigation of conventional techniques as potential solutions for im-

proving the pricing of insurance risk in microinsurance markets.

The Effects of Religion on Development Efforts: Evidence from the Microfinance Industry and a Research Agenda

- World Development---2013---Roy Mersland,D'Espallier, Bert,Magne Supphellen

This study responds to the need for more empirical knowledge pertaining to the effect of religion on development efforts. We use data from the microfinance industry to study performance differences between Christian and secular Microfinance Institutions (MFIs). We find that Christian MFIs have significantly lower funding costs and consistently underperform in terms of financial profit indicators. Contrary to our hypotheses Christian MFIs are as efficient in assuring loan repayment and their average loan sizes are on par with those of their secular peers.

Development, Social Change, and Islamic Finance in Contemporary Indonesia

- World Development---2013---Thomas B. Pepinsky

The global spread of Islamic finance has transformed the financial systems of many Muslim countries, but analysts know little about the factors that shape individuals' demand for Islamic finance. This paper examines the socioeconomic origins of consumer demand for Islamic financial products, using original survey data from Indonesia, where a growing Islamic financial market coexists with a large conventional financial system. Modernization and globalization play critical roles in shaping individual use of Islamic financial products. Perhaps surprisingly, there is no evidence that Islamic piety has any systematic effect on consumers' choice of Islamic versus conventional financial products.

How Effective is a Big Push to the Small? Evidence from a Quasi-Experiment

- World Development---2013---Debdulal Mallick

This paper investigates whether a big push to the extreme poor in terms of a one-off large grant enables them to participate in the microfinance program. The analysis uses data from a quasi-experiment on BRAC's ultra poor program in Bangladesh. The results for the baseline and repeat survey data for the treatment and comparison groups show that such a big push does make a significant impact on graduation to the microfinance program. The results are robust to correction for self-selection bias. Social capital and awareness also play important role in their decision on NGO membership and borrowing.

Mothers' Employment and their Children's Schooling: A Joint Multilevel Analysis for India

- World Development---2013---Francesca Francavilla,Gianna Claudia Giannelli,Leonardo Grilli

This paper studies the relationship between mothers' employment and children's schooling in India. Using the second National Family Health Survey, the results of a multilevel probit model show that the correlation between mothers' employment and their children's schooling is negative. Women in poorer households are more likely to work but, given the negative correlation, their additional income does not seem sufficient to enable children's school attendance. A sensitivity analysis on wealth deciles shows that this negative relationship disappears in urban areas and becomes weaker in rural areas at the top wealth deciles.

Admissible Evidence in the Court of Development Evaluation? The Impact of CARE's SHOUHARDO Project on Child Stunting in Bangladesh

- World Development---2013---Lisa C. Smith,Faheem Khan,Timothy R. Frankenberg,A.K.M. Abdul Wadud

Experimental impact evaluation methods have recently emerged as a dominant force within the development effectiveness movement. Although these methods have improved understanding of what works, their "gold standard" status threatens to exclude a large body of

alternative evidence. This paper evaluates the impact of CARE' s SHOUHARDO project in Bangladesh, which employed a rights-based, livelihoods approach. Using a mixed-methods protocol, we find plausible evidence that the project led to an extraordinarily large reduction in child malnutrition. While offering valuable policy lessons, we illustrate how rigorous evaluation can be undertaken even without the randomization and control groups required by the experimental methods.

African Re-Agrarianization? Accumulation or Pro-Poor Agricultural Growth?

- World Development---2013---Agnes Andersson Djurfeldt

Recent signs of increasing agricultural production in a number of countries in sub-Saharan Africa are by some commentators connected to local level differentiation. This paper discusses such interpretations using household level longitudinal data from smallholder households in eight African countries for the period during 2002–2008. The use of a mixed methods social science approach complements traditional economic approaches through adding a spatial perspective. Pro-poor agricultural growth so far is concentrated to particular villages, where it is highly inclusive. The policy challenge remains to devise strategies that can enhance growth also in marginal areas.

Targeting Maps: An Asset-Based Approach to Geographic Targeting

- World Development---2013---Corey Lang,Christopher Barrett,Felix Naschold

Proper targeting of policy interventions requires reasonable estimates of the benefits of the alternative options. To inform such decisions, we develop an integrated approach stemming from the small-area estimation literature that estimates the marginal returns to a range of assets across geographically defined subpopulations. We create a series of maps that can be overlaid with traditional poverty maps to identify strong candidate areas for intervention, though an efficiency/equity

tradeoff sometimes exists. We apply our method using recent Ugandan data. Results are consistent with independent empirical findings and suggest asset specific transfer schemes would improve with a spatially targeted strategy.

Unpacking the Meaning of 'Market Access' : Evidence from Rural Kenya

- World Development---2013---Jordan Chamberlin,Thomas Jayne

This paper critically examines the dimensions of market access. Using farm panel survey data from Kenya, we investigate changes in ten indicators of market access during the 1997–2010 post-liberalization period. We find major improvements in certain market access conditions and little change in others. There is generally low correlation between alternative indicators of market access. All-purpose indicators may not accurately reflect specific market access conditions of interest. Distances to physical infrastructure are often not representative of farmers' access to markets; changes in specific market access conditions may have more to do with the behaviors of marketing agents. We consider the implications of these findings for agricultural marketing policies and for research methods.

Estimating the Impacts of Bolivia' s Protected Areas on Poverty

- World Development---2013---Gustavo Canavire-Bacarreza,Merlin Hanauer

Bolivia has experienced a rapid proliferation of protected areas over the past several decades. Using rich biophysical and socioeconomic data, we estimate the impacts of Bolivia' s protected areas on poverty between 1992 and 2001. We find no evidence that the establishment of protected areas exacerbated poverty. In fact, we provide robust estimates indicating that communities affected by protected areas exhibited differentially greater levels of poverty reduction as compared to similar unaffected communities. Our results add to the growing body of evidence that environ-

mental conservation does not necessarily come at the expense of local communities.

Linking Globalization to Local Land Uses: How Eco-Consumers and Gourmands are Changing the Colombian Coffee Landscapes

- World Development---2013---Ximena Rueda, Eric F. Lambin

Market trends are becoming prominent forces shaping local landscapes. The increasing demand for high-quality and sustainable coffees is driving land-use decisions among Colombian farmers. A value chain analysis shows that farmers who sell to differentiated markets significantly captured a larger portion of the value added and faced lower volatility than mainstream producers. Consequently, regions apt for producing differentiated coffees experienced the greatest increase in area planted. Tracing the value chain reveals how land use decisions increasingly depend on the pressures and opportunities created by global markets, with detectable impacts on livelihoods and landscapes.

Innovation Performance and Embeddedness in Networks: Evidence from the Ethiopian Footwear Cluster

- World Development---2013---Mulu Gebreeyesus, Pierre Mohnen

This study focuses on innovation in a cluster of informal shoemaking firms in Ethiopia—namely the Mercato footwear cluster. It examines how differently those firms are embedded in networks and how heterogeneous they are in absorptive capacity, and how this heterogeneity affects their innovation performance. Business networks are the major channels through which knowledge flows into the cluster. The study reveals that despite geographical proximity and homogeneity in social background the firms in the cluster behave and perform differently. Based on econometric analysis we document a positive and strong effect of local network position and absorptive capacity on innovation performance.

Export Liberalization, Job Creation, and the Skill Premium: Evidence from the US–Vietnam Bilateral Trade Agreement (BTA)

- World Development---2013---Emiko Fukase

This paper explores how the expansion of labor-intensive manufacturing exports resulting from the 2001 US–Vietnam Bilateral Trade Agreement affected changes in wages in Vietnam through the channel of labor demand. Using the data on panel individuals from the Vietnam Household Living Standards Surveys of 2002 and 2004, and addressing the issue of endogeneity, the results confirm the existence of a Stolper–Samuelson type effect, i.e., those provinces more exposed to the increase in exports experienced a relatively larger wage growth for unskilled workers and a decline of (or a smaller increase in) the relative wage of skilled and unskilled workers.

Banking Crises and Short and Medium Term Output Losses in Emerging and Developing Countries: The Role of Structural and Policy Variables

- World Development---2012---Davide Furceri, Aleksandra Zdzienicka

The aim of this paper is to assess the dynamic impact of banking crises on output for a panel of developing economies. Using an unbalanced panel of 159 countries from 1970 to 2006, the paper shows that banking crises produce significant output losses. Output losses are larger for relatively richer economies, characterized by a higher level of financial deepening and larger current account imbalances. Flexible exchange rates, fiscal and monetary policy, and liquidity support policies have been found to attenuate the effect of the crises.

Participatory Governance Reform: A Good Strategy for Increasing Government Responsiveness and Improving Public Services?

- World Development---2012---Johanna Speer

Participatory governance mechanisms have been widely promoted in developing countries. They are claimed

to bring about several public policy benefits, including increased accountability, higher government responsiveness, and better public services. This literature review shows that the evidence on these claims is positive, but limited. Moreover, it indicates that enabling and motivating citizens and public officials to make participatory governance arrangements work as effective accountability mechanisms is a challenging enterprise in most developing countries. Hence, more comparative cross-case research based on medium and large samples is needed for judging whether participatory governance arrangements can increase government responsiveness and service quality.

Mapping the Outcomes of Citizen Engagement

- World Development---2012---John Gaventa, Gregory Barrett

Despite the normative beliefs that underpin the concept of participation, its impact on improved democratic, and developmental outcomes has proven difficult to assess. Using a meta-case study analysis of a sample of 100 cases, we inductively create a typology of four democratic and developmental outcomes, including (a) the construction of citizenship, (b) the strengthening of practices of participation, (c) the strengthening of responsive and accountable states, and (d) the development of inclusive and cohesive societies. We find that citizen participation produces positive effects across these outcome types, though in each category there are also important types of negative outcomes as well.

Gender and Rural Non-Farm Entrepreneurship

- World Development---2012---Bob Rijkers, Rita Costa

Using matched household-enterprise-community datasets from Bangladesh, Ethiopia, Indonesia and Sri Lanka, this paper analyzes gender differences in rural non-farm entrepreneurship. With the exception of Ethiopia, women are less likely to be non-farm entrepreneurs than men are. Women's non-farm entrepreneurship is neither strongly correlated with

household composition nor with educational attainment. Female firms are smaller and less productive in all countries except Indonesia. Differences in output per worker are overwhelmingly accounted for by sorting by sector and size. They are not due to differences in capital intensity, increasing returns to scale, human capital, or local investment climate characteristics.

Migration and Rural Welfare: The Impact of Potential Policy Reforms in Europe

- World Development---2012---Fleur Wouterse

This paper uses an agricultural household model in an imperfect market environment and data from Burkina Faso to explore the impact of potential immigration policy reforms in Europe on the welfare of rural households. Simulation results demonstrate that, in contrast to continental migration, increased intercontinental migration has strong positive household welfare effects. Similarly, an increase in the stay abroad of intercontinental migrants impacts positively on welfare of the migrant-sending household. Results of these simulations lend support to the introduction of a TMP, which would, in addition to facilitating migration control in host economies, improve the welfare of sending households by allowing for increased engagement in intercontinental migration. The temporary nature of such a program would ensure that “Dutch disease” effects would be mitigated through eventual migrant return.

Merchants of Corruption: How Entrepreneurs Manufacture and Supply Bribes

- World Development---2012---Nnaoke Ufere, Sheri Perelli, Richard Boland, Bo Carlsson

We wondered how corruption, endemic in Nigeria, is experienced by a specific and understudied set of actors—entrepreneurs. Semi-structured interviews with founders/CEOs of firms in three industries associated with high levels of corruption revealed entrepreneurs—rather than victims of bribe demanding government agents—are themselves active perpetrators of bribery,

adopting a set of “bribery best practices” governed by a well-embedded set of social norms, rules, routines, and power relations to deliberately subvert formal state budgetary systems. While reforming institutions is a key focus of anti-corruption policies in many Sub-Saharan African countries, our results suggest a bottom-up approach to remediation based on understanding the practice from the perspective of those who actively engage in it.

Where Does the Axe Fall? Inflation Dynamics and Poverty Rates: Regional and Sectoral Evidence for Ghana

- World Development---2012---Simeon Coleman

The possibility of an inflation-induced poverty-trap due to the welfare-decreasing effects of inflation and the advantages of geographic targeting in poverty programs are well-documented. Using fractional integration methods, and data from Ghana, we analyze regional and sectoral inflation dynamics vis-à-vis regional poverty rates to determine where the adverse impacts of inflation persistence would, most likely, hit hardest and policy should target. In particular, we conclude that the poor in three regions, and patrons of five sectors require the most attention, particularly since three of the five sectors are basic necessities.

Local Demand for a Global Intervention: Policy Priorities in the Time of AIDS

- World Development---2012---Kim Yi Dionne

The success of global health and development interventions ultimately depends on local reception. This paper documents local demand for HIV/AIDS interventions in Africa and seeks to explain patterns of demand using data from a country hard-hit by AIDS. As international agencies and national governments scale up HIV/AIDS interventions in Africa, I find HIV-positive respondents more highly prioritize HIV/AIDS programs, however, cross-national opinion data paired with interviews of villagers and their headmen in rural Malawi show weak prioritization of HIV/AIDS. The data illustrate a misalignment of policy preferences in

the global-to-local hierarchy, highlighting the import of studying preferences of intended beneficiaries.

Beyond “Death Do Us Part” : The Long-Term Implications of Divorce Perceptions on Women’s Well-Being and Child Schooling in Rural Ethiopia

- World Development---2012---Neha Kumar, Agnes Quisumbing

This paper examines how women’s perception of the division of household assets upon divorce affects women’s well-being and child schooling outcomes in rural Ethiopia. Findings suggest that women who perceive that their husband would get all the assets in case of a divorce also tend to perceive less control over their lives. Implications of perceptions of unequal divorce allocations on child schooling are more striking: not only do children in households where perceived divorce allocations favor the husband do worse compared to children of the same age, but girls fare even worse than boys in these households.

Inequality and the Politics of Social Policy Implementation: Gender, Age and Chile’s 2004 Health Reforms

- World Development---2012---Christina Ewig, Gastón A. Palmucci

Regarding scholarship on the political determinants of inequality, little attention has been paid to policy implementation. We examine the 2004 Chilean health reforms that sought to regulate private insurers, and measure their effects on gender and age inequality. We find that reforms intended to decrease these inequalities largely failed. Analysis of this failure demonstrates the importance of the politics of implementation. When reforms threaten profits, private providers may act to undermine reforms in the implementation process. Given the widespread emergence of private providers in social policy systems, understanding their stakes in implementation is key to more effective, equality-enhancing reforms.

Leaving the Safety Net: An Analysis of Dropouts in an Urban Conditional Cash Transfer Program

- World Development---2012---Mario González-Flores, Maria Heracleous, Paul Winters, Mario González Flores

In poverty reduction programs, a significant number of beneficiaries change program status. An analysis of Oportunidades' data from urban Mexico shows that beneficiaries that drop out for behavioral and administrative reasons are those who are marginally eligible, improving targeting through minimizing errors of inclusion. Results also indicate that the very poorest recipients, particularly in large urban areas and less marginal communities, are more likely to drop out, increasing the errors of omission. Households deemed ineligible through a recertification process were those that had obtained basic durables or changed their demographic composition implying that Oportunidades' retargeting is based on limited information.

Social Capital Formation and Credit Access: Evidence from Sri Lanka

- World Development---2012---Masahiro Shoji, Keitaro Aoyagi, Ryuji Kasahara, Yasuyuki Sawada, Mika Ueyama

While previous studies evaluate the impact of social capital on development outcomes, there are very few empirical studies on determinants of social capital formation. We use unique long panel data from Sri Lanka to examine the mechanism of social capital formation in an imperfect credit market. We show that households facing credit constraints reduce investments in social capital. Furthermore, temporal declines in investment persistently reduce general trust, trust in villagers, and trust in business partners. While previous studies argue that social capital improves access to informal credit, we show the reverse causality. Combining these findings suggests a potential poverty trap.

Equity-Efficiency Trade-Offs in Irrigation Water Sharing: Evidence from a Field Lab in Rural Tanzania

- World Development---2012---D'Exelle, Ben, Els Lecoutere, Bjorn Van Campenhout, Ben D'Exelle

This article studies how users of scarce common water resources deal with equity-efficiency trade-offs. For this purpose, we conduct a field lab experiment in Tanzania that simulates the distribution of irrigation water between upstream and downstream users. We find a strong preference for equal sharing even if this comes with large foregone efficiency gains. However, we also find indications that efficiency considerations are taken into account. (Selfish) deviations from equal sharing are more likely implemented when they are efficiency-enhancing. Finally, we detect a tendency to alternate between altruistic and selfish sharing, which reconciles equity and efficiency considerations.

The Pitfalls of Water Privatization: Failure and Reform in Malaysia

- World Development---2012---Jeff Tan

This paper examines why private participation in infrastructure (PPI) in water continues to be promoted despite poor results in developing countries. It argues that the main characteristics of infrastructure discourage private investment and necessitate state subsidies which dilute private risks and incentives and facilitate rent-seeking. As a result, PPI is characterized by public financing, selective private investments and inconclusive efficiency gains. This is reflected globally and in Malaysia where PPI continues to be promoted because it provides captive rents. The political factors that drive PPI invariably compromise institutional solutions as Malaysia's water sector reforms illustrate.

Privatization and Renationalization: What Went Wrong in Bolivia's Water Sector?

- World Development---2012---Degol Hailu, Rafael Osorio, Raquel Tsukada

This paper investigates the impact of water service privatization in Bolivia. It compares the performance of cities in which the service was privatized (La Paz and El Alto) with a city in which it is managed as a cooperative (Santa Cruz de la Sierra) and one where the service is publicly provided (Cochabamba). We find that access to water by low-income consumers increased under private provision. However, the concessionaire failed to meet the targets stipulated in the contract. The tariff increases required for full cost recovery eventually led to public outrage that forced the government to renationalize the company.

In the Eye of the Storm—The Welfare Impacts of a Hurricane

- World Development---2012---Kristian Thor Jakobsen

The impact of a large covariant shock, namely Hurricane Mitch, is examined in the context of household asset holdings in rural Nicaragua utilizing household panel data from the period. It is found that the hurricane did not have an adverse impact on the ownership of productive assets among the affected households on average. On the other hand, nonproductive asset holdings seem to have been significantly reduced. A further examination confirms that the shock affected the poorest households disproportionately, especially in terms of nonproductive assets. Finally, this study presents strong suggestive evidence of a geographical poverty trap within the shock-affected areas of the country.

Does Foreign Aid Increase Foreign Direct Investment?

- World Development---2012---Pablo Selaya, Eva Rytter Sunesen

We examine the idea that aid and foreign direct investment (FDI) are complementary sources of foreign capital. We argue that the relationship between aid and FDI is theoretically ambiguous: aid raises the marginal productivity of capital when used to finance complementary inputs (like public infrastructure and human capital investments), but aid may crowd out

private investments when it comes in the shape of pure physical capital transfers. Empirically, we find that aid invested in complementary inputs draws in FDI, while aid invested in physical capital crowds it out. The paper shows that the composition of aid matters for its overall level of efficiency.

Trade Liberalization, Economic Crises, and Growth

- World Development---2012---Rodney Falvey, Neil Foster-McGregor, Sir David Greenaway

Many economic reforms are undertaken during an economic crisis, but is a crisis a good time to undertake trade reform? We investigate whether an economic crisis at the time of trade liberalization affects a country's subsequent growth performance. We employ threshold regression techniques on five crisis indicators to identify the "crisis values" and to estimate the differential growth effects in the crisis and non-crisis regimes. Although trade liberalization in both crisis and non-crisis periods raises subsequent growth, we find that an internal crisis implies a lower acceleration and an external crisis a higher acceleration relative to the non-crisis regime.

FDI Waves, Waves of Neglect of Political Risk

- World Development---2012---Pierre-Guillaume Méon, Khalid Sekkat

Studies of the impact of local political risk on foreign direct investment inflows overlook that worldwide FDI comes in waves. Using a simple model we show that the impact of political risk on FDI inflows is likely to be weaker, the larger the worldwide amount of FDI, which may question standard estimates and their policy implications. Using a large sample of developing and developed economies, we estimate the sensitivity of the distribution of FDI inflows across countries, to the local political risk. We find that it is a decreasing function of the worldwide amount of FDI. This finding has been upheld after many robustness checks.

Heterogeneous FDI in Transition Economies – A Novel Approach to Assess the Developmental Impact of Backward Linkages

- World Development---2012---Axèle Giroud,Bjoern Jindra,Philipp Marek

Traditional models of technology transfer via FDI rely upon technology gap and absorptive capacity arguments to explain host economies' potential to benefit from technological spillovers. This paper emphasizes foreign affiliates' technological heterogeneity. We apply a novel approach differentiating extent and intensity of backward linkages between foreign affiliates and local suppliers. We use survey data on 809 foreign affiliates in five transition economies. Our evidence shows that foreign affiliates' technological capability, embeddedness and autonomy are positively related to knowledge transfer via backward linkages. In contrast to what is widely assumed, we find a non-linear relationship between extent of local sourcing and knowledge transfer to domestic suppliers.

Do Developing Countries Invest Up? The Environmental Effects of Foreign Direct Investment from Less-Developed Countries

- World Development---2012---Ka Zeng,Joshua Eastin

This paper examines the environmental effects of foreign direct investment (FDI) from less-developed countries (LDC). We hypothesize that rather than transferring poor home-country practices across borders, LDC FDI can increase the level of environmental stewardship of host-country firms. We contend that LDC firms find it increasingly financially advantageous to signal to consumers, investors, and potential business partners their commitment to environmental protection by adopting sound environmental practices. Furthermore, this behavior can create spillover effects to other host-country firms, leading these firms to also boost their environmental credentials. Our empirical findings lend support to these conjectures.

The Unequal Benefits of Fuel Subsidies: A Review of Evidence for Developing Countries

- World Development---2012---Francisco Javier Arze del Granado,David Coady,Robert Gillingham

This paper reviews evidence on the impact of fuel subsidy reform on household welfare in developing countries. On average, the burden of subsidy reform is substantial and is approximately neutrally distributed across income groups; a \$0.25 decrease in the per liter subsidy results in a 5% decrease in income for all groups. More than half of this impact arises from the indirect impact on prices of other goods and services consumed by households. Fuel subsidies are a costly approach to protecting the poor due to substantial benefit leakage to higher income groups; in absolute terms, the top income quintile captures six times more in subsidies than the bottom.

The Impact of Microfinance in Sub-Saharan Africa: A Systematic Review of the Evidence

- World Development---2012---C. van Rooyen,R. Stewart,T. de Wet

Microfinance is seen as a key development tool, and despite the current deepening crisis within the industry, it continues to grow in sub-Saharan Africa. We systematically reviewed the evidence of the impacts of micro-credit and micro-savings on poor people in sub-Saharan Africa. We considered impacts on income, savings, expenditure, and the accumulation of assets, as well as non-financial outcomes including health, nutrition, food security, education, child labor, women's empowerment, housing, job creation, and social cohesion. The available evidence shows that microfinance does harm, as well as good, to the livelihoods of the poor.

The Fungibility of Aid Earmarked for HIV/AIDS Control Programs

- World Development---2012---Sarah E. Harper

This paper investigates fungibility of Official Development Assistance (ODA) for HIV/AIDS control, adding to the debate regarding consequences of scaling up this type of ODA. A theoretical model yields two estimable equations; in public health spending and non-health spending, with ODA for HIV/AIDS as the key regressor. The equations are estimated using data for 52 countries, from 2003 to 2009. Results suggest ODA for HIV/AIDS is not fungible across the 52 countries. Fungibility and other constraints to effective use of increased ODA in health sectors are country-specific issues; ODA for HIV/AIDS must be delivered via mechanisms specific to country contexts.

Do Inequalities in Health Care Utilization in Developing Countries Change When We Take into Account Traditional Medicines?

- World Development---2012---Azusa Sato

One of the primary objectives of health system reform throughout the world is to guarantee that use of health care is as high for the poor as it is for the most affluent in society, once need is controlled for. The WHO ranks health systems according to evidence on such inequalities. However, in measuring equity in the use of health care, studies typically disregard the use of traditional medicines. Therefore, it is assumed that the failure to use modern health care is equivalent to not receiving any health care at all. Although traditional medicines are less effective than modern medicines, they have the potential to provide relief and cure and are commonly used. Using data from Ghana, this paper hypothesizes and finds evidence for reductions in inequality estimates once traditional medicines are taken into account. Further, it explores inequities in utilization of modern medicine (from public institutions, private sources, and by self) and traditional medicines (by self and through healers) and finds the former to be pro rich whereas the latter is pro poor. These figures are then decomposed into socioeconomic determinants to show nonneed factors to be significant contributors of horizontal inequity.

Ordinal Welfare Comparisons with Multiple Discrete Indicators: A First Order Dominance Approach and Application to Child Poverty

- World Development---2012---Channing Arndt, Roberta Distante, M. Azhar Hussain, Lars Peter Østerdal, Pham Lan Huong, Maimuna Ibraimo

We develop an approach for making welfare comparisons between populations with multidimensional discrete well-being indicators observed at the micro level. The approach is rooted in the concept of multidimensional first order dominance. It assumes that, for each indicator, the levels can be ranked ordinally from worse to better; however, no assumptions are made about relative importance of any dimension nor about complementarity/substitutability relationships between dimensions. We also introduce an efficient algorithm for determining dominance and employ a bootstrap approach that permits cardinal rankings of populations. These approaches are applied to household survey data from Vietnam and Mozambique.

Estimating the Short-Run Poverty Impacts of the 2010–11 Surge in Food Prices

- World Development---2012---Maros Ivanic, Will Martin, Hassan Zaman

Global food prices increased sharply between June and December 2010. This paper assesses the impact of price changes for 38 agricultural commodities on poverty using detailed data on patterns of production and consumption in 28 countries. We find considerable heterogeneity in the impacts, but estimate that poverty rose by 44 million people, with 68 million people falling into poverty and 24 million people raised out of poverty at the extreme poverty line of \$1.25 per day. This corresponds to an average poverty increase of 1.1% points in low income countries and 0.7% points in middle income countries.

Impact of the 2008–2009 Twin Economic Crises on the Philippine Labor Market

- World Development---2012---Yana van der Meulen Rodgers,Nidhiya Menon

This study examines how the 2008–2009 surges in international food and fuel prices and the coinciding global financial crisis impacted the Philippine labor market. Regression estimates using repeated quarterly waves of the Labor Force Survey indicate small declines in employment probabilities, while real wages fell more dramatically: about 6% during the price surges and 3–4% during the financial crisis. Men experienced slightly larger wage declines and women marginally greater employment cuts. Workers across education and age groups experienced wage drops, especially less educated men, women with high school degrees, and older workers.

Can Top-Down and Bottom-Up be Reconciled? Electoral Competition and Service Delivery in Malaysia

- World Development---2012---Willy Mccourt

Top-down versus bottom-up is one of development's enduring tensions, not least in public service delivery. In Malaysia, public services have traditionally been animated from the top down. Bottom-up forces in civil society have strengthened recently, but so too have top-down forces, and their impact on public services is greater.

Harnessing Communities, Markets and the State for Public Goods Provision: Evidence from Post-Socialist Rural Poland

- World Development---2012---Martin Petrick,Andreas Gramzow

Analyzing four case studies on rural Poland during 1990–2005, this study shows how partnerships of local governments and civil society organizations provided public goods that boosted local economic development.

By taking a comparative institutional economics perspective, we demonstrate how the partnerships successfully combined the governance mechanisms of state, market, and community. We find a striking similarity across the cases concerning the assignment of functions in public goods provision to certain governance mechanisms. Communities played a mediating role in the transition process toward a new configuration of rural governance.

Effects of Fair Trade Certification on Social Capital: The Case of Rwandan Coffee Producers

- World Development---2012---Sara D. Elder,Hisham Zerriifi,Philippe Le Billon

Fair Trade certification may have important social effects on small-scale producers but empirical evidence is limited. We conducted logistic regressions using data from a 2009 survey of Rwandan coffee farmers to estimate the link between Fair Trade and social capital—measured as farmer trust and participation—while controlling for various other factors that could influence social capital, particularly membership in a cooperative organization. The results show a negative association between Fair Trade and farmer trust in cooperative leadership and a positive association with a perceived higher level of participation of women. Social capital is linked most significantly to farmers' interaction with their neighbors.

Is there a Beijing Consensus on International Macroeconomic Policy?

- World Development---2012---Graham Bird,Alex (Alexandros) Mandilaras,Helen Popper

Some commentators have claimed that there is a growing Beijing Consensus among emerging and developing economies concerning the merits of China's economic policies. Within an analytical framework provided by the well known international policy trilemma, this paper investigates the empirical evidence concerning this claim with specific reference to the adoption of international macroeconomic policies. We find that there are substantial differences between what China

does and what is done in other emerging and developing economies. While we discover some regional and inter-temporal variations, there seems to be little or no support for the existence of a Beijing Consensus.

IMF Lending in Times of Crisis: Political Influences and Crisis Prevention

- World Development---2012---Andrea Presbitero,Alberto Zazzaro

In the wake of the global crisis the International Monetary Fund (IMF) has increased its exposure to developing countries and modified its lending approach to enhance its crisis prevention role. In this paper we examine whether, during the current crisis, IMF lending was actually directed at preventing the spread of the crisis and whether participation in IMF programs was sensitive to the politico-economic interests of the Fund's main shareholders. We find that the political similarity with G7 countries is positively correlated with the probability of entering a loan agreement, while the harsher the crisis and the exposure of foreign banks in the country, the larger the loan granted by the IMF.

Sabotaging Civil Service Reform in Aid-Dependent Countries: Are Donors to Blame?

- World Development---2012---Barbara Nunberg,Robert R. Taliercio

International development assistance has focused increasing resources on raising civil service capacity in low-income country administrations plagued by low pay, poor establishment controls, and the absence of merit-based human resource practice. At the same time, donors sabotage civil service capacity development over the longer term. Notwithstanding international accords calling on donors to curtail this behavior, collective action problems constrain donors from dismantling the projectized aid infrastructure that fragments government institutions. We identify practical implications of this collective action dilemma and explore alternative reform approaches. We examine an agency-level civil service reform (ACSR) in Cambodia, in comparative perspective, showing how

strategic, incremental introduction of merit-based incentives yielded benefits in one ministry but faltered when the pilot was expanded to other agencies. To the extent that the accumulated ACSR experiences have achieved some, albeit limited, traction, they may offer a small but significant beacon for those seeking to move forward on civil service reform under difficult conditions.

International R&D Transfer and Technical Efficiency: Evidence from Panel Study Using Stochastic Frontier Analysis

- World Development---2012---Miao Wang,M. C. Sunny Wong

We study the effect of foreign research and development (R&D) transferred through imports and foreign direct investment (FDI) on domestic technical efficiency using stochastic frontier analysis. Unbalanced panel results from a 77-country sample over 1986–2007 show that FDI- and imports-transferred foreign R&D have a significant impact on domestic country's technical efficiency. Furthermore, we observe a complementarity between FDI-transferred R&D and domestic human capital. In other words, the domestic country needs to obtain a threshold level of human capital to benefit from FDI-transferred R&D. Other macro conditions such as infrastructure, political stability, and urbanization also help to improve the technical efficiency of a country.

Return Migration and the Survival of Entrepreneurial Activities in Egypt

- World Development---2012---Francesca Marchetta

The literature shows that temporary international migrants have a high propensity to opt for an entrepreneurial activity upon return, but the prospects of survival of these activities have not been explored. We address this research question using longitudinal Egyptian data. We find that entrepreneurs' migration experience significantly improves the chances of survival of their entrepreneurial activities, adopting econometric techniques that control for return migrants'

nonrandom selection in unobservables. We resort to a bivariate probit model and a two-stage residual inclusion estimator, using the rate of population growth and the real oil price as alternative instruments for migration.

Parental Education and Child Health— Understanding the Pathways of Impact in Pakistan

- World Development---2012---Monazza Aslam, Geeta Kingdon

This study investigates the relationship between parental schooling on the one hand, and child health outcomes (height and weight) and parental health-seeking behavior (immunization status of children), on the other. Using unique data from Pakistan, we aim to understand the mechanisms through which parental schooling promotes better child health and health-seeking behavior. The following “pathways” are investigated: educated parents’ greater household income, exposure to media, literacy, labor market participation, health knowledge, and the extent of maternal empowerment within the home. We find that while father’s education is positively associated with the immunization decision, mother’s education is more critically associated with longer term health outcomes in OLS equations. Instrumental Variable (IV) estimates suggest that father’s health knowledge is most positively associated with immunization decisions while mother’s health knowledge and her empowerment within the home are the channels through which her education impacts her child’s height and weight respectively.

“The Poor Stay Poor” : Household Asset Poverty Traps in Rural Semi-Arid India

- World Development---2012---Felix Naschold

Although identifying household-level poverty dynamics would have important implications for poverty reduction policies empirical evidence is still scant. This paper employs a novel semiparametric panel data estimator that combines the advantages of estimation methods in

the existing literature and applies it to a uniquely long panel data set to examine poverty dynamics in three villages in rural semi-arid India. Structural immobility is pervasive. The currently poor are likely to remain poor, suggesting a structural poverty trap. While all households face static asset holdings, higher castes, larger landholders, and more educated households are significantly less likely to be poor.

NGOs and the Political Empowerment of Poor People in Rural Bangladesh: Cultivating the Habits of Democracy?

- World Development---2012---Naila Kabeer, Simeen Mahmud, Jairo Isaza Castro

Recent research in Bangladesh highlights an interesting paradox: impressive development outcomes combined with extremely poor quality of governance. The country’s active development NGO sector has been credited with some of the more positive development achievements. The question that this paper sets out to address is why the sector has not made an equivalent contribution on the governance front. It draws on primary survey data to explore the hypothesis that the problem lies in the increasing homogenization of NGOs around the delivery of services, primarily microfinance services, and its shift away from social mobilization organizations.

Bridging the Gender Divide: An Experimental Analysis of Group Formation in African Villages

- World Development---2012---Abigail Barr, Marleen Dekker, Marcel Fafchamps

Assorting on gender is casually observed in developing countries and is now systematically built into many group-oriented development interventions. In this paper we explore the mechanisms underlying the emergent gender assorting, using an experiment in which African villagers could form groups to share risk. We exogenously varied the extent to which grouping arrangements were enforced and, hence, the importance of trust and social enforcement as supports for group

formation. Gender assorting was significant and considerable when grouping was perfectly enforced or depended on social enforcement. There was significantly less gender assorting when grouping depended on trust. Exploratory analysis suggests that this reduction in gender assorting may be owing to family ties and co-memberships in gender-mixed religions.

Opening Cracks for the Transgression of Social Boundaries: An Evaluation of the Gender Impacts of Farmer Research Teams in Honduras

- World Development---2012---Sally Humphries, Lauren Classen, José Jiménez, Fredy Sierra, Omar Gallardo, Marvin Gómez

Participatory agricultural platforms, such as farmer research teams and farmer field schools, offer the potential for change that goes far beyond agriculture. The paper reports on a mixed method approach to examining the gendered impacts of a long term farmer research project in Honduras. We show how collective action around food security has the potential to support gendered social change. We argue that mixed gender research teams provide a space where generative empowerment permits both women and men to challenge unequal gender roles and to open cracks for transgressing social boundaries.

Collective Action Dynamics under External Rewards: Experimental Insights from Andean Farming Communities

- World Development---2012---Ulf Narloch, Unai Pascual, Adam G. Drucker

This paper explores the potential effects of external reward systems on conservation behavior by accounting for their interactions with patterns of collective action. In order to simulate such dynamics, we conducted framed field experiments in farming communities from the Bolivian and Peruvian Andes. These game-based simulation exercises were framed around agrobiodiversity conservation decisions the participating farmers were very familiar with. We find that collective rewards could be ineffective and crowd-out social norms.

Promisingly though, individual rewards appear to increase conservation levels through a crowding-in effect that stabilizes collective action.

Land Fragmentation, Cropland Abandonment, and Land Market Operation in Albania

- World Development---2012---Klaus Deininger, Sara Savastano, Calogero Carletto

Albania's radical farmland distribution is credited with averting an economic crisis and social unrest during the transition. But many believe it led to a holding structure too fragmented to be efficient, and that public efforts to consolidate plots are needed to lay the foundation for greater rural productivity. Farm-level data from the 2005 Albania LSMS allow us to explore this quantitatively. We find no support for the argument that fragmentation reduces productivity. However, producers fail to utilize about 10% of the country's productive land, and this land has, in the majority of cases, been idle for at least 5 years. Farmers quote inefficiently-small plots as the reason for this in very few cases, casting doubt on the scope for land consolidation to solve this issue. Instead, the data are consistent with the notion of land market imperfections, which can be traced to gaps in the legal and policy framework, as well as inefficiencies in registry operations, leading to land abandonment on a large scale. To maintain the productive potential of Albania's rural economy and, if and when needed, the ability to conduct consolidation in a cost-effective and sustainable manner, it will be critical to complement the emphasis on consolidation with an effort to address those gaps and inefficiencies on a priority basis.

Reducing Poverty Through Carbon Forestry? Impacts of the N' hambita Community Carbon Project in Mozambique

- World Development---2012---Rohit Jindal, John M. Kerr, Sarah Carter

Debates about the potential poverty alleviation impacts of global carbon markets are far from settled. We extend this debate by examining the impacts of

a project in Mozambique that pays local people for carbon forestry activities. We conduct before-and-after project comparison using household data from project and non-project villages. Even though the poorest households participate widely in the project, the impact on incomes is small despite generous carbon accounting and contract terms. Leakage and impermanence remain strong concerns. Development activities under the project unrelated to carbon sequestration have a much bigger impact, albeit on a smaller number of households.

Child Porterage and Africa' s Transport Gap: Evidence from Ghana, Malawi and South Africa

- World Development---2012---Gina Porter,Kate Hampshire,Albert Abane,Alistair Munthali,Elsbeth Robson,Mac Mashiri,Augustine Tanle,Goodhope Maponya,Sipho Dube

Children' s load-carrying has been largely invisible in studies of African economies, being commonly subsumed under women' s or family labor. This paper, based on interdisciplinary qualitative and quantitative research in 24 sites, examines the role of child porterage in helping to fill Africa' s transport gap and considers its developmental significance for education, well-being, and health. It provides detailed information regarding the scale, nature, and perceived impacts of children' s load-carrying work in domestic and commercial contexts, indicates the importance of gender and generational analysis, and explores key policy challenges.

Development Consequences of Armed Conflict

- World Development---2012---Scott Gates,Håvard Hegre,Håvard Mogleiv Nygård,Håvard Strand

This paper conducts the first analysis of the effect of armed conflict on progress in meeting the United Nation' s Millennium Development Goals. We also examine the effect of conflict on economic growth. Conflict has clear detrimental effects on the reduction of poverty and hunger, on primary education, on the reduction of child mortality, and on access to potable water. A

medium-sized conflict with 2500 battle deaths is estimated to increase undernourishment an additional 3.3%, reduce life expectancy by about 1 year, increases infant mortality by 10%, and deprives an additional 1.8% of the population from access to potable water.

Aid, Growth and Devolution

- World Development---2012---Christian Lessmann,Gunther Markwardt

This paper examines whether the degree of fiscal decentralization in aid-receiving countries matters in explaining aid effectiveness. The decentralization theorem predicts that the devolution of powers should increase aid effectiveness, since local decision-makers are better informed about local needs. Thereby decentralization may also have reverse effects, e.g., through coordination problems, excessive regulation, administrative costs, and local capture. We use panel data for up to 60 countries and find that aid contributes to economic growth in centralized developing economies. Whereas it is less effective or even harmful in decentralized countries. The cases of Indonesia, the Philippines, and Uganda support our findings. Our results imply that donor countries should carefully consider how the two development instruments—foreign aid and decentralization—interact.

Fiscal Spending and Economic Growth: Some Stylized Facts

- World Development---2012---Celine Carrere,Jaime de Melo

Using an “event analysis” , this paper complements the cross-country approach to the study of fiscal correlates of growth. Data on fiscal expenditures and growth for a database of 140 countries (118 developing countries) over 1972–2005 are reorganized around turning points providing a summary but encompassing description of “what is in the data” . For this sample, the probability of occurrence of a fiscal event is about 10%, and, the probability of a growth event once a fiscal event had occurred is around 26%. For developing countries, fiscal events followed by growth

events occur under situations of (i) significantly lesser deficit, (ii) fewer resources devoted to non-interest general public services and (iii) shift in primary expenditures toward transport & communication. After controlling for the growth-inducing effects of positive terms-of-trade shocks and of trade liberalization reform, probit estimates indicate that a growth event is more likely to occur in a developing country when surrounded by a fiscal event. Moreover, the probability of occurrence of a growth event in the years following a fiscal event is greater the lower is the associated fiscal deficit, confirming that success of a growth-oriented fiscal expenditure reform is associated with a stabilized macroeconomic environment (through limited primary fiscal deficit).

Fiscal Sustainability: The Impact of Real Exchange Rate Shocks on Debt Valuation, Interest Rates and GDP Growth

- World Development---2012---Claudia Martínez Carrera,Rodrigo Vergara

This paper discusses the way in which the existence of foreign currency debt affects debt-sustainability analysis. We show that a devaluation of the local currency can significantly change the path of a sustainable fiscal policy. Our model expands previous research as the adjustment comes not only through changes in the value of the foreign-currency-denominated debt, but also through the effects of the devaluation on interest rates and economic growth. We find that the fiscal adjustment required after a devaluation increases with the size of the devaluation, the length of the adjustment period, the effect on interest rates and growth, and the share of public debt denominated in foreign currency.

The Growth Effects of Property Rights: The Role of Finance

- World Development---2012---Niloy Bose,Antu Murshid,Martin A. Wurm

Using a variety of statistical approaches, we show that the relationship between property rights and growth

is nonlinear; stronger enforcement of property rights raises growth up to a point before growth begins to decline. We provide a simple theoretical rationale for this conclusion using a model with informational asymmetries in the financial sector. Stronger property rights have two opposing effects. On the one hand it increases capital formation and growth. On the other hand it encourages bad borrowing practices. Thus there exists an optimal level of property rights which maximizes growth. However, as financial markets mature, the negative effects associated with stronger property rights become weaker.

The Institutional Reforms Debate and FDI Flows to the MENA Region: The “Best” Ensemble

- World Development---2012---Wasseem Mina

This paper empirically examines the theoretical debate on the adoption of a best approach to reforming institutions identified by Rodrik (2008) in the context of property rights protection and FDI flows to eight MENA countries. The first best approach comprises strengthening domestic institutional functions only, while the second best comprises in addition entering into force bilateral investment treaties and the interaction between functions and treaties. Empirically both approaches to reducing investment expropriation risk encourage FDI flows. The positive effect of the second best approach depends on the success of the first best approach, suggesting the two approaches are complementary.

Asking Questions to Understand Rural Livelihoods: Comparing Disaggregated vs. Aggregated Approaches to Household Livelihood Questionnaires

- World Development---2012---Pamela Jagger,Martin Luckert,Abwoli Banana,Joseph Bahati

This study tests the hypothesis that both disaggregated and aggregated data collection methods produce similar estimates of the relative importance of livelihood portfolio activities and expenditures. The results

show that different methods of data collection yield substantively different estimates of livelihood strategies for two indicators: income and expenditure. We also find evidence of a seasonal bias in responses to household livelihood questions asked at higher levels of aggregation. Our findings highlight the challenge of designing household surveys to elicit accurate and precise information, and demonstrate that different methods of data collection influence our understanding of rural livelihoods.

Impacts of Community-driven Development Programs on Income and Asset Acquisition in Africa: The Case of Nigeria

- World Development---2012---Ephraim Nkonya, Dayo Phillip, Tewodaj Mogues, John Pender, Edward Kato

This study evaluates the impacts of a community-driven development (CDD) project on household income and acquisition of productive assets in Nigeria. Using recall data, difference-in-differences, and propensity score matching approaches, the study finds that the project succeeded in targeting the poor and women farmers in its productive asset acquisition component. Participation in the project also increased the mean income of beneficiaries by about 40–60% but the impact of the project on income of the poorest beneficiaries was not statistically significant. Additionally, sustainability of this achievement is uncertain since the project did not involve rural credit services. The large cash transfer through its productive asset acquisition component is also unsustainable. Future studies should be undertaken using longer-term panel data to capture the pattern and trend of the impact of this project.

Poverty and Prime-Age Mortality in Eastern and Southern Africa: Evidence from Zambia and Kenya

- World Development---2012---Antony Chapoto, Lilian Kirimi, Suneetha Kadiyala

Using nationwide longitudinal household survey data from rural Kenya (1997–2004) and Zambia (2001–2004),

we estimate probit models to identify the socio-economic correlates of disease-related mortality of individuals between the ages of 15 and 59. We compare these results with the rural sample of the Demographic Health Surveys (DHS) from Kenya and Zambia. Our findings show no clear relationship between wealth status, education, and the probability of mortality. With the roll-out of anti-retroviral drugs it is likely that the relationship between mortality and HIV status is no longer straight forward. It is likely that the disease has spread broadly into all socio-economic groups and that a range of transmission pathways, including ones driven by both wealth and poverty, are now at play.

Urban Services and Child Migration to the Slums of Nairobi

- World Development---2012---Caroline S. Archambault, Joost de Laat, Eliya Msiyaphazi Zulu

An estimated 30–70% of Nairobi's population lives in informal settlements with very poor access to basic services, yet children are notably absent from the informal settlements. This paper combines qualitative research with three micro data sets and finds that the presence of urban basic services is importantly linked to child residence of migrant parents. This finding is critical for policy debates on slum improvements. It predicts that improvements in services need to be accompanied by appropriate social and educational improvements servicing children and supports recent calls for a more multi-sectoral, participatory, and child-centered approach to urban informal planning.

Institution Building with Limited Resources: Establishing a Supreme Audit Institution in Rwanda

- World Development---2012---Ann-Sofie Isaksson, Arne Bigsten

This study examines the tensions between best-practice institutional benchmarks and local operational constraints in a developing country institution-building process. Drawing on data from document studies and key informant interviews, we investigate if and how

staff capacity constraints affect the achievement of the programmatic ideal of supreme audit institution (SAI) independence, and what tradeoffs this gives rise to in the development of a SAI oversight function in Rwanda. The empirical results suggest that capacity constraints negatively affect important aspects of SAI independence, and point to the need for contextual institutional solutions to safeguard independence as well as to tackle capacity constraints.

Alert at Maradi: Preventing Food Crises by Using Price Signals

- World Development---2012---Claudio Araujo,Catherine Araujo-Bonjean,Stéphanie Brunelin,Catherine Araujo Bonjean

This paper aims at exploiting grain price data to detect the warning signs of looming food crises in Mali, Burkina Faso and Niger. Firstly we identify markets which play a leading role at the national and regional level. The second step consists of identifying price crisis periods and characterizing price movements during the period preceding a crisis. This analysis leads to the identification of early warning indicators whose relevance is tested using panel data qualitative choice models. The results show that monitoring price movements at leading markets during crucial periods of the year can help in forecasting future price crises.

Impact Evaluation of Traditional Basmati Rice Cultivation in Uttarakhand State of Northern India: What Implications Does It Hold for Geographical Indications?

- World Development---2012---Pradyot Jena,Ulrike Grote

This paper contributes to the impact evaluation of GIs by carrying out a case study of Basmati rice in India. Although Basmati rice is not yet an official GI, its long standing reputation for quality and GI-like protection by major importing countries except the United States (US) has rendered it a mirror image of a GI good. The analysis is based on a survey of 299 Basmati and nonBasmati rice farmers in Uttarakhand, one of the

Northern states¹India, officially Republic of India is a republic comprised of 28 constituent states and seven Union territories. These states and union territories are partially self-governing states or regions united by a central (federal) government. In India, this self-governing status of the component states is typically constitutionally entrenched and may not be altered by a unilateral decision of the central government.¹ of India. The empirical strategy of the paper is three-pronged. First, a net income analysis has been carried out to elicit the net benefits of Basmati rice as opposed to nonBasmati rice and another competing crop in that region such as sugarcane. The findings show that Basmati rice is more profitable than the nonBasmati varieties but less so than sugarcane. In the second stage, the endogeneity-corrected Heckman selection model reveals that Basmati adoption has increased welfare of the households. Finally, a Tobit model is estimated to investigate the determining factors of Basmati adoption among the farmer households. The determining factors are found to be access to extension training facilities, a credible hedge against risk, and the availability of household labor.

Economic Liberalization and Rising College Premiums in Mexico: A Reinterpretation

- World Development---2012---Aashish Mehta,Belinda Acuña Mohr

Mexico's college premium rose in the 1990s. Studies employing structural decomposition analyses treat the college premium as the relative price of "skilled" to "unskilled" workers. They find that reallocations of labor across industries and occupations cannot account for rising college premiums, and often attribute them to widely observed trade-induced increases in skills demand within the manufacturing sector. In contrast, using a reduced-form decomposition that moves beyond a binary definition of skill and allows for inter-occupation wage differentials, we show that employment shifts across occupations and industries can account for the increase in the college premium. We link the rising premium, and differences in its trajectory by gender and cohort, to the growth of specific professions that

produce services, not manufactured goods.

Poverty and Proximate Barriers to Learning: Vision Deficiencies, Vision Correction and Educational Outcomes in Rural Northwest China

- World Development---2012---Emily Han-num, Yuping Zhang

Uncorrected vision may present a significant barrier to educational mobility in poor communities in low and middle income countries. Focusing on the case of rural Northwest China, we analyze the Gansu Survey of Children and Families (2,000 children; 100 rural villages) and the Gansu Vision Intervention Project (a randomized trial; 19,185 students, 165 schools, two counties). Four main findings emerge: significant unmet need for vision correction; socioeconomic gradients in vision correction; somewhat greater vulnerability to vision problems among higher socioeconomic status and more academically engaged children; and significant favorable effects of vision correction on math and literacy performance and class failure.

The Impact of China on Low and Middle Income Countries' Export Prices in Industrial-Country Markets

- World Development---2012---Xiaolan Fu, Raphael Kaplinsky, Jing Zhang

This paper analyzes the unit prices of imports into the EU, Japan, and the US during 1989–2006 of manufactured products in which China specializes. It finds that imports from middle income countries are in close price competition with those from China and that there has been price competition between China and high-income countries in low-technology products. By contrast, the impact of China's exports on low-income countries is not through price competition but through market expansion. China's WTO entry had a once-for-all shock on the export prices of the high-income countries. The price competition effect of China's exports weakened over the time period of 1989–2006, suggesting a gradual change in competition from price to nonprice factors such as quality and variety. If sustained, this

trajectory poses an increasing competitive threat to high-income economies in the future.

The Impact of Foreign Labor on Host Country Wages: The Experience of a Southern Host, Malaysia

- World Development---2012---Prema-chandra Athukorala, Evelyn Devadason

This paper investigates the impact of foreign labor on domestic manufacturing wages through a case study of Malaysia, a country where foreign labor has played a key role in manufacturing growth over the past two decades. The main focus of the paper is on an econometric analysis of the determinants of inter-industry variation in wage growth using a new panel dataset. The results suggest that wage growth is fundamentally embedded in the structure and performance of domestic manufacturing. There is evidence of a statistically significant negative impact of foreign labor on the growth of unskilled-worker wages, but the magnitude of the impact is rather small.

Fiscal Decentralization and Development Outcomes in India: An Exploratory Analysis

- World Development---2012---Kaliappa Kalirajan, Keijiro Otsuka

This paper attempts to quantify the impact of fiscal decentralization in India on its social infrastructure and on rural development. Overall, the results in this paper indicate that Government of India within a federal framework has been fostering development equitably across its states, particularly through health and education expenditures aimed at improving human capital development. In this context, the importance of the two tier centre-states decentralization should be noted. However, the third tier of local governance, particularly the state-rural local bodies decentralization has been dismal and has not achieved significant results across states, which warrant the attention of the central and state governments.

Partisan Preferences and Skill Formation Policies: New Evidence from Turkey and Argentina

- World Development---2012---Fulya Apaydin

Following a switch to export-oriented industrialization, reorganization of production in the automobile industry demanded a new worker profile in developing economies like Turkey and Argentina. Yet, the process of transforming worker skills unfolded differently across industrial clusters. The paper explains this variation by highlighting formal political dynamics at the sub-national level. It finds that when local politicians have limited fiscal capacities, they are compelled to build partisan coalitions to advance industrial reform policies. Evidence from Bursa (Turkey), Istanbul (Turkey), and Córdoba (Argentina) shows that under these circumstances, governors who mobilize partisan loyalties can resolve disputes between business and labor, while others who are unable to do so cannot implement the proposed changes.

Why is Corruption Less Harmful to Income Inequality in Latin America?

- World Development---2012---Stephen Dobson,Carlyn Ramlogan-Dobson

Conventional wisdom says corruption is bad for income inequality. But recent research on Latin America finds a trade-off between corruption and inequality and suggests this is due to the large informal sector in the region. Using data on a large sample of countries we find that the informal sector impacts the link between corruption and inequality. In particular, the marginal impact of corruption becomes negative once the informal sector becomes large. This is true in Latin America and more generally. Corruption reducing policies should be accompanied by measures that help displaced informal sector workers.

Setting Priorities, Targeting Subsidies among Water, Sanitation, and Preventive Health Interventions in Developing Countries

- World Development---2012---Dale Whittington,Marc Jeuland,Kate Barker,Yvonne Yuen

The paper challenges the conventional wisdom that water and sanitation improvements and other preventive health interventions are always a wise economic investment. Costs and benefits are presented for six water, sanitation, and health programs—handwashing, sanitation, point-of-use filtration and chlorination, insecticide-treated bed nets, and cholera vaccination. Model parameters are specified for a range of conditions that are plausible for locations in developing countries. We find that the parameter values needed for such cost-benefit calculations are not available for setting global priorities. We reflect on the implications of our findings for more “evidence-based” planning of public health and development interventions.

Does User Participation Lead to Sense of Ownership for Rural Water Systems? Evidence from Kenya

- World Development---2012---Sara J. Marks,Jennifer Davis

Despite broad acceptance of the idea that “sense of ownership” among users is critical to infrastructure sustainability in developing countries, little is known about what sense of ownership is, or its drivers. We present a novel measure of sense of ownership for piped water systems using empirical data collected from 1140 households in 50 rural Kenyan villages. This study establishes an empirical referent for households’ sense of ownership. We find that some, but not all, types of participation enhance community members’ sense of ownership for rural water projects.

Rural Poverty Dynamics in Kenya: Structural Declines and Stochastic Escapes

- World Development---2012---Maren Radeny,Marrit van den Berg,Rob Schipper

We use panel survey data and household event-histories to explore patterns of rural poverty dynamics in Kenya over the period 2000–2009. We find substantial mobility across poverty categories using economic transition matrices. Drawing on asset-based approaches, we distinguish stochastic from structural poverty transitions. Few households successfully escaped poverty through asset accumulation (up to 35% of the upwardly mobile), while a large proportion of households (up to 66%) declining into poverty experienced structural transitions. Using household event-histories, we find significant differences across structural poverty transition classes in livelihood strategies, household-level shocks, and other factors.

Assets, Shocks, and Poverty Traps in Rural Mozambique

- World Development---2012---Lena Giesbert,Kati Schindler,Kati Kraehnert

This paper explores welfare dynamics among households in rural Mozambique. Using household panel data, we test whether an asset-based poverty trap exists. Findings indicate that all rural households converge to one stable equilibrium in the medium term, which is close to the poverty line. This may indicate that households in rural Mozambique are collectively trapped in generalized underdevelopment. A drought and household coping strategies help to explain the observed poverty dynamics. Food-insecure households who have better access to income-generating opportunities and who can afford drawing on unproductive assets are able to sustain their productive asset base in the short term.

Assessing the Impact of Training on Lowland Rice Productivity in an African Setting: Evidence from Uganda

- World Development---2012---Yoko Kijima,Yukinori Ito,Keijiro Otsuka

This study attempts to assess the impacts of a training program on the adoption of improved cultivation practices, the productivity of rice farming, and the income

and profit from rice production by using ex-post non-experimental data in Uganda. We found that participation in the training program increased the adoption of the improved cultivation practices. Furthermore, the profit from rice production was also found to have increased by the training program. These findings support the hypothesis that one of the major constraints on the growth in productivity of rice farming in sub-Saharan Africa is the absence of effective extension systems.

Who is Vouching for the Input Voucher? Decentralized Targeting and Elite Capture in Tanzania

- World Development---2012---Lei Pan,Luc Christiaensen

Through decentralized targeting of input vouchers new agricultural input subsidy programs aim to more effectively reach their objectives and target population. But, lingering fears of elite capture remain. These are borne out in the 2009 input voucher program in Kilimanjaro, Tanzania. Sixty percent of the voucher beneficiaries were households with village officials. This significantly reduced the targeting performance of the program, especially in unequal and remote communities. When targeting the poor, greater coverage and concentration in higher trust settings mitigated these concerns. Scrutiny remains important when relying on decentralized targeting, as is a clearer sense of purpose of input vouchers.

Does the Nonfarm Economy Offer Pathways for Upward Mobility? Evidence from a Panel Data Study in Ethiopia

- World Development---2012---Sosina Bezu,Christopher Barrett,Stein Holden

Empirical studies across many developing countries routinely document a positive correlation between participation in rural nonfarm employment and households' wealth or income. This paper explores whether nonfarm employment leads to higher consumption expenditure growth in Ethiopia. We find that: (1) households'

consumption expenditure growth is positively correlated with the initial share of nonfarm income; (2) the growth elasticity of nonfarm income share is higher for wealthier households; and (3) the main source of growth for nonfarm participants comes from the higher rates of return participants enjoy on their human and physical capital.

Income Risk and Household Schooling Decisions in Burkina Faso

- World Development---2012---Harounan Kazianga

I study the effects of income uncertainty on household schooling decisions. Households with more volatile incomes have a greater incentive to build a buffer stock to insure against unforeseen adverse shocks, and non-enrollment can be part of such a strategy. I use data from rural Burkina Faso, where school attainment is low and income shocks are frequent, to show that income uncertainty reduces several educational outcomes, including enrollment, education expenditures, and years of education completed. The findings suggest that income uncertainty has larger welfare costs in terms of human capital than is implied by studies that only focus on realized income shocks.

Family Hardship and Cultural Values: Child Labor in Malian Small-Scale Gold Mining Communities

- World Development---2012---Gavin Hilson

This paper contributes to the debate on child labor in small-scale mining communities, focusing specifically on the situation in sub-Saharan Africa. It argues that the child labor now widespread in many of the region's small-scale mining communities is a product of a combination of cultural issues, household-level poverty, and rural livelihood diversification. Experiences from Komana West, a subsistence gold panning area in Southern Mali, are drawn upon to make this case. The findings suggest that the sector's child labor "problem" is far more nuanced than international organizations and policymakers have diagnosed.

Microfinance and Poverty—A Macro Perspective

- World Development---2012---Katsushi Imai,Raghav Gaiha,Ganesh Thapa,Samuel Annim

We test the hypothesis that microfinance reduces poverty at the macro level using cross-country and panel data which are constructed by the Microfinance Information Exchange data on Microfinance Institutions (MFIs) and the World Bank data. Taking account of the endogeneity associated with MFIs' loans, we show that a country with higher MFIs' gross loan portfolio per capita tends to have lower levels of poverty indices. Contrary to recent micro evidence, our results suggest that microfinance significantly reduces poverty at macro level and thus reinforce the case for channeling funds from development finance institutions and governments of developing countries into MFIs.

Credit Program Participation and Decline in Violence: Does Self-Selection Matter?

- World Development---2012---Yoo-Mi Chin

Studies on the effects of gendered policy design in microcredit on spousal violence generally suffer from self-selection and under-reporting bias. I overcome such shortcomings by constructing a new measure of violence. The new measure indicates whether there was a decline in violence by subtracting current-experience of violence from ever-experience. Such differencing eliminates time-invariant sources of bias. Further, sensitivity of the effect of female membership to self-selection is examined by gauging the size of self-selection based on selection on the observables. Once self-selection is addressed, the initial positive effect of membership on violence reduction disappears.

Bequest Motives and Determinants of Micro Life Insurance in Sri Lanka

- World Development---2012---Thankom Arun,Mirko Bendig,Shoba Arun

This paper emphasizes bequest motives by evaluating participation patterns in micro life insurance against

insurance demand and supply side factors. Based on household survey data from Sri Lanka, it presents evidence on the determinants of micro life insurance participation of low-income households, using probit and tobit models. The results provide evidence that micro life insurance is positively correlated with measures of bequest motives such as the number of children or dependents. Besides, better off households are less excluded from micro life insurance markets than their poorer counterparts. The study finds a convincing need for the microinsurance sector to be more responsive to the needs of the poor, with a key role in providing financial education to understand the need for microinsurance.

Do Free Trade Agreements Increase Economic Growth of the Member Countries?

- World Development---2012---Jung Hur,Cheolbeom Park

This paper assesses whether a bilateral FTA raises the growth rates of the two countries engaging in the FTA. A nonparametric matching approach, which imposes no specific functional forms and can be applied to a broad range of data structures, is employed to estimate the FTA effect on the growth. We find that FTAs exert insignificant effects on aggregated growth from one to 10year period after launch, but detect a significant upward trend in the gap between the growth rates of per capita GDP within a bilateral FTA. This implies uneven FTA effects across countries within an FTA.

Export Performance and Trade Facilitation Reform: Hard and Soft Infrastructure

- World Development---2012---Alberto Portugal-Perez,John S. Wilson

We estimate the impact of aggregate indicators of “soft” and “hard” infrastructure on the export performance of developing countries. We derive four new indicators for more than 100 countries over the period 2004–07. Estimates show that trade facilitation reforms do improve the export performance of developing countries. This is particularly true with

investment in physical infrastructure and regulatory reform to improve the business environment. The findings provide evidence that the marginal effect of the transport efficiency and business environment improvement on exports appears to be decreasing in per capita income. In contrast, the impact of physical infrastructure and information and communications technology on exports appears increasingly important the richer a country becomes. We also find statistical evidence on the complementarity between hard infrastructure and soft infrastructure, as captured by our indicators. Finally, drawing on estimates, we compute illustrative ad-valorem equivalents of improving each indicator halfway to the level of the top performer in the region.

Resource Curse and Power Balance: Evidence from Oil-Rich Countries

- World Development---2012---Kjetil Bjorvatn,Mohammad Reza Farzanegan,Friedrich Schneider

We examine the role of political fractionalization in understanding the “resource curse”. Using panel data for 30 oil-rich countries, we find that the income effect of resource rents is moderated by the political power balance. With a strong government, resource wealth can generate growth even in an environment of poorly developed institutions, while adding oil revenues to a weak government may have damaging effects on the economy. These results have important implications for the economic prospects of the oil-rich countries in the Middle East, which are currently undergoing profound political changes.

Natural Disasters and Growth: Going Beyond the Averages

- World Development---2012---Norman Loayza,Eduardo Olaberria,Jamele Rigolini,Luc Christiaensen

Despite the tremendous human suffering caused by natural disasters, their effects on economic growth remain unclear, with some studies reporting negative, and others indicating no or even positive effects. To reconcile

these seemingly contradictory findings reported in the literature, this study explores the effects of natural disasters on growth separately by disaster and economic sector. Applying a dynamic generalized method of moments panel estimator to a 1961–2005 cross-country panel dataset, three major insights emerge. First, disasters do affect economic growth but not always negatively, with effects that differ across types of disasters and economic sectors. Second, although moderate disasters (such as moderate floods) can have a positive growth effect in some sectors, severe disasters do not. Third, growth in developing countries is more sensitive to natural disasters than in developed ones, with more sectors affected and the effects larger and economically meaningful.

The Spatial Interdependence of FDI in Latin America

- World Development---2012---Luisa R. Blanco

Using a sample of 17 Latin American countries, with observations during 1986–2006, two forms of spatial interdependence of foreign direct investment (FDI) are explored: (1) surrounding market potential, and (2) spatial autocorrelation. We find that surrounding market potential has a positive significant effect on net FDI, but there is no evidence that FDI is spatially autocorrelated. Other factors that show a significant positive effect on FDI include control of corruption and exports of raw materials. When considering only FDI inflows from the US, we find that FDI is spatially autocorrelated, and that surrounding market potential is not significant.

Constrained Gazelles: High Potentials in West Africa' s Informal Economy

- World Development---2012---Michael Grimm,Peter Knorringa,Jann Lay

The informal sector is typically characterized as being very heterogeneous and possibly composed of two clearly distinct segments, sometimes called the lower and upper tiers. However, empirical evidence shows that even among lower tier entrepreneurs profitability

can be quite high. We combine these findings and develop an innovative approach to identify what we call “constrained gazelles” , next to the well-known survivalists in the lower tier and growth-oriented top-performers in the upper tier. Our sample of informal entrepreneurs in seven West-African countries allows to link the relative size of these three groups to the structural and macroeconomic environment in these countries.

Is the Informal Sector Constrained from the Demand Side? Evidence for Six West African Capitals

- World Development---2012---Marcus Böhme,Rainer Thiele

Employing a unique dataset that covers households from six West African capitals, this paper provides new evidence on the demand for informal sector products and services. We first investigate whether demand linkages exist between formal and informal products and distribution channels. In a second step, we estimate demand elasticities based on Engel curves. We find strong demand-side linkages between the formal and informal sector, with the exception that informal goods are hardly bought through formal distribution channels. The estimated demand elasticities tend to show that rising incomes are associated with a lower propensity to consume informal sector goods and to use informal distribution channels.

Challenging the Myths of Urban Dynamics in Sub-Saharan Africa: The Evidence from Nigeria

- World Development---2012---Deborah Potts

The evidence from censuses and satellite imagery is increasing that the rate at which many countries are becoming more urban in sub-Saharan Africa has slowed or is even stagnating. This has major policy implications. Many standard reviews of the region still, however, tend to maintain that urbanization is occurring rapidly but, as this paper demonstrates, the data used are frequently erroneous. Such errors are exacerbated by a lack of reasonable estimates of the size and growth of

towns in Nigeria, sub-Saharan Africa's most populous country with the region's most complex urban system. This paper also attempts to address this knowledge gap and shows how Nigeria's level of urbanization has also been significantly over-estimated.

Converting Asset Holdings into Livelihood: An Empirical Study on the Role of Household Agency in South Africa

- World Development---2012---Bret Anderson

This paper analyzes the complexities of converting assets into livelihood and the role that agency constraints play. Drawing inspiration from the capabilities approach and using household data from South Africa, linkages between assets and agency are identified by decomposing asset endowments' impact on future livelihood. By employing a method of path analysis akin to early heritability of traits studies, theoretical asset-based studies of chronic poverty are bridged with capabilities literatures. The interaction between assets and agency is shown to be as important as asset-to-asset complementarities. The results have wide ranging policy implications.

Seasonal Food Crises and Policy Responses: A Narrative Account of Three Food Security Crises in Malawi

- World Development---2012---Frank Ellis,Elizabeth Manda

This paper examines seasonal food price crises in Malawi. In the 2000s, Malawi experienced three episodes in which seasonal maize prices rose in 2001–02, 2004–05, and 2007–09 by 354%, 218%, and 395%, respectively. These extreme price spikes resulted from a sequential interaction of economic and political events. A repeated pattern of cause, inapt response and adverse outcome is identified. The relative neglect in vulnerability analysis of staple food price movements as lead indicators of impending food crises is emphasized, and implications are drawn for price stabilisation, public–private coordination and social protection policies.

As You Sow, So Shall You Reap: The Welfare Impacts of Contract Farming

- World Development---2012---Marc Bellemare

Contract farming is widely perceived as a means of increasing welfare in developing countries. Because of smallholder self-selection in contract farming, however, it is not clear whether contract farming actually increases grower welfare. In an effort to improve upon existing estimates of the welfare impacts of contract farming, this paper uses the results of a contingent-valuation experiment to control for unobserved heterogeneity among smallholders. Using data across several regions, firms, and crops in Madagascar, results indicate that a 1-percent increase in the likelihood of participating in contract farming is associated with a 0.5-percent increase in household income, among other positive impacts.

Economic Inequality and HIV in Malawi

- World Development---2012---Dick Durevall,Annika Lindskog

To analyze if the spread of HIV is related to economic inequality we estimate multilevel models of the individual probability of HIV infection among young Malawian women. We find a positive association between HIV infection and inequality at both the neighborhood and district levels, but no effect of individual poverty. We also find that the HIV–inequality relationship is related to risky sex, gender violence, and return migration, though no variable completely replaces economic inequality as a predictor of HIV infections. The HIV–inequality relationship does not seem to be related to bad health, gender gaps in education or women's market work.

Health Inequality between Ethnic Minority and Han Populations in China

- World Development---2012---Yusi Ouyang,Per Pinstrup-Andersen

This paper examines the health status of Chinese ethnic minorities using the China Health and Nutrition

Survey (CHNS) data collected during 1989–2006. We found negative and significant differences between minority and Han Chinese in a set of anthropometric measures for people of all age groups. OLS and province fixed-effects regressions suggest that the economic development level of the province of residence is a major factor contributing to the gap. Oaxaca decompositions further reveal that the observed health gap is mainly due to inequalities in endowments rather than inequalities in their effects.

Joining the Dots of Agrarian Change in Asia: A 25 Year View from Thailand

- World Development---2012---Jonathan Rigg,Albert Salamanca,Michael Parnwell

Following 77 households over 25 years, the paper traces agrarian change in two settlements in Northeast Thailand. This is distilled into three processes: a delocalisation of living, a disembedding of households, and a dissociation of the village-community, seen in a geriatrification of farming, the re-working of livelihood footprints, the generational drift of non-farm work, and increasing complexity in household form. Policy interventions need to acknowledge the mixed and mobile nature of rural living, the split personality of households, people's hybrid identities, and the diversity of activities in the countryside.

Equity in Climate Change: An Analytical Review

- World Development---2012---Aaditya Mattoo,Arvind Subramanian

This paper presents an analytical framework to encompass contributions to the literature on equity in climate change, and highlights the consequences—in terms of future emissions allocations—of different approaches to equity. These include: progressive cuts relative to historic levels; equal per capita emissions, historic responsibility, and ability to pay; and preserving future development opportunities. We show that because climate change goals dictate a stringent global carbon budget, each of the approaches to equity neces-

sarily imposes large costs on at least some groups of countries.

Governing International Advocacy NGOs

- World Development---2012---L. David Brown,Alnoor Ebrahim,Srilatha Batliwala

International advocacy NGOs (IANGOs) are increasingly important actors in the international arena. This paper provides a comparative analysis of the cases of ten IANGOs that operate in diverse advocacy contexts, including development, environment, governance, human rights, and constituent support. It examines the patterns of governance, organizational architecture, and advocacy effectiveness across the cases and generates six propositions that link governance, architecture, accountability, legitimacy, and effectiveness for such organizations.

Building a BRIC? Stock Market Opening and Investment Finance in India since Liberalization

- World Development---2012---Nicholas Snowden,Jesús Muñoz

Portfolio equity inflows have been a feature of India's improved growth performance in recent years. This study examines a possible connection through the equity financing of capital formation by manufacturing firms. Emphasis is placed on the funding preferences of owner-controlled enterprises with the empirical results connecting equity issues to the management of gearing and the availability of internal funds. This context suggests strongly that equity and debt are complementary choices, although two channels of influence—macroeconomic and allocative—combine to encourage investment spending, with pro-cyclical implications.

Trade Contraction and Employment in India and South Africa during the Global Crisis

- World Development---2012---David Kucera,Leanne Roncolato,Erik von Uexkull

The paper estimates the effects of the 2008–09 trade contraction on employment in India and South Africa,

using social accounting matrices (SAMs) in a Leontief multiplier model. Employment results are presented at aggregate and industry levels and examine gender and skills biases. The most notable finding is that India and South Africa experienced substantial employment declines as a result of trade contraction with the European Union and the United States. A large share of these declines occurred in the non-tradable sector and resulted from income-induced effects, illustrating how a shock originating in the tradable goods sector had strong ripple effects throughout these economies.

Changes in Wage Structure in Urban India, 1983–2004: A Quantile Regression Decomposition

- World Development---2012---Mehtabul Azam

This paper utilizes individual level earnings data from urban India to examine the evolution of wages during 1983–2004 across the entire wage distribution. Quantile regression analysis reveals that the effects of many covariates are not constant across distribution. Returns to secondary and tertiary education not only increased in the 1990s but also became more heterogeneous suggesting wage inequality may increase further in near future as more workers get higher education. Moreover, the quantile regression decomposition suggests that the increase in returns has been the driving force behind the increase in wages in both the 1980s and 1990s.

Inequality of Educational Opportunity in India: Changes Over Time and Across States

- World Development---2012---M Asadullah, Gaston Yalonetzky

This paper documents the extent of inequality of educational opportunity in India spanning the period 1983–2004 using National Sample Surveys. We build on recent developments in the literature that have operationalized concepts of inequality of opportunity theory and construct several indices of inequality of educational opportunity for an adult sample. Kerala stands out as the least opportunity-unequal state. Rajasthan, Gujarat, and Uttar Pradesh experienced large-scale

falls in the ranking of inequality of opportunities. By contrast, West Bengal and Orissa made significant progress in reducing inequality of opportunity. We also examine the links between progress toward equality of opportunity and a selection of pro-poor policies.

The Effect of Gender-Based Returns to Borrowing on Intra-Household Resource Allocation in Rural Bangladesh

- World Development---2012---Saad Alam

Income from rural microcredit borrowing can empower women and consequently lead to investments in children's education and health. This article examines the effect of male and female self-employment returns to borrowing in rural Bangladesh on intra-household resource allocation and decision making abilities and how these effects differ with different borrowing sources. Household expenditure patterns measure intra-household allocation. The results show that female borrowers are better able to allocate their income toward goods more valuable to them and make major household decisions when their income increases. This serves as evidence of increased empowerment or bargaining power of rural women in Bangladesh.

Microfinance and Moneylender Interest Rate: Evidence from Bangladesh

- World Development---2012---Debdulal Mallick

The linkage between the formal and informal credit markets in developing countries has largely been unexplored. This paper addresses one important aspect of the linkage by empirically investigating the impact of the intervention of microfinance programs on the moneylender interest rates in northern Bangladesh, and finds that moneylender interest rates increase with microfinance program coverage. Higher microfinance program coverage increases moneylender interest rates in the villages in which more loans are invested in productive economic activities than consumption. Borrowers resort to moneylenders for additional funds probably because of inadequate supply, unavailability

of seasonal working capital from MFIs, and tight repayment schedules, which in turn increase demand for moneylender loans.

Identity, Inequality, and Happiness: Evidence from Urban China

- World Development---2012---Shiqing Jiang,Ming Lu,Hiroshi Sato

This paper presents the impact of income inequality on subjective well-being using data from the 2002 Chinese Household Income Project (CHIP) Survey. We find that people feel unhappy with between-group inequality, as measured by the income gap between migrants without local urban hukou (household registration identity) and urban residents, irrespective of whether they are urban residents with or without local hukou. However, when we control for identity-related inequality and other individual, household, and city-level characteristics, inequality (as measured by city-level Gini coefficients) positively correlates with happiness. This study contributes to the inequality-happiness literature by distinguishing between the different effects of between-group and general inequality on happiness.

Women's Entry into Self-employment in Urban China: The Role of Family in Creating Gendered Mobility Patterns

- World Development---2012---Qian Forrest Zhang,Zi Pan

How did family characteristics affect women and men differently in self-employment participation in urban China? Analyses of national data show dual marriage penalties for women. Marketization made married women more vulnerable to lay-offs from state-sector jobs; their likelihood of being pushed into unskilled self-employment surpassed that of any other groups. The revitalized patriarchal family tradition favored men in family businesses and resulted in their higher rates of entering entrepreneurial self-employment. Married women who had the education to pursue entrepreneurial self-employment were constrained by family responsibilities to state-sector jobs for access to

family services, and had much lower rates in entering self-employment.

Auction Design for the Private Provision of Public Goods in Developing Countries: Lessons from Payments for Environmental Services in Malawi and Indonesia

- World Development---2012---Oluyede Ajayi,B. Kelsey Jack,Beria Leimona

Payments for environmental services programs use direct incentives to improve the environmental impacts of private land use decisions. An auction offers an approach to efficiently allocating contracts among least-cost landholders, which can improve the overall cost-effectiveness of the approach. However, experiences with auctions in developing country settings are limited. We compare the results of two case studies that use auctions to allocate payments for environmental service contracts in Indonesia and Malawi. While the settings and the contracts differ, regularities in auction design allow comparisons and general lessons about the application of auctions to payments for environmental services programs.

Hunting for the Benefits of Joint Forest Management in the Eastern Afromontane Biodiversity Hotspot: Effects on Bushmeat Hunters and Wildlife in the Udzungwa Mountains

- World Development---2012---Martin Reinhardt Nielsen,Thorsten Treue

Based on a 7year temporal comparison, the effect of joint forest management (JFM) in the New Dabaga Ulangambi Forest Reserve in the Udzungwa Mountains, Tanzania is evaluated. Using bushmeat hunting as an indicator, conservation outcomes, livelihoods effects, and changes in governance are analyzed. Results show that JFM effectively reduced bushmeat hunting thus facilitating wildlife recovery but with negative consequences for hunters' livelihoods. Problematic governance outcomes stemming from poor design and implementation of JFM furthermore undermined hunters' willingness to comply with wildlife management rules.

In combination, results suggest that JFM can work as intended if fundamental governance problems are adequately addressed.

Land Acquisition and the Adoption of Soil and Water Conservation Techniques: A Duration Analysis for Kenya and The Philippines

- World Development---2012---Remco Oostendorp,Fred Zaal

This paper analyzes the adoption behavior of smallholder farmers using comparable plot-level duration data for Kenya and The Philippines. We find that adoption behavior is strongly linked to the process of land ownership transfer. This relationship is found both for data from Kenya and The Philippines and is robust to the inclusion of observed and unobserved village, household, plot, and time factors. While previous studies on adoption using duration or panel data have focused on the role of various changing village- and household-level factors, no previous adoption study has emphasized the crucial role of land ownership changes. As a corollary, the paper argues that policy-makers should look at the role of land market dynamics for investment in land.

Linking Smallholders to Markets: Determinants and Impacts of Farmer Collective Action in Kenya

- World Development---2012---Elisabeth Fischer,Matin Qaim

This article investigates determinants and impacts of cooperative organization, using the example of smallholder banana farmers in Kenya. Farmer groups are inclusive of the poor, although wealthier households are more likely to join. Employing propensity score matching, we find positive income effects for active group members. Yet price advantages of collective marketing are small, and high-value market potentials have not yet been tapped. Beyond prices, farmer groups function as important catalysts for innovation adoption through promoting efficient information flows. We discuss the conditions under which collective action

is useful, and through what mechanisms the potential benefits emerge.

The Economic Sustainability of Certified Coffee: Recent Evidence from Mexico and Peru

- World Development---2012---Bradford L. Barham,Jeremy Weber

Consumers increasingly act on preferences for a more just and sustainable world by purchasing certified agricultural products. Using survey data from coffee growers in Mexico and Peru, we explore the economic sustainability of certified coffee, looking at conventional, Fair Trade/organic, and Rainforest Alliance certified growers. The analysis reveals that yields rather than price premiums are most important for increasing net cash returns for coffee growing households. Given the link between net returns and producer participation in certified coffee schemes, the findings suggest that certification norms that permit improving yields are essential for improving grower welfare and attracting and maintaining growers.

Where Do The Poor Live?

- World Development---2012---Andy Sumner

This paper argues that the distribution of global poverty has changed and that most of the world's poor no longer live in countries officially classified as low-income countries (LICs). It is estimated that the majority of the world's poor, or up to a billion people, live in middle-income countries (MICs). This pattern is largely as a result of the recent graduation into the MIC category of a number of populous countries. The paper discusses the trends in the distribution of global poverty, and opens a wider discussion on the potential implications for aid and development cooperation.

A Household-Based Human Development Index

- World Development---2012---Kenneth Harttgen,Stephan Klasen

One of the most serious weaknesses of the human development index (HDI) is that it does not take into

account the distribution of human development within a country. All attempts to capture inequality in the HDI have used aggregate information and there exists no HDI at the household level. We provide a method for proxying the HDI at the household level. This allows the immediate analysis of human development by population subgroups and/or socioeconomic characteristics as well as analysis of inequality in human development across population subgroups and households characteristics. We illustrate our approach for 15 developing countries. Inequality in the HDI is stunningly large for some countries, particularly in countries with low overall human development, driven mostly by very high inequality in the education and income components of the HDI.

The Good Governance Indicators of the Millennium Challenge Account: How Many Dimensions are Really Being Measured?

- World Development---2012---Martin Knoll,Petra Zloczynski

This paper assesses the validity of the perception-based governance indicators used by the US Millennium Challenge Account (MCA) for aid allocation decisions. By conducting Explanatory and Confirmatory Factor Analysis of data from 1996 to 2009, we find that although the MCA purports to measure seven distinct dimensions of governance, only two discrete underlying dimensions, the perceived “participatory dimension of governance” and the perceived “overall quality of governance,” can be identified. Our results also show that some of the doubts that have been raised concerning the validity of perception-based governance indicators are less warranted when the indicators are applied exclusively to developing countries.

Vulnerability, Income Growth and Climate Change

- World Development---2012---Patrick Ward,Gerald Shively

Cross-country data on energy consumption, per capita gross domestic product (GDP), and a social vulnera-

bility index are used to measure changes in vulnerability associated with changes in per capita GDP and per capita energy consumption. Energy consumption, through its non-linear effect on per capita income, reduces a country’s overall vulnerability by a greater amount at moderate incomes than at low or high incomes. An implication is that policies aimed at reducing carbon emissions in developing countries are unlikely to significantly affect vulnerability to the risks arising from climate change, especially at very low incomes.

Revisiting the Trade-Migration Nexus: Evidence from New OECD Data

- World Development---2012---Gabriel Felbermayr,Farid Toubal

International migrants contribute to bilateral trade creation if their presence reduces information costs or entails additional demand for goods from their source countries. Using new data on stocks of foreign-born individuals by skill class, we try to separately quantify those two channels. We assume that improved information affects host countries’ imports and exports symmetrically, while the preference channel matters for imports only. On average, for differentiated goods, both channels contribute evenly toward the total trade-creating effect of migration. In line with expectations, the relative importance of the trade cost channel is largest for homogeneous goods and for high-skilled migrants.

Migration, Human Capital Formation, and Growth: An Empirical Investigation

- World Development---2012---Corrado Di Maria,Emiliya Lazarova

We study the effect of skilled emigration on human capital formation and growth in a sample of developing countries. We find that the migration rate exerts statistically significant effects on both the level and the composition of human capital. We are able to trace the impact of these changes on the growth rate of sending countries via regression analysis and simulations. Our

results show that while there are both winners and losers, almost 70% of the population in our sample suffers lower growth as a consequence of skilled migration. Moreover, the losses are concentrated in countries with low levels of technological sophistication.

Skill Distribution and Comparative Advantage: A Comparison of China and India

- World Development---2012---Yoko Asuyama

This paper empirically examines the different comparative advantages of China and India, in relation to their different skill distribution patterns. By utilizing industry export data on China and India from 1983 to 2000, we find that a country with a greater dispersion of skills (i.e., India, especially in the earlier years) has higher exports in industries with shorter production chains, while a country with a more equal dispersion of skills (i.e., China, especially in the later years) has higher exports in industries with longer production chains. The causal relationship is fairly robust and skill sorting mechanism seems to work behind.

State-led Technological Development: A Case of China's Nanotechnology Development

- World Development---2012---Can Huang, Yilin Wu

We analyze nanotechnology patent applications filed in China from 1998 to 2008 and find that the extraordinary pace of nanotechnology development achieved over that period has been promoted primarily by the public sector rather than being driven by industry and market forces. This finding implies that developing countries such as China with public research capacity and commitment to technological development can make rapid progress in basic research in emerging technologies, but it remains uncertain whether and when local industry can benefit from public R&D investment enough to enable active development of indigenous innovation.

The Benefits of Formalization: Evidence from Vietnamese Manufacturing SMEs

- World Development---2012---John Rand, Nina Torm

Based on unique panel data consisting of both formal and informal firms, this paper uses a matched double difference approach to examine the relationship between legal status and firm level outcomes in micro, small and medium manufacturing enterprises (SMEs) in Vietnam. Controlling for determining factors and observable time-variant factors that may simultaneously influence the decision to formalize and subsequent firm performance, we find evidence that becoming officially registered leads to an increase in profits and investments, and a decrease in the use of casual labor (improved contract conditions for workers). Thus, we conclude that formalizing is beneficial both to firms and the workers in these firms.

The Impact of Connectivity on Market Interlinkages: Evidence from Rural Punjab

- World Development---2012---Mahvish Shami

Up to the 1980s it was generally accepted that many key issues in agrarian development could not be studied without an understanding of market interlinkages. Recently, however, this theory has lost its importance in development literature. Based on a household-level survey from rural Pakistan, this paper seeks to reintroduce the importance of interlinkages by illustrating their exploitative potential, particularly in unequal isolated villages where landlords are essentially monopolist/monopsonist. The solution proposed is to break isolation. Making use of an exogenous shock found in the construction of a motorway, the study finds that while connectivity does not break interlinkages completely, it does significantly reduce their exploitative nature.

Local Entrepreneurship within Global Value Chains: A Case Study in the Mexican Automotive Industry

- World Development---2012---Oscar F. Contreras,Jorge Carrillo,Jorge Alonso

Since the 1980s, Mexico became an attractive location for global automobile assemblers. Geographical proximity and low production costs were associated with high productivity. As this industry became highly concentrated, benefits for the host localities turned into a controversial issue.

Understanding and Improving Accountability in Education: A Conceptual Framework and Guideposts from Three Decentralization Reform Experiences in Latin America

- World Development---2012---Alec Ian Gershberg,Pablo Gonzalez,Ben Meade

Many countries have emphasized hierarchical control or different exit and voice mechanisms to increase accountability of educational systems. We build a framework for understanding accountability reforms and develop three illustrative Latin American cases representing distinct approaches (Chile, Nicaragua, and Bogotá, Colombia). We highlight the complexity of institutional change and the value of flexible reform models. Using an institutional perspective we examine the components of accountability; their complex interrelationships; and the importance of design details, implementation, and monitoring. We argue for balancing clear and efficient top-down monitoring and enforcement with other, less punitive accountability mechanisms including strong local quality support systems.

Distributive Politics and Conditional Cash Transfers: The Case of Brazil' s Bolsa Família

- World Development---2012---Brian J. Fried

Brazilian politicians have long relied on pork and clientelism to win political support, and recent literature suggests that little has changed. However, researchers

have yet to systematically investigate whether political criteria influence the distribution of funds through Bolsa Família. This is especially surprising given the program' s prominence in the international community. In this paper, I examine whether political criteria explain the federal government' s distribution of Bolsa Família. I find little evidence that political criteria explain the difference between the number of poor families that live in a municipality and the number of families that receive support. I conclude by discussing the broader significance of this large, programmatic policy to Brazil' s political development.

Do External Grants to District Governments Discourage Own Revenue Generation? A Look at Local Public Finance Dynamics in Ghana

- World Development---2012---Tewodaj Mogues,Samuel Benin

Using rich panel data on all of Ghana' s districts' local public finances over 11 years, this paper investigates the way that intergovernmental and other transfers to local governments affect local governments' incentives to collect internally generated revenues and funds (IGF). We find that despite an incentive scheme built into one of the major intergovernmental grants, the flow of all grants taken together discourages, rather than encourages, IGF. This is reflected both in the depressing effect of transfers on IGF levels, as well as on IGF growth.

Wildlife Conservation in Zambia: Impacts on Rural Household Welfare

- World Development---2012---Robert B. Richardson,Ana Fernandez,David Tschirley,Gelson Tembo

We investigate the impact of wildlife conservation policies in Zambia on household welfare in game management areas (GMAs), which are buffer zones around national parks. Analysis of data from a nationwide survey of rural households shows that GMAs are positively associated with household income and crop damage from wildlife conflicts. Gains and damages were greatest among households in GMAs with greater wildlife

diversity, with net gains relatively greater for wealthier households. Households in prime (well stocked) GMAs were more likely to participate in off-farm wage and self-employment compared to other rural households, but they were also more likely to suffer crop losses related to wildlife conflicts. The findings suggest that wildlife conservation and tourism development can contribute to pro-poor development, but may be sustainable only if human–wildlife conflicts are minimized or compensated.

Remittances and Institutions: Are Remittances a Curse?

- World Development---2012---Yasser Abdih,Ralph Chami,Jihad Dagher,Peter Montiel

This paper addresses the complex and overlooked relationship between the receipt of workers’ remittances and institutional quality in the recipient country. Using a simple model, we show how an increase in remittance inflows can lead to deterioration of institutional quality—specifically, to an increase in the share of funds diverted by the government for its own purposes. In a cross section of 111 countries we empirically verify this proposition and find that a higher ratio of remittances to GDP leads to lower indices of control of corruption, government effectiveness, and rule of law, even after controlling for potential reverse causality.

Hard or Soft Pegs? Choice of Exchange Rate Regime and Trade in Africa

- World Development---2012---Mahvash Qureshi,Charalambos Tsangarides

This paper revisits the link between fixed exchange rate regimes and trade in the context of Africa’ s exchange rate arrangements, differentiating the effects of hard pegs (currency unions) from conventional soft pegs. Using a novel dataset of exchange rate regime classification, the paper augments the gravity model of bilateral trade flows with measures of currency unions and conventional pegged arrangements, and benchmarks Africa’ s experience against the rest of the world. We find that in both samples, currency unions

and pegs increase trade vis-à-vis more flexible exchange rate arrangements through channels in addition to reduced exchange rate volatility; however the effect is almost twice as large for Africa. In addition, the trade-generating effect of pegs is at least as large for Africa as that of currency unions, suggesting that pegs could present a viable option—perhaps an alternative to currency unions—to promote trade in the region.

Aid, Real Exchange Rate Misalignment, and Economic Growth in Sub-Saharan Africa

- World Development---2012---Ibrahim A. Elbadawi,Linda Kaltani,Raimundo Soto

Generating sustained growth in Sub-Saharan Africa (SSA) is one of the most pressing challenges in global development. As the region clearly needs assistance to jump start its development, foreign aid becomes crucial. This paper investigates the nexus between foreign aid, exchange rate misalignment, and economic growth in SSA. Contrary to conventional wisdom, we do not find aid to be a major contributor to exchange rate overvaluation. In addition, we found that aid fosters growth but its impact is weaker in countries with overvalued exchange rates. Furthermore, we found that overvaluation reduces growth but its negative effect is ameliorated by financial development.

The Rise of Large Farms in Land Abundant Countries: Do They Have a Future?

- World Development---2012---Klaus Deininger,Derek Byerlee

Resurgent interest in agriculture raises issues about agrarian structure and the balance between large and small farms that have thus far been addressed mainly from a smallholder angle. We identify economic and policy factors that contributed to episodes of large farm growth, their impact, and ways in which these may have changed recently. An analysis of recent land demand from large investors suggests that greater clarity in the definition of property rights, attention to employment effects and technical viability, and mechanisms to re-allocate land from unsuccessful ventures

to more productive entrepreneurs will be critical to facilitate better developmental outcomes.

Smallholder Participation in Contract Farming: Comparative Evidence from Five Countries

- World Development---2012---Christopher Barrett,Maren E. Bachke,Marc Bellemare,Hope Michelson,Sudha Narayanan,Thomas F. Walker

Supermarkets, specialized wholesalers, processors, and agro-exporters are transforming the marketing channels into which smallholder farmers sell produce in low-income economies. We develop a conceptual framework with which to study contracting between smallholders and a commodity-processing firm. We then synthesize results from empirical studies of contract farming arrangements in five countries (Ghana, India, Madagascar, Mozambique, and Nicaragua). The resulting meta-narrative documents patterns of participation, the welfare gains associated with participation, reasons for nonparticipation, the significant extent of contract noncompliance, and the considerable dynamism of these value chains as farmers and firms enter and exit frequently.

Triggers and Characteristics of the 2007 Kenyan Electoral Violence

- World Development---2012---Stefan Dercon,Roxana Gutiérrez-Romero

Following the disputed 2007 Kenyan Presidential election unprecedented levels of violence erupted across the country adding to the history of troubled elections in Africa. This paper offers quantitative and qualitative evidence on the issues that triggered the electoral violence, its incidence, and impacts. Using two surveys conducted before and after the election we find that one out of three Kenyans was affected by the violence regardless of their ethnicity and wealth. The chances of being a victim of violence were higher in areas with land conflicts and where politically-connected gangs operated. Violence, which was mainly triggered by the perception that the election had been rigged, increased

support toward lawlessness, reduced trust and social capital among communities.

Conflict Management, Decentralization and Agropastoralism in Dryland West Africa

- World Development---2012---Matthew D. Turner, Augustine A. Ayantunde, Kristen P. Patterson, E. Daniel Patterson

This paper reports on a four-site study conducted in the Sahelian zone of Niger. The study takes a novel mixed methods approach for understanding conflict management from the perspective of rural peoples by not only describing past highly publicized conflicts but also by analyzing the steps rural peoples follow to management disagreements that arise in their everyday lives. This “bottom-up” approach reveals both a capacity and preference among our informants to manage disagreements informally without involving village or extra-village authorities. Decentralization initiatives, by reworking the authority and responsibilities of authority-based systems, affect the role that these informal mechanisms, as mediated by social norms and relations, play in conflict management.

Pitfalls of Externally Initiated Collective Action: A Case Study from South Africa

- World Development---2012---Björn Vollan

Namaqualand government officials face a strong obligation to empower formerly disadvantaged communities by delegating tasks or devolving power. Theoretically, the external agents capitalize on existing network structures, norms, and trust relations within a village in order to stimulate collective action. In practice, single purpose committees are often set up in communities with high unemployment and where people have no resources for successful collective action. This study aggregates household level data and combines it with a community level survey to provide evidence that a high number of externally initiated committees have a negative effect on aggregated trust and reciprocity within a community. This is caused by a stronger lack of downward accountability and transparency as well

as coordination problems leading to unclear leadership. Further, a comparison between the “old” and “new” commons shows that because communities have different histories and thus different social cohesion and fundraising willingness, their relative advantages in the devolution process differ.

Minimum Wages and Household Poverty: General Equilibrium Macro–Micro Simulations for South Africa

- World Development---2012---Karl Pauw,Murray Leibbrandt

The poverty-reducing effects of minimum wages depend on its effectiveness in targeting the poor and the extent to which job losses and price increases offset income gains. We develop a general equilibrium microsimulation model to simulate the economywide effects of minimum wages in South Africa. We find minimum wages lead to a marginal decline in poverty and overall inequality. However, job losses are more likely to affect the poorest among minimum wage workers, while rising production costs reduce overall household welfare. The policy is not an effective anti-poverty tool in South Africa given poor targeting and adverse price effects, which are often unaccounted for in policy simulations.

Persistent Poverty in Rural China: Where, Why, and How to Escape?

- World Development---2012---Thomas Glauben,Thomas Herzfeld,Scott Rozelle,Xiaobing Wang

Using rural household panel data from three Chinese provinces, this paper identifies determinants of long-term poverty and tests the duration dependence on the probability to leave poverty. Special emphasis is given to the selection of the poverty line and inter-regional differences across provinces. Results suggest that the majority of population seems to be only temporary poor. However, the probability to leave poverty for those who were poor is differently affected by poverty duration across provinces ranging from no duration dependence in Zhejiang to highly significant duration

dependence in Yunnan. The number of nonworking family members, education, and several village characteristics seem to be the most important covariates.

Knowledge Transfer from TNCs and Upgrading of Domestic Firms: The Polish Automotive Sector

- World Development---2012---Gentile-Lüdecke Simona,Giroud Axèle

This paper focuses on the impact of vertical knowledge transfer from foreign affiliates of Transnational Corporations (TNCs) to indigenous Polish suppliers. Firm-level data was collected through a survey among foreign affiliates and domestic suppliers in the Polish automotive sector. The study finds that foreign firms contribute to the knowledge base of local firms, and that the knowledge domestic suppliers receive enables them to enhance their performance, but also that it is R&D intensity that is critical for suppliers’ new knowledge creation. Inter-firm relationships are shown to play a significant role in the process of knowledge transfer and acquisition between foreign firms and domestic suppliers

Consumers’ Welfare and Trade Liberalization: Evidence from the Car Industry in Colombia

- World Development---2012---Jorge Tovar

This paper examines the effects of tariff removal on consumers’ welfare focusing on the Colombian trade liberalization process and its automobile industry. Using product level data this paper calculates the post-reform gains in consumers’ welfare to be just below three thousand dollars per purchaser. Counterfactual simulations suggest that the gains achieved are due, for the most part, to increased variety rather than to price competition.

Trade Liberalization, Inequality, and Poverty in Brazilian States

- World Development---2012---Marta Castilho,Marta Menéndez,Aude Sztulman

This paper studies the impact of globalization on household income inequality and poverty using detailed microdata across Brazilian states from 1987 to 2005. Results suggest that trade liberalization contributes to growth in poverty and inequality in urban areas and may be linked to reductions in inequality (possibly poverty) in rural areas. In terms of observed integration into world markets, we find evidence indicating that in Brazil both state poverty and inequality decrease with rising export exposure but state poverty increases with import penetration.

Comparing Forest Decentralization and Local Institutional Change in Bolivia, Kenya, Mexico, and Uganda

- World Development---2012---Eric A. Coleman, Forrest D. Fleischman

In this paper we assess the institutional and environmental impacts of forest decentralization in Bolivia, Kenya, Mexico, and Uganda. We develop theories of institutional impacts based upon the specific content of decentralization reforms. We classify each country's reforms in terms of the creation/change in local user group empowerment and accountability mechanisms. Using data from the International Forestry Resources and Institutions Program, we estimate the effects of forest decentralization on local forest investments, rule-making, wealth inequality, and forest conditions in the four countries. Some results support our theory, but the theory is insufficient to explain the full range of outcomes.

Welfare Outcomes and the Advance of the Deforestation Frontier in the Brazilian Amazon

- World Development---2012---Danielle Celenzano, Erin Sills, Marcio Sales, Adalberto Veríssimo

Frontier expansion in the Brazilian Amazon is often described as “boom-bust” development. We critically assess this characterization by mapping and estimating statistical models of welfare as a function of deforestation at the municipal level. After controlling

for potential confounding variables and spatial autocorrelation, estimation results are consistent with a frontier “boom” generated by exploitation of natural resources, followed by a “bust” during which forests continue to fall but there is no compensating gain in welfare. However, average per capita welfare increases again with deforestation at very high levels. This second turning point in average welfare, along with the strong bivariate correlation between deforestation and municipal GDP/km², may encourage local leaders to equate deforestation with development. This confirms the need for international incentive payments for global public goods, such as biodiversity and carbon sequestration, that are provided by the Amazon forest.

Governance, Private Investment and Foreign Direct Investment in Developing Countries

- World Development---2012---Oliver Morrissey, Manop Udomkerdmongkol

This paper uses annual aggregate data for 46 developing countries covering the period 1996–2009 to investigate if FDI crowds out domestic private investment and if alternative elements of governance have differing effects on the relationship between FDI and private investment. Results suggest that total investment (FDI and private) is greater in countries with good governance, there is evidence of crowding out (FDI displaces domestic private investment), and the extent of crowding out is related to governance. Corruption and political instability are the governance indicators that appear to have the greatest impact on investment. Political stability is found to be the most important aspect of governance in terms of the relationship between FDI and domestic private investment: an increase in FDI has the greatest effect on reducing private investment (but increasing total investment) in politically stable regimes.

The Impact of the Strategic Sale of Restructured Banks: Evidence from Indonesia

- World Development---2012---Rasyad Parinduri, Yohanes Riyanto

We examine the effect of strategic sale, which is the sale of banks to strategic foreign investors, on bank performance. The Government of Indonesia implemented such a policy as part of a bank restructuring in the aftermath of the 1998 banking crisis. Using difference-in-differences models, we find that strategic sale leads to a 12–15% cost reduction. These results are robust to the use of other estimators such as difference-in-differences matching estimators and stochastic-frontier analysis, to that of other performance measures such as return on assets and net interest margin, and to that of different sample types. These results suggest that strategic sale could play an important role in restructuring troubled banks in developing countries.

How Can Micro and Small Enterprises in Sub-Saharan Africa Become More Productive? The Impacts of Experimental Basic Managerial Training

- World Development---2012---Yukichi Mano,Alhassan Iddrisu,Yutaka Yoshino,Tetsushi Sonobe

The vast majority of micro and small enterprises (MSEs) in developing countries are located in industrial clusters, and the majority of such clusters have yet to see their growth take off. The performance of MSE clusters is especially low in Sub-Saharan Africa. While existing studies often attribute the poor performance to factors outside firms, problems within firms are seldom scrutinized. In fact, entrepreneurs in these clusters are unfamiliar with standard business practices. Based on a randomized experiment in Ghana, this study demonstrates that basic-level management training improves business practices and performance.

Changes in Trade Policies and the Heterogeneity of Domestic and Multinational Firms' Strategic Response: The Effects on Firm-Level Capabilities

- World Development---2012---Jahan Ara Peerally,John Cantwell

After the Multi-Fiber Agreement ended in 2005, most

Asian-owned subsidiaries exited the Mauritius export processing zone (MEPZ), while most European-owned subsidiaries and domestic firms remained and further integrated their presence in the MEPZ. Based on the heterogeneity of their strategic response to changes in trade policies, we hypothesize that Asian-owned subsidiaries did not, during their operating life-time in the MEPZ, actively engage in creating technological capabilities when compared to their European-owned and domestic counterparts. Our results support our hypothesis and we discuss their serious implications for other Sub-Saharan African textile-based EPZs in connection to the African Growth and Opportunity Act.

The Political Economy of Relief Aid Allocation: Evidence from Madagascar

- World Development---2012---Nathalie Francken,Bart Minten,Johan Swinnen

This paper studies the political economy of relief allocation using evidence from aid programs after cyclone Gafilo hit Madagascar in 2004. Relief was provided by the government as well as local and international aid agencies. Aid was more likely in areas with a higher need for relief, in more easily accessible communes and in cyclone-affected communes with higher radio coverage and stronger political support for the government. Compared to relief provided by the government, aid by agencies was less affected by media or political factors, but more likely to go to poorer and more easily accessible communes, unconditional on impact.

The Impact of the Global Economic Crisis on HIV and AIDS Programs in a High Prevalence Country: The Case of Malawi

- World Development---2012---John E. Serieux,Spy Munthali,Ardeshir Sepehri,Robert White

This paper examines the effect of the global financial crisis on the delivery of HIV and AIDS-related services in Malawi. It does so by examining the direct effect of the crisis on Malawi's economy and the financing experience of civil society organization involved in the

delivery of services. The paper finds that Malawi's economy survived the global crisis relatively unscathed but there was clear evidence of a sharp deterioration in funding for agencies engaged in HIV- and AIDS-related programs in 2008 and 2009. Thus the gap between service delivery and service demand appears to have increased considerably in those years.

Citizen Perceptions of Local Government Responsiveness in Sub-Saharan Africa

- World Development---2012---Michael Bratton

This article focuses on political relationships between citizens and local government in sub-Saharan Africa, with special attention to leadership responsiveness. Cross-national survey data provide popular insights into performance. Citizens regard local councils as weak institutions with limited functions (rarely performed well) and elected councilors as largely unresponsive. Although civic activism is a corrective, people have yet to make use of tax payment as a device to hold councilors accountable. In endeavoring to improve client satisfaction, policy actors should attend as much to the procedural dimensions of local government performance as to the substance of service delivery.

Community Organized Household Water Increases Not Only Rural incomes, but Also Men's Work

- World Development---2012---Ben Crow, Brent Swallow, Isabella Asamba

This paper explores community-organized, household water supply in seven communities in western Kenya. We compare water use, labor use, income and the conditions for collective action in three sets of communities: two have protected springs and piped homestead connections; two have protected springs but no homestead connection; and three draw potentially contaminated water from unprotected springs.

Institutional Determinants of Success Among Forestry-Based Carbon Sequestration Projects in Sub-Saharan Africa

- World Development---2012---Travis W. Reynolds

This paper contributes to the debate on the economic and social implications of carbon forestry through the study of 42 programs in Africa using carbon offset payments to fund tree-planting activities. Such projects may be understood as multi-layered collective action problems: growing trees for carbon offsets requires not only international financial incentives to plant trees, but also local institutions to monitor, impose sanctions, and distribute benefits. Consistent with economic theories, large projects appear to realize economies of scale. Contrary to expectations, community-based projects on lower-quality sites often successfully generate and sell offsets, while private for-profit initiatives appear susceptible to collapse.

Swimming Upstream: Local Indonesian Production Networks in "Globalized" Palm Oil Production

- World Development---2012---John F. McCarthy, Piers Gillespie, Zahari Zen

When agricultural commodities in developing countries experience an economic boom, they offer potential pathways out of poverty while creating environmental and social problems. While recent research provides insights into the governance of international supply chains, it provides less analysis of the local production networks creating critical problems. Indonesia is now the world's largest exporter of crude palm oil. This paper analyses processes of oil palm development in three oil palm districts. It considers how policy models, regime interests, and agribusiness strategies shape local production networks, generate local outcomes, and affect the possibilities of tackling issues associated with this boom.

The Impact of Fair Trade Certification for Coffee Farmers in Peru

- World Development---2012---Ruerrubén, Ricardo Fort

Smallholder farmers producing for Fair Trade market outlets are usually considered to benefit from better prices and stable market outlets. However, many empirical studies verifying this impact suffer from strong selection bias. This study uses a balanced sample of Fair Trade farmers and likewise nonFair Trade producers of organic and conventional coffee from Peru to compare the net effects on production, income and expenditures, wealth and investments, and attitudes and perceptions. After careful matching, we find only modest direct income and production effects, but significant changes in organization, input use, wealth and assets, and risk attitudes. Moreover, important differences between farmers with early and more recent FT affiliation are registered.

An Empirical Analysis of Gender Bias in Education Spending in Paraguay

- World Development---2012---Thomas Masterson

Gender affects household spending in two areas that have been widely studied in the literature. One strand documents that greater female bargaining power within households results in a variety of shifts in household production and consumption. One important source of bargaining power is ownership of assets, especially land. Another strand examines the gender bias in spending on children. This paper addresses both strands simultaneously. In this paper, differences in spending on education are examined empirically, both at the household and individual levels. Results are mixed, though the balance of evidence weighs toward pro-male bias in spending on education at the household level. Results also indicate that the relationship between asset ownership and female bargaining power within the household are contingent on the type of asset.

Skill Premium in Chile: Studying Skill Upgrading in the South

- World Development---2012---Francisco Gallego

I study whether the evolution of the relative demand for skilled workers is a consequence of international transmission of skill upgrading technologies from developed countries (in particular the US) to developing ones. Using data for Chile from 1960 to 2000, I present sectoral and macro evidence consistent with this hypothesis and that does not support alternative hypotheses related to trade theories emphasizing the role of price effects, trade in intermediate goods and outsourcing, or competition effects in tradable markets.

Measurement of Women' s Empowerment in Rural Bangladesh

- World Development---2012---Simeen Mahmud, Nirali M. Shah, Stan Becker

Women' s empowerment is a dynamic process that has been quantified, measured, and described in a variety of ways. We measure empowerment in a sample of 3,500 rural women in 128 villages of Bangladesh with five indicators. A conceptual framework is presented, together with descriptive data on the indicators. Linear regressions to examine effects of covariates show that a woman' s exposure to television is a significant predictor of three of the five indicators. A woman' s years of schooling is significantly associated with one of two self-esteem indicators and with freedom of mobility. Household wealth has a significant and positive association with a woman' s resource control but a significant negative association with her total decision-making score.

Heterogeneous Effects of International Migration and Remittances on Crop Income: Evidence from the Kyrgyz Republic

- World Development---2012---Aziz Atamanov, Marrit Van den Berg

This paper uses a unique representative household budget survey from the Asian Development Bank to

analyze the impact of international migration and remittances on crop income of rural farmers in the Kyrgyz Republic. Unlike other studies we allow the impact of remittances to be different for farmers with different land size and test whether reduced labor availability is more relevant for permanent than for seasonal migrants. We find that losing family members has a significant negative effect on crop income, but only for permanent migrants. Remittances partially compensate for this, but their positive impact decreases with farm size.

Hidden Child Labor: Determinants of Housework and Family Business Work of Children in 16 Developing Countries

- World Development---2012---Ellen Web-bink,Jeroen Smits,Eelke de Jong

Two forms of “hidden” child labor – housework and family business work – are studied for 178,000 children in 16 African and Asian countries. About 30% of African children and 11% of Asian children work over 15h a week in hidden child labor. Girls are more involved in housework and boys more in family business work, but this division is not strict. Most (80–90%) of variation is due to household factors. Children work less in urban, less traditional, and more educated areas. Gender differences are larger in Asia, probably due to a stricter form of patriarchy.

Competition Between Microfinance NGOs: Evidence from Kiva

- World Development---2012---Pierre Ly,Geri Ma-son

This paper investigates empirically the effect of competition between microfinance NGOs seeking subsidized capital from individual social investors. Although NGO behavior in competitive environments is often subject to controversy, there is little formal empirical evidence to illustrate theoretical findings and inform policy. Using data from Kiva, an online peer-to-peer (P2P) microfinance platform, we find that competition has a sizable negative impact on projects’ funding speed and that the effect is stronger between close substitutes.

This is important because competition for subsidized capital implies organizational pressures similar to those faced when NGOs compete for donations.

Disaggregated Capital Flows and Developing Countries’ Competitiveness

- World Development---2012---Sami Ben Naceur,Damyana Bakardzhieva,Bassem Ka-mar

Attracting capital and foreign exchange flows is crucial for developing countries. Yet, these flows could lead to real exchange rate appreciation and may thus have detrimental effects on competitiveness, jeopardizing exports and growth. We investigate this dilemma by comparing the impact of six types of flows on real exchange rate behavior in a sample of 57 developing countries covering Africa, Europe, Asia, Latin America, and the Middle East. The results reveal that portfolio investments, foreign borrowing, aid, and income lead to real exchange rate appreciation, while remittances have disparate effects across regions. Foreign direct investments have no effect on the real exchange rate, contributing to resolve the above dilemma.

Rigidities in Employment Protection and Exporting

- World Development---2012---Murat Seker

There have been significant improvements in traditional trade policies in the past few decades. However, these improvements can only be fully effective when they are complemented with a favorable investment climate. This study focuses on a particular aspect of investment climate, namely labor regulations, and shows how these regulations can be discouraging from exporting. Using firm level data from 26 countries in Eastern Europe and Central Asia region, the paper empirically shows that firms that cannot create new jobs due to stringent labor regulations are less likely to export. Firms that plan to export expand their sizes before they start to export. However, the rigidities in labor markets make this adjustment process costly. Higher costs of employment decrease operating profits and lead to a

higher productivity threshold level required for entering export markets. As a result, a smaller fraction of firms can afford to export.

Are Skilled Women More Migratory than Skilled Men?

- World Development---2012---Frédéric Docquier,Abdeslam Marfouk,Sara Salomone,Khalid Sekkat

This paper empirically studies emigration patterns of skilled males and females. In the most relevant model accounting for interdependencies between women and men’ s decisions, we derive the gendered responses to traditional push factors. Females and males do not respond with the same intensity to the traditional determinants of labor mobility and gender-specific characteristics of the population at origin. In addition, female willingness to follow their spouse is more pronounced with respect to the male one, other things being equal. Once such interdependencies are accounted for, our analysis reveals that skilled women are not more internationally migratory than skilled men. We thus reject the existence of a genetic or social gender gap in international skilled migration.

Aid Unpredictability and Economic Growth

- World Development---2012---Masahiro Kodama

In this paper, we examine the influence of unpredictable aid on a recipient’ s economic growth. If aid amounts vary by year and the changes are unpredictable, we expect that this “unpredictability” decreases aid’ s growth-enhancing effect. This naturally raises the questions: How large is the influence of aid “unpredictability” on a recipient’ s economic growth? Does “unpredictability” significantly damage aid’ s growth-enhancing effect? Our research shows that the impact is significant; in a typical case, one fifth of aid is wasted due to “unpredictability.” Further, it is possible that in some cases, the aid may be wasted by as much as one third.

Innovation and Productivity: Evidence from Six Latin American Countries

- World Development---2012---Gustavo Crespi,Pluvia Zuniga

This study examines the determinants of technological innovation and its impact on firm labor productivity across Latin American countries (Argentina, Chile, Colombia, Costa Rica, Panama, and Uruguay) using micro data from innovation surveys. In line with the literature, in all countries firms that invest in knowledge are more able to introduce new technological advances and those that innovate have greater labor productivity than those that do not. Yet firm-level determinants of innovation investment are much more heterogeneous than in OECD countries. Cooperation, foreign ownership, and exporting increase the propensity to invest in innovation activities and encourage innovation investment in only half of the countries studied. Scientific and market sources of information have little or no impact on firm innovation efforts, which illustrates the weak linkages that characterize national innovation systems in those countries. The results in terms of productivity, however, highlight the importance of innovation in enabling firms to improve economic performance and catch up.

Impact of Pension Privatization on Foreign Direct Investment

- World Development---2012---Christopher Reece,Abdoul G. Sam

We explore the causal effect of market-oriented pension reform on net foreign direct investment (FDI) inflows in Latin America and among the transitional economies of Eastern Europe and Central Asia, both of which have experienced waves of pension privatization and FDI over the last two decades. With our balanced panel of 42 countries over the 1991–2006 period, we implement fixed effects models, controlling for the decision to enact full or partial privatization of the public pension system and several other covariates whose choice is informed by the rich empirical literature on FDI. Our econometric results indicate that pension privatization

triggers a significant increase in net FDI inflows and that the effect does not wane over time. We estimate that full privatization increases FDI as a percentage of GDP by about 57%, *ceteris paribus*.

Economic Crises, Maternal and Infant Mortality, Low Birth Weight and Enrollment Rates: Evidence from Argentina's Downturns

- World Development---2012---Guillermo Cruces,Pablo Gluzmann,Luis Felipe López Calva

This study investigates the impact of recent crises in Argentina (including the severe downturn of 2001–02) on health and education outcomes. The identification strategy relies on both the inter-temporal and the cross-provincial co-variation between changes in regional GDP and outcomes by province. These results indicate significant and substantial effects of aggregate fluctuations on maternal and infant mortality and low birth weight, with countercyclical though not significant patterns for enrollment rates. Finally, provincial public expenditures on health and education are correlated with the incidence of low birth weight and school enrollment for teenagers, with worsening results associated with GDP declines.

Detecting Gender and Racial Discrimination in Hiring Through Monitoring Intermediation Services: The Case of Selected Occupations in Metropolitan Lima, Peru

- World Development---2012---Martín Moreno,Hugo Ñopo,Jaime Saavedra,Maximo Torero

Inspired by audit studies methodology, we monitored a job intermediation service in Peru to detect gender and racial discrimination in hiring. We capture individual racial information using the approach of Ñopo, Saavedra, and Torero (2007), enabling a richer exploration of racial differences. Overall, the study finds discriminatory treatment in hiring only when comparing groups with extremely different observable racial characteristics. We detect discriminatory treatment for female Indigenous applicants in secretarial positions. In terms

of aimed wages, females tend to ask for wages 7% below those of males with comparable skills (although this has no negative impact on wages at hiring).

Transaction Costs, Institutional Arrangements and Inequality Outcomes: Potato Marketing by Small Producers in Rural Peru

- World Development---2012---Javier Escobar,Denice Caverio

We explore the distributional effects of lowering transaction costs to allow access to improved market opportunities for small farmers in the Peruvian Highlands. We find that when new marketing opportunities arise, those that have more land, are better educated and are well organized are able to deal with the complexities that the new contractual arrangements entail. Although this on average implies an increase in net income for small farmers, it also affects the distribution of earnings, generating a more polarized small farmer economy. To counteract this effect and reduce inequality in the opportunities of less endowed small farmers, complementary policies need to be put in place.

Small Farmers and Big Retail: Trade-offs of Supplying Supermarkets in Nicaragua

- World Development---2012---Hope Michelson,Thomas Reardon,Francisco Perez

In Nicaragua and elsewhere in Central America, small-scale farmers are weighing the risks of entering into contracts with supermarket chains. We use unique data from cooperatives supplying supermarkets to study the effect of supply agreements on producers' mean output prices and price stability. We find that prices paid by the domestic retail chain approximate the traditional market in mean and variance while mean prices paid by Walmart are significantly lower than the traditional market. However, the Walmart contract is found to systematically reduce price volatility. We find some evidence, however, that farmers may be paying too much for this contractual insurance against price variation.

Is Bribery Really Regressive? Bribery's Costs, Benefits, and Mechanisms

- World Development---2012---Jennifer Hunt,Sonia Laszlo

We use data on households' bribery of public officials in Peru and Uganda to analyze the distribution by income of the burden of bribery, the mechanisms leading to it, and the payoffs to bribery. We show the burden of bribery is not borne disproportionately by the poor. Among bribers, the poor do pay a greater share of their income than the rich, but the rich use officials more often, and among users, the rich are more likely to bribe. The benefit of bribery is avoidance of the poor service delivered to clients who refuse to bribe.

Displaced Populations, Humanitarian Assistance and Hosts: A Framework for Analyzing Impacts on Semi-urban Households

- World Development---2012---Jennifer Alix-Garcia,Anne Bartlett,David Saah

This paper presents a framework for understanding the impacts of civil war, displaced populations, and humanitarian assistance on host populations in semi-urban areas. Our model shows that under conditions of conflict where populations flow from rural to urban areas and food aid follows, changes in food, housing and labor markets result in changes to local prices which will potentially impoverish consumers but provide earning opportunities for property owners and suppliers of non-tradable goods, and that the price dynamics are likely to induce significant land use change. We combine satellite, price, aid delivery and population inflow data with qualitative interviews from Nyala, Darfur. The data confirm the hypotheses, and the paper discusses possible policy responses.

Why Do NGOs Go Where They Go? Evidence from Kenya

- World Development---2012---Jennifer N. Brass

Using Kenya as a case study, this paper provides preliminary evidence of the factors influencing Nongovern-

mental organizations (NGOs) to choose their locations within a country. Interpreting the findings from a range of models evaluating 4,210 organizations in 70 districts, and drawing on in-country interviews with NGO leaders and workers, government officials, and politicians, it finds that sub-national NGO location corresponds to an area's objective level of need, as well as the convenience of the location for accessing beneficiaries, donors, and elite goods. Contrary to dominant theories of African political economy, political factors like patronage appear to have little or no significant influence.

Impact of Farmer Field Schools on Agricultural Productivity and Poverty in East Africa

- World Development---2012---Kristin Davis,Ephraim Nkonya,Edward Kato,D.A. Mekonnen,M. Odendo,R. Miiro,J. Nkuba

The authors used a longitudinal impact evaluation with quasi-experimental methods to provide evidence on economic and production impact of a farmer field school (FFS) project in East Africa. FFSs were shown to have positive impact on production and income among women, low-literacy, and medium land size farmers. Participation in FFS increased income by 61%. Participation in FFS improved agricultural income and crop productivity overall. This implies that farmer field schools are a useful approach to increase production and income of small-scale farmers in East Africa, and that the approach can be used to target women and producers with limited literacy.

The Empowerment Route to Well-being: An Analysis of Farmer Field Schools in East Africa

- World Development---2012---Esbern Friis-Hansen,Deborah Duveskog

The study explores empowerment and well-being related outcomes of Farmer Field Schools (FFS), an extension approach that has gained popularity with agriculture development programs in many African countries. This is done by examining the empirical relationships between FFS participation and increased

well-being; as well as FFS participation and empowerment; and finally between empowerment and enhanced well-being. Data analysis from the two thousand household questionnaires show a relationship between these aspects, despite contextual differences in the three countries studied. It is thereby argued that there could be scope to talk about an empowerment route to well-being. The paper further suggests that the most significant impact of FFS could be viewed in terms of building the capacity of local people to make choices and make decisions that ultimately lead to increased uptake of agricultural innovations, access to services, and market access as well as collective action. A major conclusion of the study is that agricultural development programs should focus more on processes of empowering farmers as opposed to technical solutions that characterize most programs, in order to create an appropriate mix of technological and social advancement for a development process that is sustainable in nature.

Does Positional Concern Matter in Poor Societies? Evidence from a Survey Experiment in Rural Ethiopia

- World Development---2012---Alpaslan Akay,Peter Martinsson,Haileselassie Medhin

We investigate attitudes toward positionality among rural farmers in Northern Ethiopia using a survey experiment. On average, we find very low positional concerns both for income per se and for income from aid projects. The results support the claim that positional concerns are positively correlated with absolute level of income. The implications of our results on implementation of aid projects are discussed.

Aid Proliferation and Economic Growth: A Cross-Country Analysis

- World Development---2012---Hidemi Kimura,Yuko Mori,Yasuyuki Sawada

We examine whether aid proliferation hinders economic growth by applying the standard aid-growth regression to Roodman's (2007) dataset, with proper correction for possible biases arising from omitted variable

and endogeneity problems. Specifically, we include a donor-concentration index to capture a low degree of donor proliferation and its interaction terms with aid variables as additional independent variables. Our empirical results show that the effect of aid concentration on economic growth is positive and favors the hypothesis that aid proliferation has a negative effect on the economic growth of recipient countries, especially in Africa.

Social Transfers and Growth: What Do We Know? What Do We Need to Find Out?

- World Development---2012---Armando Barrientos

The paper examines the extent to which emerging social transfer programs in developing countries can improve the productive capacity of households in poverty and contribute to micro-level growth. It introduces a basic framework linking transfers to growth mediating processes and productive capacity outcomes. This is then used to organize and assess relevant findings from program evaluation studies. The paper concludes that social transfer programs can have positive effects on the productive capacity of poor and poorest groups; but further research is needed to identify and measure the size and significance of these effects.

The Best Things in Life are (Nearly) Free: Technology, Knowledge, and Global Health

- World Development---2012---Ursula Casabonne,Charles Kenny

This paper argues that there are two major factors underlying improved global health outcomes. These are, first, the discovery of cheap technologies that can dramatically improve outcomes and, second, the adoption of these technologies thanks to the spread of knowledge. Other factors have played a role. Increased income not only allows for improved nutrition, but also helps to improve access to more complex preventative technologies. Institutional development is a second key to the spread of such complex technologies. Nonetheless, evidence of dramatic health improvements even in environments of

weak institutions and stagnant incomes suggests that the role of these factors may be secondary.

Trade Barrier Volatility and Agricultural Price Stabilization

- World Development---2012---Kym Anderson, Signe Nelgen

National barriers to agricultural trade are often varied to insulate domestic markets from international price variability, especially following a sudden spike. This paper examines the extent of that behavior by governments using new annual estimates of agricultural price distortions in 75 countries. Responses to price spikes are shown to be equally substantial for agricultural-importing and agricultural-exporting countries, thereby weakening the domestic price-stabilizing effect of their interventions. Bringing discipline to export restrictions through new World Trade Organization rules could help alleviate the extent to which government responses to exogenous upward price spikes exacerbate those shocks.

Beyond Trade: The Impact of Preferential Trade Agreements on FDI Inflows

- World Development---2012---Denis Medvedev

This paper investigates the effects of preferential trade agreements (PTAs) on net FDI inflows of member countries using a comprehensive database of PTAs in a panel setting. PTA membership is associated with a positive change in net FDI inflows and FDI gains increase with the market size of PTA partners and their proximity to the host country. The estimated relationship is driven by the developing countries in the sample and agreements signed in the late 1990s–early 2000s, a period when the majority of “deep integration” PTAs have been advanced.

Productivity Spillovers from Foreign Direct Investment: Firm-Level Evidence from China

- World Development---2012---Xinpeng Xu, Yu Sheng

Using firm-level census data, this paper examines the spillover effects of foreign direct investment (FDI) on domestic firms in the Chinese manufacturing industry between 2000 and 2003. Our analysis takes into account the endogeneity of input choices, simultaneity bias, and clustering errors that are known to cause biased and inefficient estimations. Our results suggest that positive spillovers from FDI arise from forward linkages where domestic firms purchase high-quality intermediate goods or equipment from foreign firms in the upstream sectors. Our results also show that domestic firms differ significantly in the extent to which they benefit from FDI.

Does Foreign Direct Investment Reduce Poverty in Africa and are There Regional Differences?

- World Development---2012---Gaston Gohou, Issouf Soumaré

This paper re-examines the relationship between foreign direct investment (FDI) inflows and welfare (or poverty reduction) in Africa. Using FDI net inflows per capita and the United Nations Development Program’s Human Development Index as the principal variables, our analyses confirm the positive and strongly significant relationship between FDI net inflows and poverty reduction in Africa but find significant differences among African regions. We also find that FDI has a greater impact on welfare in poorer countries than it does in wealthier countries. For instance, while the relationship between FDI and poverty reduction is positive and significant for economic communities in Central and East Africa, it is non-significant in Northern and Southern Africa. Furthermore, the relationship was found to be ambiguous in West Africa. Our results are robust to many model specifications.

Can Public–Private Partnerships Leverage Private Investment in Agricultural Value Chains in Africa? A Preliminary Review

- World Development---2012---Colin Poulton, Jon Macartney

Public–private partnerships (PPPs) may be one way

of increasing the level of private sector investment into poorly performing agricultural value chains. This paper considers a range of PPP mechanisms that respond to different market failures affecting such chains and draws on principal-agent theory to illustrate the challenges. It reviews emerging experience with a number of these mechanisms along with experience from other sectors that may shed light on “generic” problems of implementing PPPs in Africa. While finding some positive impacts on investment, it notes that state failures can also undermine PPP effectiveness. As the evidence base is still limited, it calls on organizations promoting innovative PPPs to disclose available information for critical examination.

Smallholder Irrigation as a Poverty Alleviation Tool in Sub-Saharan Africa

- World Development---2012---Jennifer A. Burney, Rosamond L. Naylor

Promotion of smallholder irrigation is cited as a strategy for enhancing income generation and food security for sub-Saharan Africa’s poor farmers, but what makes this technology a successful poverty alleviation tool? In the short run, the technology should pave the way for increased consumption, asset accumulation, and reduced persistent poverty among users. Over the longer run, it should lead to institutional feedbacks that support sustained economic development and nutritional improvements. Our conceptual model and review of case studies reveal the importance of three sub-components of irrigation technology—access, distribution, and use—and the ways in which the design of the technology itself can either bridge, or succumb to, institutional gaps. These critical features are illustrated in an experimental evaluation of a solar-powered drip irrigation project in rural northern Benin, which provides a controlled study of technology impacts in the Sudano-Sahel. The combined evidence highlights the technical and institutional requirements for project success and points to two important areas of research in the scale-up of any small-scale irrigation strategy: the risk behavior of water users, and the evolution of institutions that either support or obstruct project

replication over space and time.

Cropland Allocation Effects of Agricultural Input Subsidies in Malawi

- World Development---2012---Christopher Chibwana, Monica Fisher, Gerald Shively

We measure the impacts of Malawi’s Farm Input Subsidy Program on the cropland allocation decisions of farmers in Kasungu and Machinga districts in central and southern Malawi. Using a two-step regression strategy to control for endogenous selection into the program, we find positive correlations between participation in the program and the amount of land planted with maize and tobacco. Furthermore, results suggest that participating households simplified crop production by allocating less land to other crops (e.g., groundnuts, soybeans, and dry beans). Our findings have implications for policies aimed at promoting both food self-sufficiency and crop diversification in low income settings.

Drought and Population Mobility in Rural Ethiopia

- World Development---2012---Clark Gray, Valerie Mueller

Significant attention has focused on the possibility that climate change will displace large populations in the developing world, but few multivariate studies have investigated climate-induced migration. We use event history methods and a unique longitudinal dataset from the rural Ethiopian highlands to investigate the effects of drought on population mobility over a 10-year period. The results indicate that men’s labor migration increases with drought and that land-poor households are the most vulnerable. However, marriage-related moves by women also decrease with drought. These findings suggest a hybrid narrative of environmentally-induced migration that recognizes multiple dimensions of adaptation to environmental change.

Household-Level Consumption in Urban Ethiopia: The Effects of a Large Food Price Shock

- World Development---2012---Yonas Alem,Mans Soderbom

We use survey data to investigate how urban households in Ethiopia coped with the food price shock in 2008. Qualitative data indicate that the high food price inflation was by far the most adverse economic shock between 2004 and 2008, and that a significant proportion of households had to adjust food consumption in response. Regression results indicate that households with low asset levels, and casual workers, were particularly adversely affected by high food prices. We interpret the results as pointing to the importance of growth in the formal sector so as to generate more well-paid and stable jobs.

Social Protection in Sub-Saharan Africa: Getting the Politics Right

- World Development---2012---Miguel Niño-Zarazúa,Armando Barrientos,Samuel Hickey,David Hulme

This paper provides an overview of the recent extension of social protection in sub-Saharan Africa. It identifies two main “models” of social protection in the region: one based on age-based income transfers in the middle income countries in Southern Africa, and another more diverse and incipient group of programs providing a mix of poverty-based transfers in the low income countries in Eastern, Central, and West Africa. It concludes that for an effective institutional framework for social protection to evolve in sub-Saharan Africa, the present focus on the technical design of programs needs to be accompanied by analyses that contribute to also “getting the politics right.”

The Spread of Illegal Transgenic Cotton Varieties in India: Biosafety Regulation, Monopoly, and Enforcement

- World Development---2012---Bharat Ramaswami,Carl E. Pray,N. Lalitha

Plantings of unapproved genetically modified seeds (GM) happen in many developing countries including Brazil, China, and India even though the law does not permit it. Is regulation impossible and what does that imply for safe use of GM seeds? This paper examines these questions in the case of unapproved GM cotton plantings in Gujarat, India. We find that enforcement was possible and that there are no obvious bio-safety implications. The popularity of unapproved seeds (confirmed by contingent valuations), the de-facto intellectual property of legal seeds and the federal polity of India contributed to non-compliance. This could matter for future innovations.

Governance Institutions, Resource Rights Regimes, and the Informal Mining Sector: Regulatory Complexities in Indonesia

- World Development---2012---Samuel J. Spiegel

This study examines how shifting resource governance regimes affect labor inequities in the small-scale mining sector in Indonesia. It focuses on the implications of governance “decentralization” processes and mining regulation reforms for indigenous and migrant populations who rely on informal (unlicensed) mining for income in Central Kalimantan. While the findings illustrate the territorially uneven impacts of recent reforms, they highlight how dominant paradigms that prioritize the enforcement of property rights schemes have contributed to problems of livelihood insecurity and poor environmental governance. The article urges for more nuanced attention to contested articulations of power as well as local resource rights and institutional arrangements to assist rural communities in reversing marginalization.

Collective Remittances and the State: The 3×1 Program in Mexican Municipalities

- World Development---2012---Francisco Aparicio,Covadonga Meseguer

The Mexican 3×1 Program for Migrants is a grant scheme whereby the municipal, state, and federal governments match by 3 to 1 the funds that migrant clubs

send to their hometowns to finance public projects. Using municipal-level data on Program participation for the period 2002–07, we evaluate both the economic bias and the political bias of the Program. Since migration and poverty have a nonlinear relationship, we find that poorer municipalities are less likely to participate than those with medium poverty levels. We also find that the Program rewards PAN strongholds rather than competitive municipalities.

Freely Disposable Time: A Time and Money Integrated Measure of Poverty and Freedom

- World Development---2011---Marieke Hobbes,Wouter T. De Groot,Ester Van Der Voet,Sukanya Sarkhel

This paper develops, tests, and discusses a metric for livelihood assessment that integrates cash flow and time use households. It expresses how much time the household adults have left after satisfying the household's basic needs (e.g., for food, sleep, care, consumables, and leisure). This “freely disposable time” (FDT) may be put to any use available and allowed in the local context, such as above-basic leisure, work to acquire above-basic consumer goods, or investments in the future such as education or soil conservation. Thus, FDT represents people's freedoms and a key condition for any out-of-poverty strategy. The FDT methodology is illustrated with a number of characteristic livelihood strategies and tested on peri-urban farming livelihoods in India and some typical Dutch households. The FDT outcomes, methodology, strengths, and limitations are compared with those of an allied, “Discretionary Time” indicator, paired time/money indicators and purely monetary (e.g., income or expenditure) indicators of poverty and welfare.

Trade Policy, Trade Costs, and Developing Country Trade

- World Development---2011---Bernard Hoekman,Alessandro Nicita

This paper reviews some indices of trade restrictiveness and trade facilitation and compares the trade impact

of different types of trade restrictions applied at the border with the effects of domestic policies that affect trade costs. Based on a gravity regression framework, the analysis suggests that tariffs and non-tariff measures continue to be a significant source of trade restrictiveness for low-income countries despite preferential access programs. The results also suggest that behind-the-border measures to improve logistics performance and facilitate trade are likely to have a comparable, if not larger, effect in expanding developing country trade, especially exports.

Capital Flows and Real Exchange Rate Appreciation in Mexico

- World Development---2011---Carlos A. Ibarra

Following the recently-developed bounds testing approach, the paper analyzes the long-run determinants of the Mexican peso's real exchange rate from 1988Q1 to 2008Q2. Controlling for the standard determinants, the paper shows that all types of capital inflows tended to appreciate the peso. In contrast to recent multi-country studies, it finds no evidence of a less harmful effect from foreign direct investment (FDI)—on the contrary, the FDI's appreciation effect can be particularly strong—and interprets this finding. The paper also shows that monetary policy, through changes in the short-term interest differential, can have persistent, level effects on the real exchange rate.

“Emerging Donors” from a Recipient Perspective: An Institutional Analysis of Foreign Aid in Cambodia

- World Development---2011---Jin Sato,Hiroaki Shiga,Takaaki Kobayashi,Hisahiro Kondoh

Debate about the impact of so-called “emerging donors” is becoming increasingly heated. The common reaction to these donors, as distinct from that accorded to traditional donors, has had the unfortunate effect of obscuring two important aspects: (1) commonalities between emerging donors and traditional Development Assistance Committee (DAC) donors; and (2) diversity among the emerging donors themselves.

With primary focus on the second aspect, this article examines the effects of four emerging donors—China, India, South Korea, and Thailand—on Cambodia’s development, with a specific focus on the processes of aid provision employed by these new donors. This article also challenges the conventional view that aid fragmentation should be reduced a priori.

Knowledge Diffusion and Modernization of Rural Industrial Clusters: A Paper-manufacturing Village in Northern Vietnam

- World Development---2011---Yuichi Kimura

This article tests the role of social learning in the modernization of a rural nonfarm industry, using data from a paper-manufacturing village that was transformed from a traditional handicraft industry into a modern industrial cluster. Knowledge diffusion through kinship networks is shown to have played a significant role in the dissemination of mechanized production by helping the followers to overcome subjective risk during the initial investment stage. The financial support through kinship networks also had a demonstrably positive impact on the diffusion of the technology, which removed financial constraints on the initial fixed investments.

Local Means in Value Chain Ends: Dynamics of Product and Social Upgrading in Apparel Manufacturing in Guatemala and Colombia

- World Development---2011---Seth Pipkin

This paper contributes to existing discussions of global value chains (GVC) and industrial upgrading by examining observations from eight months of field research in Guatemala and Colombia, where upgrading firms have their own nationally distinct form of labor relations, despite producing the same products for the same overseas buyers. Analysis of these observations leads to the conclusion that labor relations show significant leeway in relation to upgrading outcomes, and that local history merits more attention as a driver of management strategy. The paper concludes with a discussion of relevant theory and implications for future research.

The Impact of Political Dependence on Small Island Jurisdictions

- World Development---2011---Leslie Dunn

This paper examines the connection between political dependence and welfare and development of small island jurisdictions. Four possible advantages of political dependence are access to foreign aid, foreign capital, and external labor markets, and gains in the tourism industry. This study analyzes if political dependence is associated with these possible advantages and the relative importance of each on the welfare and development within the island. It is shown that politically dependent islands have achieved significantly higher levels of welfare and development with some of the reasons being due to the large inflows in the form of tourism, foreign direct investment, labor, and aid.

Marginalized Forest Peoples’ Perceptions of the Legitimacy of Governance: An Exploration

- World Development---2011---Carol J. Pierce Colfer

Two issues prompted this review: Global concerns to decentralize and democratize will require more effective involvement of now-marginalized people; and addressing global problems (climate change, poverty, forests, and biodiversity loss) will pragmatically require their involvement. This exploratory review examined how marginalized groups in tropical forests have perceived the legitimacy of their forest-related governance. These perceptions are examined within the contexts of gender, age, ethnicity, and occupation. Important mechanisms by which people dealt with their marginalization are also addressed. These issues take on special urgency within the context of the recent global, forest-related climate change discourse.

The Effect of Irrigation on Poverty Reduction, Asset Accumulation, and Informal Insurance: Evidence from Northern Mali

- World Development---2011---Andrew Dillon

The impact of small-scale irrigation investments on household consumption, assets, and informal insurance is estimated from a panel of Northern Malian households (1998–2006). Access to irrigation increases household consumption by 27–30% relative to water-recession and rain-fed cultivators. The paper also investigates whether irrigation has secondary impacts on risk-mitigating strategies by reducing covariate risk and reinforcing informal food sharing networks that allow households to insure against idiosyncratic risk. We find that households with irrigation save between 4.5 and 6.4 more tropical livestock units and are 20% more likely to engage in informal food sharing with non-irrigators. This finding suggests that impact estimates that rely on consumption, may underestimate welfare gains by ignoring the household's savings behavior and informal insurance network.

Farmer Participatory Research and Soil Conservation in Southeast Asian Cassava Systems

- World Development---2011---Timothy Dalton,Nina K. Lilja,Nancy Johnson,Reinhardt Howeler

This paper examines the impact of participatory research and tests hypotheses on its effectiveness to increase the adoption of soil conservation and fertility management innovations in Southeast Asia. Participatory research activities are significant and positive in explaining the differential adoption rates of hedgerows, contour ridging, the usage of farm yard manure, and inorganic fertilizer over nonparticipants. Secondly, the impacts of the participatory approach on soil conservation and fertility management innovations are incorporated into models examining the reasons for change in land allocation and cassava yields. Results are mixed. We also find a positive impact to participatory research and extension activities on cassava yield that is not linked to new technology adoption.

The Impact of Modern Economic Growth on Urban–Rural Differences in Subjective Well-Being

- World Development---2011---Richard A. Easterlin,Laura Angelescu,Jacqueline S. Zweig

At low levels of economic development there are substantial gaps favoring urban over rural areas in income, education, and occupational structure, and consequently a large excess of urban over rural life satisfaction, despite important urban problems of pollution, congestion, and the like. At more advanced development levels, these economic differentials tend to disappear, and rural areas approach or exceed urban in life satisfaction. Both across-country and within-country regression analyses of 2005–08 data from the Gallup World Poll support these conclusions.

Labor Migration and Time Use Patterns of the Left-behind Children and Elderly in Rural China

- World Development---2011---Hongqin Chang,Xiao-yuan Dong,Fiona MacPhail

This analysis of the impact of internal migration on the time allocation patterns of the left-behind elderly and children in rural China, 1997–2006, contributes to the literature on changes in the well-being of the left-behind population. Based upon the China Health and Nutrition Survey, the multivariate analysis demonstrates that the migration of household members increases the time spent on farm work and domestic work by the left-behind elderly and children. Migration has a striking gender differentiated impact, with the increase in work time being greater for elderly women and girls than elderly men and boys.

Height and Cognitive Achievement of Vietnamese Children

- World Development---2011---Le Thuc Duc

A longitudinal dataset that follows 1,200 Vietnamese children born in 2001–02 is used to investigate the impact of child malnutrition on cognitive development. We demonstrate that the impact of early childhood

stunting on cognition can be estimated with significant bias for a majority of children if researchers omit the data on gestational age. The negative impact of the length in preterm on the cognitive achievement of pre-schoolers is statistically significant. Having controlled for the effect of the length in preterm, however, the effect of height-for-age at age one on cognitive achievement at age five is not statistically significant.

Determinants of Dietary Quality: Evidence from Bangladesh

- World Development---2011---Dewan Arif Rashid,Lisa C. Smith,Tauhidur Rahman

Whereas a large number of studies have been devoted to analyzing consumer demand for dietary quantity, much less attention has been paid to the demand for dietary quality. To address this gap in the literature, this paper explores the determinants of dietary quality in Bangladesh using data from a nationally representative household expenditure survey conducted in 2000. We find that while male education plays a positive role, female education has a substantially stronger influence. Further, female household headship is associated with lower dietary quality than male headship. Thus, promoting female education and addressing the unique constraints faced by female headed households with respect to diet quality could be a significant policy instrument for addressing food insecurity in Bangladesh.

Are Schooling and Roads Complementary? Evidence from Income Dynamics in Rural Indonesia

- World Development---2011---Futoshi Yamauchi,Megumi Muto,Shyamal Chowdhury,Reno Dewina,Sony Sumaryanto

We examine the impact of spatial connectivity on household income growth and non-agriculture labor supply in Indonesia by combining household panel data and village census data during the period of 1995–2007. Our empirical results show that the impacts of improved local road quality on income growth and the transition to non-agricultural labor markets depend on household

education and distance to economic centers. In particular, post-primary education significantly increases the benefit from the improvement of local spatial connectivity in remote areas, promoting labor transition to non-agricultural sectors. Education and local road quality are complementary, mutually increasing non-agricultural labor supply and income in remote areas. In contrast, the initial landholding size does not affect the benefit from improved road quality.

Quality of Schooling, Returns to Schooling and the 1981 Vouchers Reform in Chile

- World Development---2011---Harry Patrinos,Christos Sakellariou

In 1981, Chile introduced nationwide school choice by providing vouchers to any student wishing to attend a “voucher school”. We use a binary instrument based on the reform and unique information on individual cognitive skills to examine the importance of cognitive skills on labor market outcomes. The results suggest that the main beneficiaries of the reform were those who at the time were pupils in basic schooling. Once the treated group is expanded to include older (secondary school age) students, schooling premiums decrease dramatically while the return to cognitive skills increases accordingly, suggesting that a large part of the estimated return from a typical earnings function is due to classical ability bias. Overall, the findings point to heterogeneous effects of the reform.

More Dollars than Sense: Refining Our Knowledge of Development Finance Using AidData

- World Development---2011---Michael J. Tierney,Daniel L. Nielson,Darren G. Hawkins,J. Timmons Roberts,Michael G. Findley,Ryan M. Powers,Bradley Parks,Sven E. Wilson,Robert Hicks

In this introductory essay to the special issue, we introduce a new dataset of foreign assistance, AidData, that covers more bilateral and multilateral donors and more types of aid than existing datasets while also improving project-level information about the purposes

and activities funded by aid. We utilize that data to provide a brief overview of important trends in foreign aid. Contributors to this special issue draw on AidData as well as other sources to analyze aid transparency, “new” donors (not previously described or analyzed), aid allocation, and aid effectiveness. Our recurring theme in this introductory essay is that AidData and these initial academic projects refine rather than revolutionize our understanding of aid. The database has added significant numbers of new projects, dollar amounts, donors, and details about those projects, though there is much more yet to add. We worry that aid debates have been driven by too little information, and that many claims are based on limited or very poor evidence. Rectifying these problems will not be instantaneous: refining knowledge takes a lot of time and hard work. The common feature of the papers in this special issue is their careful attention to nuance and detail. In spite of what some recent authors have claimed, aid is neither a simple solution nor a sufficient cause of most problems in developing countries; its motivations, distribution, and effects are complex, and shifting. Capturing this complexity requires detailed data, careful thought, and sophisticated methods that allow scholars to make conditional causal and descriptive inferences.

Aid Quality and Donor Rankings

- World Development---2011---Stephen Knack,F. Rogers,Nicholas Eubank

This paper offers new measures of aid quality covering 38 bilateral and multilateral donors, as well as new insights about the robustness and usefulness of such measures. The 2005 Paris Declaration on Aid Effectiveness and the follow-up 2008 Accra Agenda for Action have focused attention on common donor practices that reduce the development impact of aid. Using 18 underlying indicators that capture these practices—derived from the OECD-DAC’s Survey for Monitoring the Paris Declaration, the new AidData database, and the DAC aid tables—the authors construct an overall aid quality index and four coherently defined sub-indexes on aid selectivity, alignment, harmonization, and spe-

cialization. Compared with earlier indicators used in donor rankings, this indicator set is more comprehensive and representative of the range of donor practices addressed in the Paris Declaration, improving the validity, reliability, and robustness of rankings. One of the innovations is to increase the validity of the aid quality indicators by adjusting for recipient characteristics, donor aid volumes, and other factors. Despite these improvements in data and methodology, the authors caution against overinterpretation of overall indexes such as these. Alternative plausible assumptions regarding weights or the inclusion of additional indicators can still produce marked shifts in the ranking of some donors, so that small differences in overall rankings are not meaningful. Moreover, because the performance of some donors varies considerably across the four sub-indexes, these sub-indexes may be more useful than the overall index in identifying donors’ relative strengths and weaknesses.

The Money Trail: Ranking Donor Transparency in Foreign Aid

- World Development---2011---Anirban Ghosh,Homi Kharas

Transparency of aid activity is being recognized to be one of the key areas whereby aid effectiveness can be improved. In this paper, we propose an index to measure and rank donors on the transparency of their aid activities. The Transparency Index rates 31 bilateral and multilateral donor agencies on six measures of transparency. We find that being a member of the IATI is a powerful signal of a donor being more transparent across most other dimensions as well. We find no relationship between transparency and donor aid volumes. Overall IDA and Australia are identified as the most transparent donors, while Korea and IDB Special Fund are the least transparent.

Rhetoric versus Reality: The Best and Worst of Aid Agency Practices

- World Development---2011---William Easterly,Claudia Williamson

Foreign aid critics, supporters, recipients, and donors have produced eloquent rhetoric on the need for better aid practices—has this translated into reality? This paper attempts to monitor the best and worst of aid practices among bilateral, multilateral, and UN agencies. We create aid practice measures based on aid transparency, specialization, selectivity, ineffective aid channels, and overhead costs. We rate donor agencies from best to worst on aid practices. We find that the UK does well among bilateral agencies, the US is below average, and Scandinavian donors do surprisingly poorly. The biggest difference is between the UN agencies, who mostly rank in the bottom half of donors, and everyone else. Average performance of all agencies on transparency, fragmentation, and selectivity is still very poor. The paper also assesses trends in best practices over time—we find modest improvement in transparency and more in moving away from ineffective channels. However, we find no evidence of improvements (and partial evidence of worsening) in specialization, fragmentation, and selectivity, despite escalating rhetoric to the contrary.

Are ‘New’ Donors Different? Comparing the Allocation of Bilateral Aid Between nonDAC and DAC Donor Countries

- World Development---2011---Axel Dreher, Peter Nunnenkamp, Rainer Thiele

Major DAC donors are widely criticized for weak targeting of aid, selfish aid motives, and insufficient coordination. The emergence of an increasing number of new donors may further complicate the coordination of international aid efforts. At the same time, it is open to question whether new donors (many of which were aid recipients until recently) are more altruistic and provide better targeted aid according to need and merit. Project-level data on aid by new donors, as collected by the AidData initiative, allow for empirical analyses comparing the allocation behavior of new versus old donors. We employ Probit and Tobit models and test for significant differences in the distribution of aid by new and old donors across recipient countries. We find that, on average, new donors care less for recipient need

than old donors. New and old donors behave similarly in several respects, however. They disregard merit by not taking the level of corruption in recipient countries into account. Concerns that commercial self-interest distorts the allocation of aid seem to be overblown for both groups.

The Rise (and Decline?) of Arab Aid: Generosity and Allocation in the Oil Era

- World Development---2011---Debra Shushan, Christopher Marcoux

Among non-DAC donors, wealthy Arab states are some of the most prolific contributors of foreign aid. Despite this, relatively little is known about Arab foreign aid. The OECD development database offers a paucity of information, aggregating data for “Arab countries” and “Arab agencies,” without identifying the constituent units of either. A further complication is that Arab donors are not uniformly transparent about their aid efforts, publicizing some of them while keeping other donations secret. In this paper, we advance the state of knowledge of Arab foreign aid in a number of ways. We use AidData to document the trends in reported donations from specific bilateral donors (Kuwait, Saudi Arabia, and the United Arab Emirates) and multilateral agencies (Arab Fund for Economic and Social Development, Arab Bank for Economic Development in Africa, OPEC’s Fund for International Development, and the Islamic Development Bank). Notably, Arab bilateral donors have given less generously over time with aid levels remaining relatively stable despite skyrocketing national wealth. We explore reasons for this decline, including that Arab donors have shifted their giving from bilateral to multilateral channels, given less as DAC donors have given more, and increased domestic spending at the expense of foreign aid with a view to safeguarding regime security. In addition, we look at the sectoral allocations of Arab bilateral and multilateral organizations, and compare the aid practices of Arab donors to their DAC counterparts. Finally, we suggest why an exclusive focus on aid commitments is problematic where Arab aid is concerned.

What Determines the Size of Aid Projects?

- World Development---2011---Christopher Kilby

Over the last few years, considerable attention has focused on aid fragmentation, the proliferation of donors and projects in developing countries. Aid fragmentation has continued to increase despite international efforts to foster donor coordination. One possible implication of fragmentation is smaller aid projects, potentially with the result of more administrative work for overtaxed recipient governments per dollar of aid received.

The Localized Geography of Foreign Aid: A New Dataset and Application to Violent Armed Conflict

- World Development---2011---Michael G. Findley, Josh Powell, Daniel Strandow, Jeff Tanner

Existing foreign aid databases – the OECD’s CRS data and now AidData – are project-based. And yet nearly all empirical analyses using these data aggregate to the country-year level, thereby losing project-specific information. In this paper, we introduce new data on the geographic location of aid projects that have been committed to many African countries between 1989 and 2008. The data enable an examination of project-level information in a wider variety of systematic research contexts. To demonstrate the utility of the new data, we discuss how geographically disaggregated foreign aid and armed conflict data are needed to capture the theoretical mechanisms in the aid-conflict literature. We then map the disaggregated aid and conflict data in Sierra Leone, Angola, and Mozambique as specific examples of how these data could help disentangle competing causal mechanisms linking aid to conflict onset and dynamics. The research provides an important new perspective on the connections between aid and conflict. More generally, it is a crucial first step in geo-referencing and comparing foreign aid projects to various localized development outcomes.

Coding Error or Statistical Embellishment? The Political Economy of Reporting Climate Aid

- World Development---2011---Axel Michaelowa, Katharina Michaelowa

To benefit from a wide-spread public support for climate policy, aid agencies strive to show the climate relevance of their development activities. Using project-level aid data and country-level political data for 21 DAC donors from 1995 to 2007, we test whether this may lead to politically motivated misreporting. Through keyword search in individual project descriptions and complementary hand-coding we assess all aid activities for their actual climate change-related content, and thereby construct our most relevant control variables. Econometric results reveal that indeed, project coding is influenced systematically by the donor governments’ ideological orientation as well as by national voters’ environmental preferences.

Foreign Aid and Regime Change: A Role for Donor Intent

- World Development---2011---Sarah Blodgett Bermeo

This paper uses data from the AidData project to analyze the association between foreign aid and the likelihood of democratization in aid recipients. Previous studies have argued that aid can entrench dictatorships, making a transition less likely. I find evidence that the relationship between aid and democratization depends on characteristics of the aid donor. During the period from 1992 to 2007, aid from democratic donors is often found to be associated with an increase in the likelihood of a democratic transition. This is consistent with a scenario in which aid promotes democratization and/or a situation in which democratic donors reward countries that take steps in a democratic direction. In either case, it suggests that democratic donors use scarce aid resources to encourage democracy. During the same period, aid from authoritarian donors exhibits a negative relationship with democratization. This suggests that the source of funding matters, with donor

preferences regarding democracy helping to determine the link between aid and democratization.

Chasing Success: Health Sector Aid and Mortality

- World Development---2011---Sven E. Wilson

As many cases studies show, successful public health measures are being implemented in many places around the globe, and country-level mortality has fallen significantly in recent decades in all but a few countries. Are the two linked? Does development assistance for health (DAH) improve, on balance, recipient countries' mortality trajectory? Using a new data source containing DAH on 96 high mortality countries, the regression analysis shows no effect of DAH on mortality. Other types of aid, including water development, also have no effect. Economic growth, on the other hand, has a strong negative effect on mortality. These findings confirm and build upon recent work by Williamson (2008) and are shown to be robust to a variety of sensitivity analyses and alternative model specifications and estimation methods.

Dodging Adverse Selection: How Donor Type and Governance Condition Aid's Effects on School Enrollment

- World Development---2011---Zachary Christensen,Dustin Homer,Daniel L. Nielson

We employ AidData to test the effects of primary-education aid on school enrollment. We argue that the problem of adverse selection complicates both the allocation and the effectiveness of aid. We hypothesize that bilateral donors ought to have greater freedom to condition aid on recipient governance quality than multilateral donors, which are often bound by institutional rules to provide aid more impartially. Compared to their multilateral counterparts, bilateral donors may have advantages in overcoming adverse selection, resulting in bilateral aid's boosting enrollments to a greater degree. AidData's extensive coverage of multilateral aid enables this analysis for up to 100 low- and low-middle-income countries from 1995 to 2008. Latent

growth regression analysis suggests that, compared to multilateral donors, bilateral donors indeed condition their primary education aid on recipient control of corruption and that bilateral aid is significantly related to improved enrollments.

Dual Income Taxation: A Promising Path to Tax Reform for Developing Countries

- World Development---2011---Richard Bird,Eric M. Zolt

The dual income tax combines a progressive tax on labor income and a lower flat tax on income from capital. Unlike flat tax systems, a dual income tax provides developing countries greater flexibility in addressing tax competition while retaining progressivity. Countries could use the move to a dual income tax system not just as an opportunity to rationalize the taxation of income from business operations and investment but also as a vehicle for broader reform of their tax systems.

Throwing Foreign Aid at HIV/AIDS in Developing Countries: Missing the Target?

- World Development---2011---Peter Nunnenkamp,Hannes Öhler

We assess empirically whether foreign official development assistance (ODA) has been effective in alleviating HIV/AIDS epidemics, which figures prominently among the Millennium Development Goals. We employ a difference-in-difference-in-differences approach to identify the treatment effect of ODA specifically meant to fight sexually transmitted diseases on HIV/AIDS-related outcome variables. We do not find that ODA has prevented new infections. The results regarding the medical care of infected people are mixed: evidence on significant treatment effects on AIDS-related deaths exists for the major bilateral source of ODA, the United States, in sharp contrast to ODA from multilateral organizations.

25Years of Aid Allocation Practice: Whither Selectivity?

- World Development---2011---Paul Clist

The 4P framework (Poverty, Population, Policy, and Proximity) is introduced as a way of understanding a donor's aid allocation. We use the two-part model and examine the period 1982–2006. The results indicate that recent conclusions of increasing selectivity are misplaced for the seven major donors analyzed, who together represent the majority of development aid. Indeed, the effect of each of the commonly mentioned time-trends (selectivity, the end of the Cold War, and the commencement of the Global War on Terror) is much smaller than the role of donor heterogeneity, which appears sizeable and entrenched.

Democracy, History, and Economic Performance: A Case-Study Approach

- World Development---2011---John Gerring, Peter Kingstone, Matthew Lange, Aseema Sinha

Crossnational statistical studies show a positive relationship between the length of time a country has been democratic and its economic performance. Old democracies grow faster, *ceteris paribus*, and also demonstrate advantages in some economic policies thought to be conducive to growth. However, the causal connections between regime history and economic policy and performance remain opaque. Arguments are highly speculative, for the causal pathways are usually difficult to measure and are not readily testable in a large-N cross-country format. In order to illuminate possible interconnections between regime history and economic performance we identify three countries in the developing world whose recent history may be regarded as illustrative: Brazil, India, and Mauritius. Our analysis of these cases focuses on the achievement of policy consensus and policy reform, both of which are commonly regarded as critical to economic performance. Intensive study of our chosen cases suggests multiple mechanisms by which democratic experience might translate into greater success on these policy dimensions.

Land Transport for Export: The Effects of Cost, Time, and Uncertainty in Sub-Saharan Africa

- World Development---2011---Nannette Christ, Michael J. Ferrantino

In Sub-Saharan Africa (SSA), inland export transport costs and time delays are much higher for land-locked countries, vary substantially between different geographic corridors, and exhibit substantial uncertainty. Unit costs and costs of time for land transport of exports are high for many agricultural products relative to metals and other high-value products. We illustrate systemic uncertainty in land and maritime transport for exporting by use of simulation. Relationships among uncertainty, infrastructure quality, and other features of logistics systems are highly non-linear, and can be potentially used to identify priorities for trade facilitation.

Local and Personal Networks in Employment and the Development of Labor Markets: Evidence from the Cut Flower Industry in Ethiopia

- World Development---2011---Yukichi Mano, Takashi Yamano, Aya Suzuki, Tomoya Matsumoto

We examine the roles of local and personal networks in the employment process and the emergence and development of the labor market in Ethiopia's growing cut flower industry. Using primary survey data of 320 workers randomly sampled from all 64 farms, we find that workers who were recruited informally using the social ties were paid less than the formally-recruited workers at hiring. However, these workers quickly increased their productivity, and the effect of social ties on wages disappeared over time. Further, we find that the development of labor market for this newly-emerged industry took place particularly within the industrial cluster.

Financial Liberalization and the Industrial Response: Concentration and Entry in Malawi

- World Development---2011---Grant Kabango, Alberto Paloni

It has been suggested that financial liberalization may be a key policy to promote industrialization as it removes the credit access constraint on firms, especially small and medium ones. We investigate the effect of credit expansion in the wake of liberalization on the structure of the industrial sectors in Malawi and find that, in contrast to the hypothesis above, it resulted in an increase in industrial concentration and a decrease in net firm entry, especially in sectors that are more finance dependent. The case of Malawi is interesting because financial liberalization has been justified precisely as a means for industrial development and because the implementation of the policy has been regarded as relatively successful.

Agricultural Technology, Crop Income, and Poverty Alleviation in Uganda

- World Development---2011---Menale Kassie,Bekele Shiferaw,Geoffrey Muricho,Menale Kassie Berresaw

This paper evaluates the ex post impact of adopting improved groundnut varieties on crop income and poverty in rural Uganda. The study utilizes cross-sectional data of 927 households, collected in 2006, from seven districts in Uganda. Using propensity score matching methods, we find that adopting improved groundnut varieties (technology) significantly increases crop income and reduces poverty. The positive and significant impact on crop income is consistent with the perceived role of new agricultural technologies in reducing rural poverty through increased farm household income. This study supports broader investment in agriculture research to address vital development challenges. Reaching the poor with better technologies however requires policy support for improving extension efforts, access to seeds and market outlets that simulate adoption.

Literacy Practices and Schooling: A Case Study from Mozambique

- World Development---2011---Lucio Esposito,Bereket Kebede,Bryan Maddox

A novel approach to the assessment of literacy is used to tackle the issue of effectiveness of years of schooling. The dichotomy inherent in the literacy rate is rejected in favor of a “practice-based” approach, which considers literacy as a multifaceted phenomenon as advocated in anthropological and economic research. Primary data collected in the poorest region in Mozambique suggest that years of schooling have a differentiated impact on acquired literacy practices of adults. Results that are robust to different specifications are reported.

Measuring the Impact of Microfinance on Child Health Outcomes in Indonesia

- World Development---2011---Stephen DeLoach,Erika Lamanna

Microfinance has become a staple of modern development policy as a means to facilitate anything from gender equality to growth. It can facilitate the sharing of health-related information among parents, promote the bargaining power of women in the household, aid in the development of important health-related infrastructure, and help households smooth consumption in the wake of unexpected economic shocks. Using data from the Indonesian Family Life Survey (1993–2000), we find that the presence of microfinance institutions in communities significantly improves the health of children.

Caste Stratification and Wealth Inequality in India

- World Development---2011---Ajit Zacharias,Vamsi Vakulabharanam

We analyze the relationship between wealth inequality and caste divisions in India using nationally representative surveys on household wealth conducted during 1991–92 and 2002–03. According to our findings, the groups in India that are generally considered disadvantaged (known as Scheduled Castes or Scheduled Tribes) have, as one would expect, substantially lower wealth than the “forward” caste groups, while the Other Backward Classes and non-Hindus occupy positions in the middle. Using the ANOGI decomposition technique, we estimate that between-caste inequality

accounted for about 13% of overall wealth inequality in 2002–03. The stratification parameters indicate that the forward caste Hindus overlap little with the other caste groups, while the latter have significantly higher degrees of overlap with one another and with the overall population. Using this method, we are also able to comment on the emergence and strengthening of a “creamy layer,” or relatively well-off group, among the disadvantaged groups, especially the Scheduled Tribes.

Remittances and Competitiveness: The Case of the Philippines

- World Development---2011---Veronica Bayangos, Karel Jansen

The paper looks at the impact of migration and workers’ remittances on the competitiveness of the home economy. It extends existing research that concentrated on the exchange rate effects of remittances, the so-called Dutch disease effect, by adding labor market effects. The results show that the labor market effects of emigration and remittances have a significant impact on competitiveness that goes beyond the traditional exchange rate effect.

Return Migrants: The Rise of New Entrepreneurs in Rural China

- World Development---2011---Sylvie Démurger, Hui Xu

This paper analyzes return migrants’ self-employment decision upon their return to their home villages, by using an original rural household survey conducted in Wuwei County (Anhui province, China) in 2008. We find that return migrants are more likely to be self-employed than nonmigrants, and that both return savings and the frequency of job changes during migration increase the likelihood for return migrants to become self-employed. These findings suggest that (a) return migration can help revitalize rural economies and alleviate poverty in less developed areas in China, and (b) repatriated capital is a key, stimulating factor in promoting rural entrepreneurial activities.

Effects of Free Trade on Women and Immigrants: CAFTA and the Rural Dominican Republic

- World Development---2011---Mateusz Filipski, J. Edward Taylor, Siwa Msangi

We construct a disaggregated rural economywide model with a focus on gender and immigration as well as on the allocation of time to wage work, household production activities, and housework (reproduction). We use this model to simulate the impacts of the Dominican Republic–Central American Free Trade Agreement (DR–CAFTA) on rural incomes and welfare in the Dominican Republic. We find that elimination of agricultural import tariffs hurts both agricultural and non-agricultural households, via adverse factor-market effects, but impacts vary substantially by workers’ gender and country of origin. Females and Haitian immigrants tend to fare better than Dominican males, and there are ramifications for both market and non-market activities.

The Corn Price Surge: Impacts on Rural Mexico

- World Development---2011---George A. Dyer, J. Edward Taylor

We use an agent-based, general-equilibrium model to explore the impacts of world corn-price increases on land use and income in rural Mexico. In the model, interactions among heterogeneous agents within a local context shape both macro and microeconomic outcomes. Results suggest that subsistence activities allowed agriculture to absorb the shock, limiting the benefits of higher prices for the population while keeping deforestation pressures in check. An estimated 5.7% corn-area expansion by 2008 and wide variation across regions corresponds well with ex-post reports. Agricultural growth led to 0.02% and 3.9% increases in real income for rural households and absentee landholders, respectively.

Comment: On the Interpretation (and Misinterpretation) of Inequality Decompositions by Income Sources

- World Development---2011---Ayal Kimhi

This paper discusses interpretations of different inequality decomposition rules when inequality is decomposed by income sources. It argues that authors of a recent article based their conclusions on misinterpreted decomposition results. It also argues that marginal effects, derived as elasticities of inequality with respect to uniform increases in income from each source, are easily interpreted and can be compared across different decomposition rules.

Trade Openness and Developing Countries' Vulnerability: Concepts, Misconceptions, and Directions for Research

- World Development---2011---Pierluigi Montalbano

Summary This work focuses on the welfare costs of exposure to shocks and uncertainty linked to trade openness--a prominent issue in international debate. It contributes by presenting a comprehensive review of the literature on the "destabilizing effects" of trade openness, drawing together studies in different fields. It provides a conceptualization of vulnerability and three promising lines of reasoning (macro, micro, and meso) for future research on the link between trade and vulnerability.

Informal Employment: Safety Net or Growth Engine?

- World Development---2011---Norman Loayza,Jamele Rigolini

Summary Is informal employment a safety net or a growth engine? To address this question, this paper studies the trends and cycles of informal employment. It first presents a theoretical model of long- and short-run behavior of informal labor. Then it analyzes these relationships empirically, using the share of self-employment in the labor force as the proxy for informal employment. In the long run, informality is larger when labor productivity is lower, government services weaker, and business flexibility less prevalent. In the short run, informal employment behaves counter-cyclically, indicating that it acts primarily as a safety

net. The degree of counter-cyclicality, however, varies inversely with the size of informal labor itself.

Political Polarization as a Constraint on Corruption: A Cross-national Comparison

- World Development---2011---David S. Brown,Michael Touchton,Andrew Whitford

Summary Efforts to explain corruption have increased dramatically in recent years. The interest stems from the increasing weight economists assign to corruption when explaining economic growth. A great deal of the research focuses on how political institutions influence perceptions of corruption. We move this debate in a new direction by addressing a previously ignored dimension: ideological polarization. We contend perceptions of corruption are determined not only by specific institutional features of the political system--such as elements of voting systems, ballot structures, or separation of powers--but by who sits at the controls. We employ panel data from a broad variety of countries to test our theoretical argument. Contrary to recent findings by both economists and political scientists, we show that ideological polarization predicts perceptions of corruption.

Earthquake Propensity and the Politics of Mortality Prevention

- World Development---2011---Philip Keefer,Eric Neumayer,Thomas Plümper

Summary Governments can significantly reduce earthquake mortality by enforcing quake-proof construction regulation. We examine why many governments do not. First, mortality is lower in countries with higher earthquake propensity, where the payoffs to investments in mortality prevention are greater. Second, the opportunity costs of these investments are higher in poorer countries; mortality is correspondingly less responsive to propensity in poor countries. Third, mortality is higher at any level of quake propensity when governments have fewer incentives to provide public goods, such as in autocracies with less institutionalized ruling parties or in more corrupt countries.

Do Effective State Business Relations Matter for Economic Growth? Evidence from Indian States

- World Development---2011---Massimiliano Calì,Kunal Sen

Summary Effective state-business relations are a set of highly institutionalised, responsive and public interactions between the state and the business sector. This paper examines the impact of effective state-business relations on economic growth across Indian states over the period 1985-2006. We propose a measure that captures the various dimensions of effective state-business relations at the sub-national level, and estimate standard growth regressions using dynamic panel data methods. Our results show that effective state-business relations contribute significantly to economic growth and appear to be driven by the intensity of the interactions between the state and the private sector.

Fiscal Redistribution and Income Inequality in Latin America

- World Development---2011---Edwin Goñi,J. Humberto López,Luis Servén

Summary This paper documents and compares the redistributive performance of Latin American and Western European fiscal systems. Three main conclusions emerge: (i) taxes and transfers widen the difference in income inequality between the two country groups, because (ii) the redistributive impact of the fiscal system is very large in Europe and very small in Latin America; and (iii) where fiscal redistribution is significant, it is achieved mostly through transfers rather than taxes. While the priorities of pro-equity fiscal reforms vary across Latin American countries, overall the prospects for major fiscal redistribution lie mainly in raising the volume of resources available for transfers, and improving their targeting, rather than increasing the progressivity of Latin America's tax systems.

The Co-Evolution of Firm-Centered Knowledge Networks and Capabilities in Late Industrializing Countries: The Case of Petrobras in the Offshore Oil Innovation System in Brazil

- World Development---2011---Eva Dantas,Martin Bell

Summary This paper addresses neglected questions about the long-term co-evolution of capabilities and networks at the heart of latecomer innovation systems, examining the case of Petrobras, the Brazilian oil company between the late-1960s and the early-2000s. The paper demonstrates the existence of accumulative, non-recursive, and self-reinforcing relationship between capabilities and networks. The firm's capabilities at a particular time enabled and constrained the forms of networks that were possible, while increases in capabilities functioned as "entry tickets" to participate in new network forms. In turn, knowledge networks at any time helped to consolidate emerging levels of capabilities, and also reach higher capability margins.

Can Entrepreneurial Activity be Taught? Quasi-Experimental Evidence from Central America

- World Development---2011---Bailey Klinger,Matthias Schündeln

Summary Business training is a widely used development tool, yet little is known about its impact. We study the effects of such a business training program held in Central America. To deal with endogenous selection into the training program, we use a regression discontinuity design, exploiting the fact that a fixed number of applicants are taken into the training program based on a pre-training score. Business training significantly increases the probability that an applicant to the workshop starts a business or expands an existing business. Results also suggest gender heterogeneity as well as the presence of financial constraints.

Partial Vertical Integration, Risk Shifting, and Product Rejection in the High-Value Export Supply Chain: The Ghana Pineapple Sector

- World Development---2011---Aya Suzuki,Lovell S. Jarvis,Richard J. Sexton

Summary High-value export supply chains hold potential to improve smallholders' welfare, but their relative production inefficiency and moral hazard problems can cause exporters to prefer vertically integrated plantation production. However, pineapple exporters in Ghana produce both for their own account and purchase from smallholders. We hypothesize that vertical integration is only partial because exporters face large market risks that smallholders, surprisingly, are better able to absorb. We show empirically that exporters' average rejection rate of export-quality fruit is high and varies in response to unanticipated fluctuations in European demand. These results support the hypothesis and are consistent with theories of partial vertical integration but not the standard principal-agent paradigm.

Wet Markets, Supermarkets and the "Big Middle" for Food Retailing in Developing Countries: Evidence from Thailand

- World Development---2011---Matthew Gorton,Johannes Sauer,Pajaree Supatponkul

Summary Drawing on the Big Middle theory of retail evolution, an analysis of secondary and primary survey data on Thai shopping behavior seeks to understand the shift away from wet markets to supermarkets. On all salient attributes affecting retail outlet choice, supermarkets outperform wet markets. While wet markets continue to account for the majority of expenditure on fresh produce their market share has eroded sharply. A bootstrapped bivariate ordered probit model identifies the characteristics of supermarket and wet market shoppers. The analysis questions previous work which perceived wet markets in East Asia as possessing a long-term competitive advantage in food retailing.

Livestock's Contribution to Poverty Alleviation: How to Measure It?

- World Development---2011---Véronique Alary,Christian Corniaux,Denis Gautier

Summary The difficulty of valuation of livestock outputs has strong political and economic implications for farmers because policies require metrics. Based on a case study in Mali, this paper gives different estimations of the contribution of livestock to reducing poverty using different methods, from the most common measure-based approaches, that is, a financial approach, to an asset-based approach. The results show that the asset-based approach reflects the roles of livestock in terms of security (money cash) and vulnerability. But only a dynamic approach to indicators can account for the complex role of livestock in reducing poverty.

Gender Implications of Biofuels Expansion in Africa: The Case of Mozambique

- World Development---2011---Channing Arndt,Rui Benfica,James Thurlow

Summary We use a gendered dynamic CGE model to assess the implications of biofuels expansion in a low-income, land-abundant setting. Mozambique is chosen as a representative case. We compare scenarios with different gender employment intensities in producing *jatropha* feedstock for biodiesel. Under all scenarios, biofuels investments accelerate GDP growth and reduce poverty. However, a stronger trade-off between biofuels and food availability emerges when female labor is used intensively, as women are drawn away from food production. A skills-shortage among female workers also limits poverty reduction. Policy simulations indicate that only modest improvements in women's education and food crop yields are needed to address food security concerns and ensure broader-based benefits from biofuels investments.

Determinants of Performance of Community-Based Drinking Water Organizations

- World Development---2011---Róger Madrigal, Francisco Alpizar Rodriguez, Achim Schlüter

Summary This paper presents an institutional analysis of the underlying factors affecting the performance of community-based drinking water organizations in rural Costa Rica. More than 1,000 of these organizations provide water to 60% of the rural population and show great disparity in their performances. Using a qualitative approach and matching techniques to ensure comparability, the paper analyzes four representative communities. The results highlight the relevance of a demand-driven approach with downward accountability, working rules for tariff collection and infrastructure maintenance, and attributes of water committee members as the chief conditions that promote better financial health, infrastructure condition and user satisfaction.

Marital Violence and Women's Employment and Property Status: Evidence from North Indian Villages

- World Development---2011---Manasi Bhat-tacharyya, Arjun Bedi, Amrita Chhachhi

Summary Dominant development policy approaches recommend women's employment on the grounds that it facilitates their well-being. However, empirical work on the relationship between women's employment status and well-being as measured by freedom from marital violence yields ambiguous results. Motivated by the ambiguity, this paper uses data from Uttar Pradesh, to examine the effect of women's employment and asset status as measured by their participation in paid work and house ownership, respectively, on spousal violence. Unlike the existing literature, we treat women's work status as endogenous and find that engagement in paid work and house ownership, are associated with reductions in violence.

Does Global Health Funding Respond to Recipients' Needs? Comparing Public and Private Donors' Allocations in 2005-2007

- World Development---2011---Daniel E. Esser, Kara Keating Bench

Summary Adding to official development assistance (ODA), private foundations have emerged as important donors to the global health agenda. Amid this increasing funder diversity and growing global health budgets, responsiveness to recipients' needs is a central concern. Merging datasets on ODA flows in 2005-07, over 2,800 foundation grants, disease burden, and perceived priorities in 27 low- and middle-income countries, this study offers the first comprehensive national-level analysis of global health aid responsiveness. The analysis shows that national patterns of disease burden explain neither public nor private aid flows during this period. While ODA committed during these years was weakly yet significantly correlated with health priorities, private grants' responsiveness was even weaker and did not achieve ODA significance levels either.

A New Approach to the Allocation of Aid Among Developing Countries: Is the USA Different from the Rest?

- World Development---2011---Jane Harri-gan, Chengang Wang

Summary This paper attempts to explain the factors that determine the geographical allocation of foreign aid. Its novelty is that it develops a rigorous theoretical model and conducts the corresponding empirical investigations based on a large panel dataset. We run regressions for different major donors (United States, Canada, France, Italy, Japan, United Kingdom, and multilateral organizations). with the explicit objective of establishing whether the United States, in light of its geopolitical hegemony, behaves differently from others. We find that all the donors respond to recipient need in their allocation of aid, but that the United States puts less emphasis on this than the other donors with the exception of Japan. We also find that the United States puts more emphasis on donor-recipient linkages

than do the other donors suggesting that the United States attaches greater importance to issues of donor interest, for example, geopolitical, commercial, and other links with specific recipients.

Foreign Students and Migration to the United States

- World Development---2011---Axel Dreher, Panu Poutvaara

Summary Using panel data for 78 countries of origin we examine the impact of the inflow of foreign students in to the United States on migration patterns in the country over the 1971-2001 period. We find that the stock of foreign students is an important predictor of subsequent migration. The estimated relationship shows that an increase in the number of students by 10% increases immigration to the United States by a maximum of 0.94%. This suggests that student flows result in a significant brain gain for the United States.

Help or Hindrance? Religion's Impact on Gender Inequality in Attitudes and Outcomes

- World Development---2011---Stephanie Seguino

Summary This paper investigates the effect of religiosity on attitudes toward gender equality using World Values Survey data. Results indicate that religiosity is strongly correlated with gender inequitable attitudes across countries. Further, OLS, TSLS, and 3SLS regression estimates reveal that gender inequitable attitudes are associated with negative effects on seven measures of gender equality of well-being and public policy. No single religion stands out as more gender inequitable than others. The impact of religiosity is likely transmitted via "stealth" effects on everyday behavior in economic transactions in labor markets, household resource allocation, and government spending.

Foreign Direct Investment and Wage Inequality: Evidence from China

- World Development---2011---Zhihong Chen, Ying Ge, Huiwen Lai

Summary This study provides micro-level evidence on the close link between foreign participation and wage inequality. We investigate the wage premium and the wage spillover effect of foreign-invested enterprises in the Chinese manufacturing sector. The results indicate a significant foreign premium in both wage and non-wage compensation. The presence of foreign and Hong Kong, Macao and Taiwan (HMT) investment results in a significantly negative spillover in terms the wage level in domestic firms, and discourages wage growth in such firms. Overall, the evidence suggests that exposure to foreign investment increases inter-enterprise wage inequality.

Wages Equal Productivity. Fact or Fiction? Evidence from Sub Saharan Africa

- World Development---2011---Johannes Van Biesebroeck

Summary If labor markets operate with only minor frictions, productivity premiums associated with worker characteristics should equal the corresponding wage premiums. We evaluate this for labor market experience, schooling, job tenure, and training using matched employer-employee data from the manufacturing sector of three sub-Saharan countries. Equality holds remarkably well in Zimbabwe (the most developed country in the sample), but not at all in Tanzania (the least developed), while results are intermediate in Kenya. Where equality fails, the pattern is for more general human capital characteristics (such as experience) to receive a wage return that exceeds productivity, while the reverse applies to more firm-specific characteristics (such as tenure). Localized labor markets and imperfect substitutability of worker-types provide a partial explanation.

The Limits of R&D Internationalization and the Importance of Local Initiatives: Turkey as a Critical Case

- World Development---2011---Solmaz Filiz Karabag, Asli Tuncay-Celikel, Christian Berggren

Summary The growth of R&D in East Asia has triggered the notion of a new innovation geography, where R&D is no longer a privilege of the traditional OECD countries. What does this mean for mid-sized emerging economies, without the scale advantages and bargaining power of India or China? This paper uses Turkey as a case to examine the continual unevenness of international R&D investments. By analyzing opportunities and limitations for local initiatives in the telecommunications, pharmaceutical, and automotive industries the paper finds that active private capital, a sufficient scale of production, and focused public policies are needed to attract international R&D.

Local 'Test Bed' Market Demand in the Transition to Leadership: The Case of the Korean Mobile Handset Industry

- World Development---2011---Yun-kyung Whang,Michael Hobday

Summary This article proposes that a potentially significant dimension of technological catching-up and the transition to leadership lies in the quality and dynamics of the local market, rather than in the export market demand as traditionally stressed in catch up studies. Based on an exploratory analysis of the Korean mobile handset industry over the period of the late 1980s to 2005 the paper shows that a transition to leadership in handsets was shaped and driven by domestic users, local service suppliers (mobile telecommunications operators), favorable government policies, and strong producer-user links forged by manufacturers and operators. Traditionally, local demand in latecomer economies has been considered too small and unsophisticated to stimulate innovation and to enable catching up. However, in this case, local demand evolved and acted as an important "test bed" for new products, services, and technologies, shaping the rate and direction of the technological development of both local suppliers and operators. The conclusion argues that while direct implications for other developing countries cannot be drawn from a single case, future research could identify whether, under certain circumstances, the role of local demand and test bed markets could

have wider relevance for other advanced developing nations and other sectors approaching the technology frontier.

Threatening to Increase Productivity: Evidence from Brazil's Oil Industry

- World Development---2011---Benjamin Bridgman,Victor Gomes,Arliton Teixeira

Summary The wave of privatization in the 1980s and 1990s increased productivity of many previously state owned enterprises (SOEs). However, governments often do not have sufficient support to privatize SOEs. We provide evidence that threatening privatization and market competition (entry of new firms) can increase the productivity of SOEs, even though privatization and entry of new firms does not occur. We study productivity at Brazil's state-owned oil company Petrobras. Petrobras's total factor productivity increased sharply after it lost its legal monopoly, doubling in 6½ years. These large gains occurred despite the fact that Petrobras faced no immediate de facto competition. The threat of competition and privatization was sufficient to generate large productivity gains. These findings suggest that changing the competitive environment can be a powerful force for improving productivity at state-owned firms.

The Impact of Operating in Multiple Value Chains for Upgrading: The Case of the Brazilian Furniture and Footwear Industries

- World Development---2011---Lizbeth Navas-Alemán

Summary Exporting has been upheld as the "Golden Standard" for industrial upgrading. However, research using the value chain approach shows that upgrading for developing country firms is often limited to the lowest value-added activities. Based on comparative research carried out in two Brazilian clusters (furniture and footwear industries), this paper shows that domestic and regional value chains can offer greater upgrading opportunities, providing space for activities of higher value-added, better remunerated and

difficult to replicate, notably design, marketing, and branding. Moreover, this study highlights that many firms simultaneously serve multiple value chains (multi-chain) and that multichain firms have better upgrading prospects than those primarily exporting via Global Value Chains.

Weathering the Storms: Credit Receipt and Child Labor in the Aftermath of the Great Floods (1998) in Bangladesh

- World Development---2011---Eskander Alvi, Seife Dendir

Summary In this paper we use data from a unique survey conducted in the aftermath of the 1998 floods in Bangladesh to examine how the household shock-child labor relationship is affected by credit receipts of households. Adopting the ratio of assets lost due to the floods as a likely exogenous shock proxy, we find that child labor increases with the magnitude of the shock but only if households do not receive credit. This suggests that following shocks child labor may be a response to non-availability of credit. The policy implication suggests a distinct and alternative channel in combating the economic incentives behind child labor--access to credit diminishes the immediate financial burden on constrained households, reducing their need for child labor.

Beyond Average Treatment Effects: Distribution of Child Nutrition Outcomes and Program Placement in India's ICDS

- World Development---2011---Eeshani Kandpal

Summary The Indian Integrated Child Development Services (ICDS) aims to improve child nutrition by providing nutritional supplements and pre- and post-natal services to targeted villages. However, previous evaluations find that ICDS fails to reduce malnutrition, and program placement does not uniformly target vulnerable areas. I use new data to reevaluate ICDS on several dimensions; in contrast to previous studies, I find significant treatment effects particularly for

the most malnourished children. However, results suggest targeting does not work uniformly well: ICDS effectively targets poor areas, but fails to target areas with low levels of average education or those with unbalanced sex ratios.

Gender Disparity in Access to Information: Do Spouses Share What They Know?

- World Development---2011---Diana Fletschner, Dina Mesbah

Summary The United Nations (UN) has declared lack of access to information to be the third major challenge confronting women in developing countries, after poverty and violence. Analyzing a unique dataset of husbands and wives in rural Paraguay, we identify systematic differences between women and men's knowledge of financial markets and find that the factors that help predict individuals' knowledge of these markets vary by gender. Specifically, women are less likely than men to be informed about the financial institutions operating in their communities. Women are more likely to know what is required to obtain loans from financial institutions if they are more educated, live with other adult women, belong to wealthier households, are in a stronger bargaining position vis-à-vis their spouses, or have their husbands' approval to take out entrepreneurial loans.

Planting Hybrids, Keeping Landraces: Agricultural Modernization and Tradition Among Small-Scale Maize Farmers in Chiapas, Mexico

- World Development---2011---Mauricio Bellon, Jon Hellin

Summary This paper examines how agricultural modernization and tradition interact among small-scale commercially-oriented maize farmers by studying shifts in area and number of farmers planting hybrids and landraces. Results show substantial yield increases but reductions in production and area planted, associated with widespread hybrid adoption and landrace abandonment. Agricultural government programs have played an important role fostering commercialization

and hybrid adoption. Cultural preferences, and possibly an anti-poverty program coupled with women's empowerment, have fostered landrace retention. Hybrids and landraces have overlapping functions in farmers' livelihoods influenced by interdependent production and consumption decisions, cultural preferences, and imperfect markets even under agricultural modernization.

Market Provisioning and the Conservation of Crop Biodiversity: An Analysis of Peasant Livelihoods and Maize Diversity in the Guatemalan Highlands

- World Development---2011---S. Ryan Isakson

Summary This paper queries the common assumption that market linkages contribute to the loss of agricultural biodiversity, thereby threatening long-term food security. Drawing upon empirical data collected from two villages in the Guatemalan highlands, it documents how various types of market engagements are related to the on-farm conservation of maize diversity. While some market activities are associated with lower measures of diversity, most forms of market provisioning--including the allocation of resources to market production--are not. The quantity of land controlled by farmers is positively correlated with maize diversity and is an important determinant of their participation in the market economy.

The Burkina Faso Cotton Story 1992-2007: Sustainable Success or Sub-Saharan Mirage?

- World Development---2011---Jonathan Kamin-ski,Derek Headey,Tanguy Bernard

Summary Like many other African countries in the early 1990s, Burkina Faso was urged to engage in a far-reaching liberalization of its state-led cotton sector. Instead it engaged in more gradual and sequenced reforms characterized by institutional innovations and partial privatization. But while the reforms coincided with a threefold increase in cotton exports in the space of a decade, there is heated debate about whether the reforms truly induced sustainable growth. In addition

to reviewing existing evidence, this paper develops a counterfactual analysis to more rigorously assess the reform's impacts after accounting for the confounding influence of exogenous shocks and centrally administered farmgate prices. The paper shows that while many elements of the reform process did achieve important economic objectives, return migration from Côte d'Ivoire explains around a third of production growth, financial elements of the reforms were not fully sustainable, and institutional arrangements failed to fully empower cotton farmers.

Gender Wage Inequality and Economic Growth: Is There Really a Puzzle?--A Comment

- World Development---2011---Thomas Schober,Rudolf Winter-Ebmer

Summary Seguino (2000) shows that gender wage discrimination in export-oriented semi-industrialized countries might be fostering investment and growth in general. While the original analysis does not have internationally comparable wage discrimination data, we replicate the analysis using data from a meta-study on gender wage discrimination and do not find any evidence that more discrimination might further economic growth--on the contrary: if anything the impact of gender inequality is negative for growth. Standing up for more gender equality--also in terms of wages--is good for equity considerations and at least not negative for growth.

Gender Inequality and Economic Growth: A Reply to Schober and Winter-Ebmer

- World Development---2011---Stephanie Seguino

Summary Using data from a meta-wage analysis, Schober and Winter-Ebmer fail to confirm my earlier finding that gender wage inequality stimulates growth in semi-industrialized economies [SIEs]. The authors contend their wage data, based on micro-level studies with heterogeneous coverage, are superior to the education-adjusted manufacturing wages on which my paper relied. In response, I elucidate why wage data

should be restricted to the manufacturing sector. I explore possible measurement errors their data introduce and note concerns with the meta-regression approach that limit the applicability of these data to the specific task of understanding the growth effect of gender inequality in SIEs. Finally, I discuss advances made over the last decade in the methodology used to evaluate gender effects on growth, identifying directions for new research on this important topic.

Globalization and the Empowerment of Women: An Analysis of Spatial Dependence via Trade and Foreign Direct Investment

- World Development---2011---Eric Neumayer,Indra de Soysa

Summary This article tests the hypothesis that higher women's economic and social rights in foreign countries with which a country is connected via trade and foreign direct investment (FDI) spill-over into higher rights among the laggards--a phenomenon known as spatial dependence. Analyzing women's rights over the period 1981-2007 in a global sample and samples of countries at different stages of economic development, we find consistent evidence for spill-over effects via trade links, with the exception of a sample of low-income countries. We also find some evidence for similar effects via FDI, but only for economic rights and only in middle-income countries.

Remittances and Household Consumption Instability in Developing Countries

- World Development---2011---Jean-Louis Combes,Christian Hubert Ebeke

Summary This paper analyzes the impact of remittances on household consumption instability in a large panel of developing countries. There are four main results. First, remittances significantly reduce household consumption instability. Second, remittances play an insurance role by dampening the effects of various sources of consumption instability in developing countries (natural disasters, agricultural shocks, discretionary fiscal policy, systemic financial and banking

crises and exchange rate instability). Third, the stabilizing role played by remittances is stronger in less financially developed countries. Fourth, the overall stabilizing effect of remittances is mitigated when remittances exceed 6% of GDP.

R&D and Productivity: A Two Way Avenue?

- World Development---2011---Claudio Bravo-Ortega,Álvaro García Marín,Alvaro F. Garcia-Marin

Summary Most of the empirical studies assessing the R&D-productivity relationship at the country level fail to consider the possible simultaneity of these variables. Using a 65-country panel for the period between 1965 and 2005, this paper studies the relationship between R&D and productivity using several R&D indicators. We establish that per capita R&D expenditure is strongly exogenous to productivity. This result allows us to develop a further argument that demonstrates the high social returns to R&D spending. Our estimates also indicate that a 10% increase in R&D per capita generates an average increase of about 1.6% in the long-run TFP.

The Patterns of Technological Capabilities of Countries: A Dual Approach using Composite Indicators and Data Envelopment Analysis

- World Development---2011---Andrea Filippetti,Antonio Peyrache

Summary This study explores the patterns of technological capabilities for a sample of 42 countries over the period 1995-2007, introducing a novel methodological approach. We exploit duality between Data Envelopment Analysis and composite indicators to address the inconsistency between the two methodologies. The empirical findings point to the end of the hegemony of North America, Western Europe, and Japan, showing that a process of convergence in technological capabilities has occurred, limited to the 42 countries included in this study. Based on our methodology, a classification is provided highlighting differences in the patterns of technological capabilities of countries.

How Petty is Petty Corruption? Evidence from Firm Surveys in Africa

- World Development---2011---George Clarke

Summary Evidence suggests that corruption is costly for African firms. This paper, however, shows that a minor difference in the way the question on bribe payments is asked has a large effect on estimates of the size of the burden. On average, firms report payments that are between 4 and 15 times higher when they report them as a percent of sales than when they report them in monetary terms. The paper discusses several possible reasons for this, but none explain the difference. One plausible remaining reason is that firm managers overestimate bribes when they report them in percentage terms.

Corruption, Attitudes, and Education: Survey Evidence from Nepal

- World Development---2011---Rory Truex

Summary Social norms can reduce the costs of corrupt behavior and push a society toward a high-corruption equilibrium, but what determines individual attitudes toward corruption? How does acceptance vary across different types of corrupt behavior? An original survey of Kathmandu residents shows substantial variation in attitudes toward different types of corrupt behavior. Overall, respondents generally agreed that large-scale bribery was unacceptable, but there was relative discord over behaviors involving petty corruption, gift giving, and favoritism. Education consistently emerged as the primary determinant of these attitudes, with more educated respondents showing less accepting attitudes across the range of corrupt behaviors. These findings suggest that improving access to education in developing countries may reduce the presence of corruption norms and ultimately corruption itself, although further research is needed to test the strength of these relationships outside of Nepal.

Seeking the Local State: Gender, Caste, and the Pursuit of Public Services in Post-Tsunami India

- World Development---2011---Gabrielle Kruks-Wisner

Summary How do ordinary citizens access the state in the world's largest democracy? This paper examines a critical case from India, exploring the channels--formal and informal--through which residents of two tsunami-affected villages pursued public services following the 2004 disaster. External shocks, such as the proliferation of aid and NGOs, created moments in which individuals interacted differently with public agencies. Different village-level groups attempted to access state resources through distinct sets of intermediaries; marginalized groups (women and caste minorities) appeared most willing and likely to utilize formal government channels, while men from the locally dominant caste turned to informal, non-state channels.

The Paradox of State Retrenchment in Sub-Saharan Africa: The Micro-Level Experience of Public Social Service Provision

- World Development---2011---Lauren M. MacLean

Summary Over the past 30 years in Africa, neoliberal economic reform has meant a major retrenchment of the state provision of health and education with paradoxical local effects. Based on an analysis of 2005 Afrobarometer data, the study finds that the rural poor are more likely to use public schools and clinics than the urban, better-off. The data suggest that a two-tiered social service system now exists across many African countries where the rural poor may have little choice but to use public social services while the urban, better-off choose to pay for private alternatives. The author argues that concerns about ensuring absolute levels of access have obscured attention to the micro-experience and quality of social service delivery.

Old Problems in the New Solutions? Politically Motivated Allocation of Program Benefits and the "New" Fertilizer Subsidies

- World Development---2011---Afua Banful

Summary Fertilizer subsidies have been reinstituted in many African countries with innovations seeking to avoid the downsides of past programs. The new subsidy paradigm however does not address how to curtail political manipulation which exacerbated inefficiencies of previous programs. This paper analyzes whether politics affected voucher allocations in Ghana's 2008 fertilizer subsidy program. We find that more vouchers were targeted to districts that the ruling party had lost in the previous presidential elections and more so in districts that had been lost by a higher percentage margin. This evidence shows that a significant threat to the efficiency of fertilizer subsidies remains.

China as a Final Market: The Gabon Timber and Thai Cassava Value Chains

- World Development---2011---Raphael Kaplinsky, Anne Terheggen, Julia Tijaja

Summary Rapid economic growth in China has boosted its demand for commodities. In many commodities sectors, this has been associated with declining demand from high-income northern economies. This paper examines two hypotheses of the resulting outcomes for the organization of global value chains in general, and for the role played by low income producers in particular--the importance of standards in global value chains, and the space available for low income producers to upgrade into higher value niches in their chains. The detailed case-studies of the Thai cassava industry and the Gabon timber sector both confirm these hypotheses.

Can Microcredit Services Alleviate Hardship in African Small-scale Mining Communities?

- World Development---2011---Gavin Hilson, Abigail Ackah-Baidoo

Summary This paper critically examines the challenges with implementing microcredit services for small-scale mine operators--individuals engaged in labor-intensive mineral extraction and/or processing using low-tech methods--in sub-Saharan Africa. The region's policymakers have shied away from launching microcredit

programs for small-scale mining, frustrated by the disappointing results of the past and unsure about how to proceed with implementation. Recent efforts to provide microcredit services for operators in Talensi-Nabdam District, Northern Ghana, however, illustrate how with a renewed level of commitment and the development of blueprints which adequately address the appropriate criteria, fairly robust schemes can be launched.

The Role of Foreign Technology and Indigenous Innovation in the Emerging Economies: Technological Change and Catching-up

- World Development---2011---Xiaolan Fu, Carlo Pietrobelli, Luc Soete

Summary This article explores in depth the role of indigenous and foreign innovation efforts in technological change and catching up and their interactions in the emerging economies. It presents original evidence and argues that, despite the potential offered by globalization and a liberal trade regime, the benefits of international technology diffusion can only be delivered with parallel indigenous innovation efforts and the presence of modern institutional and governance structures and conducive innovation systems. This conclusion is compounded by the expected inappropriateness of Northern technology for countries in the developing South that calls for greater efforts to develop indigenous innovation. In this sense, indigenous and foreign innovation efforts are complementary.

Indigenous and Foreign Innovation Efforts and Drivers of Technological Upgrading: Evidence from China

- World Development---2011---Xiaolan Fu, Yundan Gong

Summary This paper explores the role of indigenous and foreign innovation efforts in technological upgrading in developing countries, taking into account sectoral specificities in technical change. Using a Chinese firm-level panel dataset covering 2001-05, the paper decomposes productivity growth into technical change and efficiency improvement and examines the impact

of indigenous and foreign innovation efforts on these changes. Indigenous firms are found to be the leading force on the technological frontier in the low- and medium-technology industries, while foreign-invested firms enjoy a clear lead in the high-technology sector. Collective indigenous R&D activities at the industry level are found to be the major driver of technology upgrading of indigenous firms that push out the technology frontier. While foreign investment appears to contribute to static industry capabilities, R&D activities of foreign-invested firms have exerted a significant negative effect on the technical change of local firms over the sample period.

Foreign Direct Investment and R&D: Substitutes or Complements--A Case of Indian Manufacturing after 1991 Reforms

- World Development---2011---Subash Sasidharan,Vinish Kathuria

Summary The entry of foreign firms in India since the reforms forces domestic firms to undertake R&D activities or import technology so as to compete with them. This study examines the relationship between FDI and R&D of the domestic firms in the post-liberalization regime. The study uses unbalanced panel data for 1,843 Indian manufacturing firms operating during the period 1994-2005 and corrects for the self-selection problem by using a Heckman-two step procedure. The analysis involving full sample does not give a clear picture of the impact of FDI on the innovation strategies of domestic firms. Interesting results emerge, when analysis is carried out according to different sub-samples--based on foreign-ownership and technology intensity of the industry. FDI and R&D are found to be complements when sample is divided on the bases of equity ownership. FDI inflow induces foreign-owned firms in high tech industries and firms in minority ownership to invest in R&D.

Sources of External Technology, Absorptive Capacity, and Innovation Capability in Chinese State-Owned High-Tech Enterprises

- World Development---2011---Xibao Li

Summary This paper examines the pattern of innovation and learning among state-owned enterprises in Chinese high-tech sectors and empirically estimates the impact of three types of investment for acquiring technological knowledge--in-house R&D, importing foreign technology, and purchasing domestic technology--on the innovation capabilities of firms. Based on a panel dataset consisting of 21 high-tech sectors during the period 1995-2004, an augmented knowledge production function is estimated. The results show that importing foreign technology alone does not facilitate innovation in Chinese state-owned high-tech enterprises, unless in-house R&D is also conducted. Domestic technology purchases, however, are found to have a favorable direct impact on innovation, suggesting that firms have less difficulty in absorbing domestic technological knowledge than utilizing foreign technology and that absorptive capacity is contingent upon the source or nature of the external knowledge.

Patterns of Innovation Practices of Multinational-affiliates in Emerging Economies: Evidences from Brazil and India

- World Development---2011---Eliane Franco,Sangeeta Ray,Pradeep Kanta Ray

Summary Little is known about how MNE-affiliates are using their linkage capabilities to source or combine technological inputs in emerging economies. This paper attempts to address this critical gap in the literature by comparing and contrasting innovation practices (IPs) employed by MNE-affiliates in two large emerging economies, India and Brazil. Using a sample of over 1200 MNE-affiliates, factor analysis and segmentation techniques identified different combinations of technology inputs for innovation and the factors that influence the knowledge linkages between MNE-affiliates and national innovation systems. Our findings demonstrate the critical role played by host nations' industrial policy in shaping IPs of MNE-affiliates.

Global Value Chains Meet Innovation Systems: Are There Learning Opportunities for Developing Countries?

- World Development---2011---Carlo Pietrobelli,Roberta Rabellotti

Summary The Innovation Systems (IS) literature tends not to emphasize the crucial impact of international knowledge and innovation exchange and collaboration through, for example, inter-firm and intra-firm networks and Global Value Chains (GVC). In developing countries this aspect is crucial, with integration in GVC playing a growing and very important role in accessing knowledge and enhancing learning and innovation. However, there is no agreement in the literature about how innovation systems and GVC interact, and how this interaction is likely to affect enterprise learning. Three main conclusions emerge from the theoretical analysis and evidence presented in this paper. First, learning mechanisms can vary widely within the various forms of governance of GVC: they can be the result of the pressure to achieve international standards, or be facilitated by direct involvement of the value chain leaders when the suppliers' competence is low and the risk of failure to comply is high. When the competences of the actors in the value chain are complementary, learning is mutual and is based on intense face-to-face interactions. Second, as we "open" IS to foreign sources of knowledge, the relationship between GVCs and IS is nonlinear and endogenous, and mutually affecting. On the basis of our model, we would expect a well-structured and efficient innovation system would help to reduce transaction complexity and enable transactions based on relational forms of GVC governance. Third, the internal governance of GVC is a dynamic phenomenon that is subject to continuous adjustments and changes, and the nature of the IS affects this co-evolution.

Microfinance: Its Impact, Outreach, and Sustainability

- World Development---2011---Niels Hermes,Robert Lensink

Summary This symposium brings together recent empirical contributions with respect to a number of related and highly relevant issues on the economics of microfinance. In particular, the contributions provide answers to the following two main questions: (1) does microfinance have an impact on the social and economic situation of the poor in developing nations; and (2) are microfinance institutions sustainable in the long term and is there a trade-off between sustainability and outreach?

Microfinance and Investment: A Comparison with Bank and Informal Lending

- World Development---2011---Lucia Dalla Pellegrina

Summary Comparing the impact of different types of credit on households' investment in Bangladesh, we find that loans from microfinance institutions are likely to be channeled toward non-agricultural activities while both informal and bank lending are associated to a higher expenditure in agricultural inputs. Estimated effects are net of the differences in the amount borrowed, interest rates, and collateral. Results suggest that features which are specific to microfinance--such as tight repayment schedules and land-based eligibility rules--may reduce the suitability of this source of funds for the farming sector.

Does Microfinance Work as a Recovery Tool After Disasters? Evidence from the 2004 Tsunami

- World Development---2011---Leonardo Becchetti,Stefano Castriota

Summary We evaluate the effectiveness of microfinance as a recovery tool after tsunami by testing the impact of an equity injection from foreign donors which recapitalizes a Sri Lankan MFI and allows it to refinance borrowers seriously damaged by the calamity. We find that loans obtained from the MFI after the catastrophic event have a positive and significant effect on the change in real income and in weekly worked hours, and that the impact on performance variables is significantly stronger for damaged than non-damaged

borrowers. Results hold after controlling for selection effects and for heterogeneity in both the timing of the intervention and the characteristics of treatment and control samples.

Do Spouses Make Claims? Empowerment and Microfinance in India

- World Development---2011---Ashok Rai,Shamika Ravi

Summary We study a microfinance program that provides compulsory health insurance to its borrowers and their spouses. We find that non-borrowing spouses are less likely to file insurance claims than those who are borrowing. Further, a man is more likely to use the health insurance acquired through his wife's loan than is a woman (through her husband's loan). These patterns suggest that women who do not borrow are disempowered relative to those who do.

Microfinance and Home Improvement: Using Retrospective Panel Data to Measure Program Effects on Fundamental Events

- World Development---2011---Craig McIntosh,Gonzalo Villaran,Bruce Wydick

Summary Rigorously estimating the effects of development programs is notoriously difficult. We present a methodology that borrows from "event studies" commonly used in the finance literature. In our RETRA-FECT methodology, a retrospective panel dataset is created based on "fundamental" events in the history of surveyed households, events that are discrete, unforgettable, and important to welfare. We apply this methodology to examine home improvements among 1,672 households in Guatemala, India, and Ghana. Using village and country/year-level fixed effects, we find the probability of a major housing improvement increases from 0.038 to 0.070 in the years subsequent to a first microfinance loan.

Outreach and Efficiency of Microfinance Institutions

- World Development---2011---Niels Hermes,Robert Lensink,Aljar Meesters

Summary This paper uses stochastic frontier analysis to examine whether there is a trade-off between outreach to the poor and efficiency of microfinance institutions (MFIs). We find convincing evidence that outreach is negatively related to efficiency of MFIs. More specifically, we find that MFIs that have a lower average loan balance (a measure of the depth of outreach) are also less efficient. Moreover, we find evidence showing that MFIs that have more women borrowers as clients (again a measure of the depth of outreach) are less efficient. These results remain robustly significant after having added a number of control variables.

Does Regulatory Supervision Curtail Microfinance Profitability and Outreach?

- World Development---2011---Robert Cull,Asli Demirguc-Kunt,Jonathan Morduch

Summary Regulation allows microfinance institutions to take deposits and expand their banking functions, but complying with regulation can be costly. We examine implications for institutions' profitability and their outreach to small-scale borrowers and women, using a newly-constructed dataset on 245 leading institutions. Controlling for the non-random assignment of supervision via treatment effects and instrumental variables regressions, we find evidence consistent with the hypothesis that profit-oriented microfinance institutions respond to supervision by maintaining profit rates but curtailing outreach to women and customers that are costly to reach. Institutions with a weaker commercial focus instead tend to reduce profitability but maintain outreach.

On the Efficiency Effects of Subsidies in Microfinance: An Empirical Inquiry

- World Development---2011---Marek Hudon,Daniel Traca

Summary Using an original database of rating agencies, this paper gives empirical evidence on the impact of subsidy intensity on the efficiency of Microfinance Institutions (MFIs). We find that subsidies have had a positive impact on efficiency, in the sense that MFIs that received subsidies are more efficient than those that do not. However, we find also that subsidization beyond a certain threshold renders the marginal effect on efficiency negative. In our sample, 26% of MFIs receive levels of subsidization higher than that threshold, which implies that a marginal cut on subsidy intensity would increase their efficiency.

Social Networks, Neighborhood Effects, and Credit Access: Evidence from Rural Guatemala

- World Development---2011---Bruce Wydick,Harmony Karp Hayes,Sarah Hilliker Kempf

Summary We measure the extent to which social networks determine sources of credit from a survey of 465 households in western Guatemala. We estimate correlated, contextual, and endogenous effects of networks at the neighborhood, church, and village levels, finding that church networks display endogenous effects in credit access. We calculate an elasticity of social imitation (ESI) indicating if the percentage of people accessing microfinance in a church network doubles, the probability of an individual household accessing microfinance increases by 14.1%, a magnitude similar to our estimated ESIs for televisions and cell phones within church and neighbor networks.

Introduction: Sustainable Development, Energy, and Climate Change

- World Development---2011---Kirsten Hal-
snæs,Anil Markandya,P. Shukla

2011

Assessing the Role of Energy in Development and Climate Policies--Conceptual Approach and Key Indicators

- World Development---2011---Kirsten Hal-
snæs,Amit Garg

Summary The paper discusses a number of key conceptual issues related to the role of energy in development and its potential synergies and tradeoffs with climate change. The relationship between economic development and energy over time is discussed and illustrated by data from China, India and South Africa, and some other countries. It concludes that energy plays an important role as a productivity enhancing factor in economic development and in human well being. Several policy goals related to sustainable development, energy, and climate can be integrated. However, meeting all these policy goals requires a special effort and has significant cost implications.

Pro-equity Effects of Ancillary Benefits of Climate Change Policies: A Case Study of Human Health Impacts of Outdoor Air Pollution in New Delhi

- World Development---2011---Amit Garg

Summary This paper looks at the human health impacts from urban air pollution in India. Such pollution is especially harmful to poor people, so the co-benefits from global climate change policies in terms of reduced local air pollution can have positive equity impacts. Health impacts (mortality and morbidity) of PM10 pollution are quantified for different socio-economic groups in Delhi. The spatial PM10 concentration levels are overlaid with spatial socio-economic data. Improvement in air quality would result in bigger health benefits for the poor. Most measures that reduce PM10 pollutants also reduce CO2 emissions while simultaneously imposing more costs on the better-off.

Biofuels and Sustainable Energy Development in Brazil

- World Development---2011---Emilio Lèbre La Ro-
vere,André Santos Pereira,André Felipe Simões

Summary Through the assessment of three decades of the Alcohol Program in Brazil, the paper shows that adequate public policies regarding biomass production can deliver direct benefits like energy security improvement, foreign exchange savings, and local employment generation, reduced urban air pollution and avoided CO₂ emissions. Moreover, the paper shows that Brazilian produced ethanol has faced economies of scale, technical progress and productivity gains and is no longer dependent on subsidies to be competitive. The paper also examines the potential in Brazil for fostering other biofuels, namely biodiesel obtained from vegetable oils, as well as their implications on sustainable energy development.

Access and Affordability of Electricity in Developing Countries

- World Development---2011---Harald Winkler, André Felipe Simões, Emilio Lèbre la Rovere, Mozaharul Alam, Atiq Rahman, Stanford Mwakasonda

Summary A key objective of developing countries is to provide affordable access to modern energy services in order to support economic and social development. The paper presents a number of arguments for why and in which way energy access and affordability can play a key role in national development programs and in achieving the Millennium Development Goals. Approaches for measuring accessibility and affordability are presented, drawing on case studies of Bangladesh, Brazil, and South Africa, countries with different rates of electrification. Affordability of using electricity is examined in relation to the energy expenditure burden for households and time consumption. Conclusions focus on lessons learned and recommendations for implementing policies, instruments, and regulatory measures to tackle the challenge of affordability.

Equity and Distributional Implications of Climate Change

- World Development---2011---Anil Markandya

Summary This paper looks at the climate change problem from an equity perspective. It compares utilitarian approaches with ones based on rights or capabilities. It argues that few of the proposals that have been discussed in the literature have an ethical basis, while those that do have a number of problems. The paper looks at the practicalities of addressing the equity problem in international negotiations. Two specific dimensions of the equity problem in the context of climate change are explored further in the paper: those relating to uncertainty and those relating to discounting.

The Rule of Law and Economic Growth: Where are We?

- World Development---2011---Stephan Haggard, Lydia Tiede

Summary It is widely assumed that the rule of law is essential for economic growth. However, the rule of law is clearly a multidimensional concept, encompassing a variety of discrete components from security of person and property rights, to checks on government and control of corruption. We review the theory underlying these different causal mechanisms linking the rule of law to economic growth, and provide an introduction to some outstanding measurement issues. We find that the correlation among different components of the rule of law concept are not tight among developing countries and that some inferences about the effects of property rights protection may not be warranted.

Political Economy Origins of Financial Markets in Europe and Asia

- World Development---2011---Svetlana Andrianova, Panicos Demetriades, Chenggang Xu

Summary We provide historical evidence from London, Amsterdam and Hong Kong which highlights the essential role played by governments in kick-starting financial development. In the cases of London and Amsterdam, the emergence of financial markets was a by-product of the rise of large trading monopolies.

These monopolies, partly created to improve public finances, were responsible for major financial innovations and helped to strengthen investors' property rights. In Hong Kong, where the financial development model was bank-based, a large banking monopoly with close links to both the British and Chinese governments, set up to finance international trade, played a similar role.

Austerity and Moral Compromise: Lessons from the Development of China's Banking System

- World Development---2011---Damian Tobin

Summary China's state-owned banks have demonstrated a tremendous capacity for change, but their implications for development policy are often unclear. The paper examines why the pre-reform banking system based on moral compromise almost seamlessly changed to one based on self-advancement. Focusing on a period when resources were desperately short, the paper argues that China's great advantage has been Hong Kong and the safe access to international markets it provided. Consequently China's leadership is more familiar with international markets than is often assumed, and although capitalism is no longer exceptional, access to formal institutions continues to be a core development priority in achieving modernization.

Inflation Targeting and Real Exchange Rates in Emerging Markets

- World Development---2011---Joshua Aizenman,Michael Hutchison,Ilan Noy

Summary We investigate inflation targeting (IT) in emerging markets, focusing on the role of the real exchange rate and the distinction between commodity and non-commodity exporters. IT emerging markets appear to follow a "mixed strategy" whereby both inflation and real exchange rates are important determinants of policy interest rates. The response to real exchange rates, however, is more constrained than in non-IT regimes. We also find that the response to real exchange rates is strongest in those countries following IT policies that are relatively intensive in exporting

basic commodities; and present a theoretical model that explains these empirical results.

Does Aid for Trade Really Improve Trade Performance?

- World Development---2011---Massimiliano Calì,Dirk Willem te Velde

Summary Although the concept of aid for trade has quickly gained prominence among aid donors as well as aid recipients, relatively little is known about its impact on trade-related performance. We use data on a large subset of developing countries for recent years to examine the extent to which various types of aid for trade have helped recipient countries' trade performance. We find that aid for trade facilitation reduces the costs of trading. Moreover aid for trade has an overall positive and significant impact on exports. This effect is entirely driven by aid to economic infrastructure, while the other main category of aid for trade, aid to productive capacity, has no discernible effect on exports. Its strong positive association with exports at the sectoral level is due to an allocation skewed toward already well performing sectors.

Determinants of International Emergency Aid--Humanitarian Need Only?

- World Development---2011---Günther Fink,Silvia Redaelli

Summary We use an original data set covering 270 natural disasters to analyze the determinants of international emergency aid. Although humanitarian need appears to be a major determinant of emergency relief payments, our results suggest that political and strategic factors play a crucial role in emergency aid allocation as well. On average, donor governments favor smaller, geographically closer and oil exporting countries, and display significant biases in favor of politically less aligned countries as well as toward their former colonies. We also test and reject the independence of donors' aid decisions, finding strong evidence for bandwagon effects in humanitarian assistance.

Women and Repayment in Microfinance: A Global Analysis

- World Development---2011---Bert D'Espallier, Isabelle Guérin, Roy Mersland

Summary This paper uses a global data set of 350 microfinance institutions (MFIs) in 70 countries to study the common belief that women are generally better credit risks in microfinance than men. The results confirm that a higher percentage of female clients in MFIs is associated with lower portfolio risk, fewer write-offs, and fewer provisions, all else being equal. Interaction effects reveal that, while focus on women is generally associated with enhanced repayment, this trend is stronger for nongovernmental organizations, individual-based lenders, and regulated MFIs.

Grid Extension in Rural Benin: Micro-Manufacturers and the Electrification Trap

- World Development---2011---Jörg Peters, Colin Vance, Marek Harsdorff

Summary Productive electricity use is widely believed to contribute to positive impacts of electrification projects. This paper investigates these impacts by comparing the performance of micro manufacturing enterprises in grid-covered and non-covered villages in Northern Benin. Using firm-level data, the analysis employs Propensity Score Matching techniques to measure differences in profits according to a grid-connection. Although beneficial impacts are found from firm creation following electrification, firms that existed before electrification perform no better than their matched counterparts from a non-electrified region. Complementary measures that sensitize firms about the implications of a grid connection are recommended as important features of program design.

Supermarkets, Farm Household Income, and Poverty: Insights from Kenya

- World Development---2011---Elizaphan J.O. Rao, Matin Qaim

Summary The expansion of supermarkets in developing countries may have important implications for poverty and rural development. While previous studies have compared farm profits between participants and non-participants in supermarket channels, wider income effects have hardly been analyzed. Moreover, most existing studies do not account for structural differences between the two groups. We address these issues by using endogenous switching regression and building on a survey of vegetable farmers in Kenya. Participation in supermarket channels is associated with a 48% gain in average household income, which also contributes to poverty reduction. To realize these benefits on a larger scale will require institutional support.

The Impact of the Global Financial Crisis on Off-farm Employment and Earnings in Rural China

- World Development---2011---Jikun Huang, Huayong Zhi, Zhurong Huang, Scott Rozelle, John Giles

Summary This paper examines the effect of the financial crisis on off-farm employment of China's rural labor force. Using a national representative dataset, we find that there was a large impact. By April 2009 off-farm employment reached 6.8% of the rural labor force. Monthly earnings also declined. However, while we estimate that 49 million were laid-off between October 2008 and April 2009, half of them were re-hired in off-farm work by April 2009. By August 2009, less than 2% of the rural labor force was unemployed due to the crisis. The robust recovery appears to have helped avoid instability.

Domestic Repercussions of Different Types of FDI: Firm-Level Evidence for Taiwanese Manufacturing

- World Development---2011---Wan-Hsin Liu, Peter Nunnenkamp

Summary This paper addresses the public concern of hollowing-out effects of FDI by analyzing firm-specific data on Taiwanese manufacturing multinationals. We

estimate ordered probit models with the firms' own assessment of domestic production and employment effects as dependent variables to investigate whether such effects depend on the size, location, and type of FDI. We find that the probability of negative effects increases slightly with the size of FDI. Furthermore, the effects of locating in China differ from those of locating in advanced countries. In contrast to vertical and export-platform FDI, employment effects of horizontal FDI tend to be positive.

International Standardization Strategies of Latecomers: The Cases of Korean TPEG, T-DMB, and Binary CDMA

- World Development---2011---Jae-Yong Choung, Illyong Ji, Tahir Hameed

Summary This paper develops a framework for analyzing international standardization strategies of latecomers based on the level of technological capabilities and social-institutional-economic opportunities. Three Korean cases of TPEG, T-DMB, and Binary CDMA technologies and standards were studied, and from the results it is argued that latecomer standardization strategies converge to those of advanced countries as the latecomers reach the cutting edge of technology. Latecomer countries' strategies may initially be limited to an "adoption" strategy. However, latecomer countries may consider participatory standards and compatible variations while their capabilities are developing, and ultimately new independent standards are possible once latecomers join the league of advanced countries.

The Forgotten Property Rights: Evidence on Land Use Rights in Vietnam

- World Development---2011---Thomas Markussen, Finn Tarp, Katleen Van den Broeck

Summary Studies of land property rights usually focus on tenure security and transfer rights. Rights to determine how to use the land are regularly ignored. However, user rights are often limited. Relying on a unique Vietnamese panel data set at both household

and plot levels, we show that crop choice restrictions are widespread and prevent crop diversification. Restrictions do not decrease household income, but restricted households work harder, and there are indications that they are supplied with higher quality inputs. Our findings are consistent with the view that it is possible to intervene effectively in agricultural production to promote output and food security. Nevertheless, potential benefits of a more diversified crop pattern must be carefully considered in a period where global food markets are in turmoil.

The Good, the Bad, and the Contradictory: Neoliberal Conservation Governance in Rural Southeast Asia

- World Development---2011---Wolfram Dressler, Robin Roth

Summary The logic of the market economy increasingly informs the design and the outcomes of conservation in the developing world. This paper uses case studies from Thailand and the Philippines to investigate this changing conservation landscape and argues first that such conservation governance does not abandon but rather rearticulates forms of coercive conservation and second that the particular manifestations of neoliberal conservation are shaped by the national policies, local histories, and livelihoods of recipient communities. The conclusion asserts that market-based conservation governance may constrain as well as support farmer freedom to pursue particular livelihoods, resulting in contradictory outcomes for neoliberal conservation governance.

Supporting Post-conflict Democratic Development? External Promotion of Participatory Budgeting in El Salvador

- World Development---2011---Gary Bland

Summary The following pages provide, first, a rare examination of the external promotion of participatory budgeting (PB), in this case through US-financed local government development projects in post-war El Salvador from 1994 to 2005. Second, I examine the success

of the PB activity by investigating the degree to which PB has been sustained nearly five years after its initial utilization. I compare this case of external PB promotion against endogenously developed Latin American PB experience. External practitioners face the same constraints as those advocating home-grown efforts. PB's sustainability and benefits are circumscribed, I find, yet such gains are nonetheless important.

Resource Rents, Redistribution, and Halving Global Poverty: The Resource Dividend

- World Development---2011---Paul Segal

Summary This paper considers the proposal that each country distributes its resource rents directly to citizens as a universal and unconditional cash transfer, or Resource Dividend, and estimates its potential impact on global poverty for the years 2000-06. Using a global dataset on resource rents and the distribution of income, I find that if every developing country implemented the policy then the number of people living below \$1-a-day would be cut by between 27% and 66%, depending on the year and the assumptions made. Looking ahead, poverty could be better than halved as long as commodity prices do not drop below their 2004 level.

Shining a Light on the Resource Curse: An Empirical Analysis of the Relationship Between Natural Resources, Transparency, and Economic Growth

- World Development---2011---Andrew Williams

Summary One of the most common policy prescriptions for overcoming the so-called "resource curse," particularly for extractive industries, has been to call for greater transparency and accountability from governments. However, despite the conceptual attraction of this policy, it has never been empirically proven that resource-rich countries are actually less transparent than other countries, and whether this lack of transparency has had a significant negative effect on economic growth. Using a relatively new index of transparency that has extensive coverage, both across

countries and time, the results suggest a strong and robust negative causal association running from (point) resource export revenues to transparency. Furthermore, there is also some evidence that this lack of transparency is associated with a subsequent decrease in economic growth.

Paths to Success: The Relationship Between Human Development and Economic Growth

- World Development---2011---Tavneet Suri, Michael A. Booser, Gustav Ranis, Frances Stewart

Summary This paper explores the two-way relationship between economic growth (EG) and human development (HD). We develop panel data strategies to estimate the strength of these relationships and find that HD plays an essential role in determining growth trajectories (our measure of sustained growth). Not only is HD a final product in the sense that it measures basic human well-being but it is also a critical input into EG. Our findings illustrate the empirical relevance of endogenous growth, and are consistent with threshold effect models. Our results imply that successful policy requires an early focus on HD, not only because of its direct impact but also because of its feedback effect on sustaining EG.

A Panel Data Analysis of the Brain Gain

- World Development---2011---Michel Beine, Frédéric Docquier, Cecily Oden-Defoort

Summary In this paper, we revisit the impact of skilled emigration on human capital accumulation using new panel data covering 147 countries during the period 1975-2000. We derive testable predictions from a stylized theoretical model and test them in dynamic regression models. Our empirical analysis predicts conditional convergence of human capital indicators. Our findings also reveal that skilled migration prospects foster human capital accumulation in low-income countries. In these countries, a net brain gain can be obtained if the skilled emigration rate is not too large (i.e., it does not exceed 20-30% depending on other country characteristics). In contrast, we find no evidence of a

significant incentive mechanism in middle-income, and not surprisingly, high-income countries.

The Irrelevance of National Strategies? Rural Poverty Dynamics in States and Regions of India, 1993-2005

- World Development---2011---Anirudh Krishna,Abusaleh Shariff

Summary Examining panel data for more than 13,000 rural Indian households over the 12-year period 1993-94 to 2004-05 shows that two parallel and opposite flows regularly reconfigure the national stock of poverty. Some formerly poor people have escaped poverty; concurrently, some formerly non-poor people have fallen into poverty. These simultaneous inward and outward flows are asymmetric in terms of reasons. One set of reasons is associated with the flow into poverty, but a different set of reasons is associated with the flow out of poverty. Both sets of reasons vary considerably across and within states. No factor matters consistently across all states of India. Standardized national policies do not represent the best use of available resources. Diverse threats and different opportunities must be identified and tackled at the sub-national level.

Female Headship and Schooling Outcomes in Rural India

- World Development---2011---Amita Chudgar

Summary Using nationally representative data from rural India, this study contributes to the limited literature on the educational outcomes of children living in female-headed households. Those heads can be either widows or married women; unlike most prior studies, this one controls for such heterogeneity by separately analyzing data from the two types of households. Like earlier studies, it compares the absolute differences in children's schooling outcomes across household types. Unlike earlier studies, however, it also attempts to quantify the relative improvements in children's schooling outcomes within different households that correspond to marginal improvements in households' educational and economic status. Finally, using

household fixed effects, it investigates the differences in the schooling outcomes of boys and girls across the different household types. The findings concur with those of recent studies in other South Asian countries. Controlling for family background, in absolute terms, children in widow-headed households are no worse off than are those in male-headed households, and children in households headed by married females may enjoy even better schooling outcomes. It is in widow-headed households that a marginal gain in the household's condition is reflected most positively in the children's schooling outcomes. Moreover, these households do not discriminate between boys and girls.

Input Choices in Agriculture: Is There A Gender Bias?

- World Development---2011---Susan Chen,Priya Bhagowalia,Gerald Shively

Summary This paper examines evidence of gender biases in the decisions of agricultural households, utilizing data from International Crops Research Institute for the Semi-Arid Tropics's village level studies in India (1975-85). The main empirical finding is that households with a high proportion of boys tend to use some agricultural inputs, including fertilizers and irrigation services more intensively than households with girls. This pattern is more pronounced among wealthier households but does not appear to be driven solely by bequest motives or male child labor productivity.

Do Spouses Realise Cooperative Gains? Experimental Evidence from Rural Uganda

- World Development---2011---Vegard Iversen,Cecile Jackson,Bereket Kebede,Alistair Munro,Arjan Verschoor

Summary We use experimental data from variants of public good games to test for household efficiency among married couples in rural Uganda. Spouses frequently do not maximise surplus from cooperation and perform better when women are in charge of allocating the common pool. Women contribute less to this household common pool than men and opportunism is

widespread. These results cast doubts on many models of household decision making. Experimental results are correlated with socio-economic attributes and suggest that assortative matching improves household efficiency. Developing non-cooperative household models sensitive to the context-specificity of gender relations emerges as a promising future research agenda.

The Private Health Care Sector and the Provision of Prenatal Care Services in Latin America

- World Development---2011---Alejandro Arrieta, Ariadna García-Prado, Jorge Guillén

Summary In the last two decades, private providers have become an important source of health care in Latin America, and yet, there is little documentation concerning its effectiveness in providing basic public and preventive health services. We use Demographic and Health Surveys from six Latin American countries to compare the effectiveness of the private versus public sector in providing basic health interventions such as prenatal care. We find that the number of prenatal visits is higher in the private sector, but this is not associated with higher birth weight. We discuss different strategies to improve the role of private providers.

Child Labor and Schooling in Bolivia: Who's Falling Behind? The Roles of Domestic Work, Gender, and Ethnicity

- World Development---2011---Daniela Zapata, Dante Contreras, Diana Kruger

Summary We analyze the role of gender and ethnicity in the work-school tradeoff among school-aged children. We observe domestic chores in Bolivian data and consider them work, finding that girls are 51% more likely than boys to be out of school and working, mostly in domestic activities. For indigenous children the probability is 60% higher than non-indigenous, and indigenous girls are 23% more likely than boys to be out of school and working. A more comprehensive measure of child labor reveals that in countries with large indigenous populations, indigenous girls are most

vulnerable to future poverty and exclusion due to low education.

Liquidity Profiles of Poor Mexican Households

- World Development---2011---Julia Paxton, Lauren Young

Summary Buffer stock savings theories predict that more vulnerable households build up liquid savings in order to cope with income variability. Using data from 1801 marginalized Mexican households, this paper examines how household liquidity levels vary by income level and use of banking. The paper finds strong evidence of buffer stock savings in poor and vulnerable households. It also shows that membership in a financial cooperative is a determinant of higher household liquidity levels. Financial instruments are used more to confront idiosyncratic shocks than systemic shocks. Idiosyncratic shocks and remittances are important determinants of liquidity levels in unbanked households.

Multi-Scale Forest Governance, Deforestation, and Violence in Two Regions of Guerrero, Mexico

- World Development---2011---E. Durán, D.B. Bray, A. Velázquez, A. Larrazábal

Summary It has been suggested that weaknesses in rights and land tenure is one of the important causes of forest-related violence. We go beyond rights and tenure to examine relationships between deforestation, forest-related violence, and multi-scale forest governance in a situation of secure tenure rights in comparative case studies of four communities in two watersheds in Guerrero, Mexico. Multi-scale forest governance influenced different rates of land use/cover change and lethal violence but cattle and human population are also influential. We suggest that weaknesses at the regional level of forest governance can be compensated by strong national and community governance.

FDI, Local Sourcing, and Supportive Linkages with Domestic Suppliers: The Case of Monterrey, Mexico

- World Development---2011---Jacob Jordaan

Summary In this paper, we use unique data from firm level surveys among foreign-owned and domestic producer firms as well as domestic suppliers to obtain novel direct empirical evidence on the level, supportive nature, and impact of input-output linkages in Monterrey, Mexico. Our main empirical findings are threefold. First, FDI firms and Mexican firms do not differ in their level of use of local suppliers of material inputs and production services. Second, we find evidence of a variety of types of support that producer firms transmit to their local suppliers. Importantly, FDI firms are significantly more supportive than Mexican firms. This applies in particular to types of support that are linked closely to improving the production processes of suppliers. We also find that several other producer firm characteristics are associated with the use of local suppliers or the provision of support. Third, we find significant differences between maquiladora firms of different generations regarding the scale and nature of their impact among local suppliers.

MNEs and Local Linkages: Evidence from Taiwanese Affiliates

- World Development---2011---Bih Jane Liu

Summary This paper, using Taiwanese firms as a case study, has identified several factors affecting the formation of local linkages, which has important implications for the embeddedness of MNEs in the host countries. It shows that while the ownership structure, the motivation of overseas investment, and the autonomy given to affiliates are all important, the production networks and experience of affiliates in the host country also play crucial roles in creating local linkage. In addition, country-specific factors (e.g., culture and ethnic ties, the presence of foreign MNEs, and the supply of key components) may be significant forces leading to large local linkages.

Property Rights Institutions and Firm Performance: A Cross-Country Analysis

- World Development---2011---Mahmut Yasar,Catherine Morrison Paul,Michael Ward

Summary This paper empirically examines the link between firms' performance and institutional quality using data for firms in 52 countries. We control for potential endogeneity by instruments alternatively based on legal origin and "related-firm" institutions, and by a "bribery" variable. We also use two indicators of institutional quality: firms' expectations that their contractual and property rights will be protected by the legal system, and a property rights index from The Heritage Foundation. We incorporate firm-specific characteristics including industry type and international linkages. We find significantly positive relationships between firms' performance and perceived property rights protection independent of other observable firm characteristics.

Participation, Adaptive Co-management, and Management Performance in the World Network of Biosphere Reserves

- World Development---2011---Lisen Schultz,Andreas Duit,Carl Folke

Summary Analyzing survey-responses from 146 Biosphere Reserves in 55 countries we investigate how stakeholder participation and adaptive co-management practices are linked to management performance. Effectiveness in conventional conservation was positively affected by participation of scientists, but negatively affected by participation of volunteers. Effectiveness in sustainable development goals was associated to participation by local inhabitants. Adaptive co-management practices were associated with a higher level of effectiveness in achieving development goals, and this higher effectiveness did not seem to be at the expense of biodiversity conservation.

Shadow Sovereign Ratings for Unrated Developing Countries

- World Development---2011---Dilip Ratha,Prabal K. De,Sanket Mohapatra

Summary We predict sovereign ratings for developing countries that do not have risk ratings from agencies such as Fitch, Moody's, and Standard and Poor's. Ratings are important in determining the volume and cost of capital flows to developing countries through international bond, loan, and equity markets. Sovereign rating also acts as a ceiling for the foreign currency rating of sub-sovereign borrowers and can be important for their access to international debt and equity capital. We generate shadow ratings for several developing countries that have never been rated and find that unrated countries are not always at the bottom of the rating spectrum. Several of them are projected to have a "B" or higher rating, in a similar range to that of the emerging market economies with capital market access.

Aid Allocation through Various Official and Private Channels: Need, Merit, and Self-Interest as Motives of German Donors

- World Development---2011---Peter Nunnenkamp,Hannes Öhler

Summary The previous literature largely ignores the heterogeneity of aid channels used by each single donor country. We estimate Tobit models to assess the relative importance of recipient need, merit, and self-interest of donors for various channels of official and private German aid across a large sample of recipient countries in 2005-07. Our findings underscore the need for a disaggregated analysis of aid allocation. Aid channels differ significantly in the extent to which need and merit are taken into account. Yet, the German case does not reveal unambiguously superior aid channels.

Did the World Bank Drive Tariff Reforms in Eastern Africa?

- World Development---2011---Chris Jones,Oliver Morrissey,Doug Nelson

Summary This paper explores tariff reform in Ethiopia, Kenya, Tanzania and Uganda between the early 1990s and early 2000s. Tariffs were reformed in an across the board manner consistent with implementing World Bank programs: the average tariff was reduced and the dispersion of tariffs was compressed, with the highest tariffs being eliminated. There is limited evidence of political economy influences on the cross sector pattern of tariffs and reforms, except for a tendency to offer greater protection to larger manufacturing sectors in all countries except Uganda. The technocratic reforms have diluted relative protection and political economy influences in all the four countries.

Does the Asian Development Bank Respond to Past Environmental Performance when Allocating Environmentally Risky Financing?

- World Development---2011---Mark T. Buntaine

Summary This paper provides an empirical test of whether the Asian Development Bank (ADB) adjusts allocation decisions about environmentally risky projects to reflect borrower environmental performance in previous projects. This type of performance-based decision-making has been repeatedly highlighted as key to achieving favorable development assistance outcomes in a variety of programming areas. I collect recipient environmental performance information from all available post-project evaluations since 1990 and create an indicator of environmental reputation using a Bayesian updating model. I use this environmental reputation indicator to demonstrate that the ADB responds to previous borrower environmental performance when approving environmentally risky projects, but that past environmental performance does not positively influence the allocation of projects with no environmental risks. These results demonstrate that performance-based allocation decisions are possible for development organizations within specific programmatic areas when low performance is a significant risk to the core functions of the organization, which in this case is the ability to approve and disburse lending projects.

Impacts of Aid-Funded Technical Assistance Programs: Firm-Level Evidence from the Indonesian Foundry Industry

- World Development---2011---Yasuyuki Todo

Summary This study examines the effect of Japanese aid-funded technical assistance programs on the Indonesian foundry industry funded, applying difference-in-differences propensity score matching estimation to a unique firm-level dataset. The major finding is that the average effect of the aid programs on the change in the reject ratio is negative and significant, suggesting that these programs help local participant firms improve their technology. However, technical assistance programs provided by the local counterpart of aid after the completion of the aid programs do not seem to improve technology of participants in the short run on average.

Value Added of Cluster Membership for Micro Enterprises of the Handloom Sector in Ethiopia

- World Development---2011---Merima Ali,Jack Peerlings

Summary By contrasting the performance of clustered micro enterprises with that of dispersed ones in the handloom sector in Ethiopia, this study shows that clustering significantly increases profit. To correct for selection bias, we match clustered and dispersed micro enterprises that share similar observable characteristics except for being clustered both in urban and rural areas. Results show that clustering is more profitable in urban than rural areas. It is also found that regional-specific factors determining clustering of micro enterprises are different in urban and rural areas, highlighting the need to focus on local circumstances when formulating policies to promote clusters.

Do Fresh Produce Exporters in Sub-Saharan Africa Benefit from GlobalGAP Certification?

- World Development---2011---Spencer Henson,Oliver Masakure,John Cranfield

Summary This paper presents analysis of a survey of fresh produce export firms in 10 countries of sub-Saharan Africa, focusing on the determinants of GlobalGAP certification and the returns in terms of expansion of export sales revenue. The results suggest that technical and/or financial assistance and being in an established export country are key discriminating factors for being GlobalGAP certified. Using propensity matching, it is shown that firms that have achieved certification have appreciable higher export revenues, suggesting an appreciable return on the required investments.

Field versus Farm in Warangal: Bt Cotton, Higher Yields, and Larger Questions

- World Development---2011---Glenn Davis Stone

Summary A longitudinal anthropological study of cotton farming in Warangal District of Andhra Pradesh, India, compares a group of villages before and after adoption of Bt cotton. It distinguishes "field-level" and "farm-level" impacts. During this five-year period yields rose by 18% overall, with greater increases among poor farmers with the least access to information. Insecticide sprayings dropped by 55%, although predation by non-target pests was rising. However shifting from the field to the historically-situated context of the farm recasts insect attacks as a symptom of larger problems in agricultural decision-making. Bt cotton's opponents have failed to recognize real benefits at the field level, while its backers have failed to recognize systemic problems that Bt cotton may exacerbate.

Evaluating the Health Effects of Micro Health Insurance Placement: Evidence from Bangladesh

- World Development---2011---Syed Hamid,Jennifer Roberts,Paul Mosley

Summary We examine the impact of Micro Health Insurance placement on health awareness, healthcare utilization, and health status of microcredit members in rural Bangladesh, using data from 329 households in the operating areas of Grameen Bank. The results are

based on econometric analysis conditioned on placement of the scheme and show that placement has a positive association with all of the outcomes. The results are statistically significant for health awareness and healthcare utilization, but not for health status and these findings are potentially important for the expansion and replication of Micro Health Insurance.

Analyzing Nutritional Impacts of Policies: An Empirical Study for Malawi

- World Development---2011---Olivier Ecker,Matin Qaim

Summary Widespread malnutrition in developing countries calls for appropriate strategies, presupposing good knowledge about nutritional impacts of policies. Little previous work has been carried out in this direction, especially with respect to micronutrients. We use representative household data from Malawi and develop a demand systems approach to estimate income and price elasticities of food demand and nutrient consumption. These estimates are applied for policy simulations. Given multiple nutritional deficiencies, income-related policies are better suited than price policies to improve nutrition. While consumer price subsidies for maize improve calorie and mineral consumption, they can worsen vitamin consumption in urban areas.

Do the Commons Help Augment Mutual Insurance Among the Poor?

- World Development---2011---Yoshito Takasaki

Summary Poor people rely on local commons not only for self-insurance, as commonly found, but also for mutual insurance, depending on resources and shocks. This paper demonstrates that this conjecture holds among cyclone victims in the Pacific Islands. On one hand, households increase coastal fishing and handicraft selling, but not forest-product gathering, to smooth income against own crop damage. On the other hand, households with undamaged housing intensify fishing to help other kin-group members with damaged housing. These distinct patterns of using

commons as insurance are explained by distinct forms of risk sharing against these two shocks.

Repertoires of Domination: Decentralization as Process in Botswana and Senegal

- World Development---2011---Amy R. Poeteete,Jesse C. Ribot

Summary Decentralization promises to empower local actors, but threatens others with a loss of power. We describe "repertoires of domination" as the set of acts actors perform to defend--or entrench and expand--their positions. We illustrate, through case studies of decentralization in natural resource sectors in Botswana and Senegal, how repertoires of domination prevent local-level democratization. The concept of repertoire brings attention to the availability of multiple, substitutable acts of domination that draw upon varied sources of power. Neither decentralization nor democratization can be achieved once and for all. These processes are both advanced and halted through acts of contestation.

Working Life, Well-Being and Welfare Reform: Motivation and Institutions Revisited

- World Development---2011---Louise Haagh

Summary This article revisits the relation between economic institutions and motives to work. It proposes moving away from a dominant polemical focus on the impact of a single source of security (income support), towards a multi-factorial analysis based on control over working life as a source of well-being and motivation to work. Drawing on surveys of two urban constituencies in São Paulo, Brazil, it is found that income security supports an Aristotelian principle of work motivation as individual development. However labour market institutions and opportunity levels affect this link. Implications include a need to consider the distribution of economic control as a key aspect of both human and economic development.

Ethnic Diversity and Ethnic Strife. An Interdisciplinary Perspective

- World Development---2011---Ravi Kanbur, Prem Kumar Rajaram, Ashutosh Varshney

Summary The objective of this paper is to present an overview of ethnicity, ethnic strife, and its consequences, as seen from the perspective of the disciplines of economics, political science, social anthropology, and sociology. What exactly is ethnicity--how is it to be defined, characterized, and measured? What exactly are the causal links from ethnicity so defined to its presumed consequences, including tension and violence? What are the feedback loops from the consequences of ethnic divisions back to these divisions themselves? How can policy, if at all, mitigate ethnic divisions and ethnic conflict? Finally, what role does interdisciplinarity have in helping to understand ethnicity and ethnic strife, and how can interdisciplinary collaboration be enhanced? These are the questions which this paper takes up and deals with in sequence.

Inequalities between Groups: Theory and Empirics

- World Development---2011---Arjun Jayadev, Sanjay Reddy

Summary Inequality between identity groups has long been thought of as an important contributor to social unrest and violence as well as being important in assessing the justice of societies. Yet, the measurement of the ways in which such groups differ and are unequal remains underdeveloped. Accordingly, this paper introduces three distinct but interlinked concepts relating to inequality between groups which can be used in empirical estimation of group based inequality. We define and discuss the concepts of representational inequality, sequence inequality, and group inequality comparison. Representational inequality captures the extent to which a given level of attribute is shared between members of distinct groups, sequence inequality captures the extent to which groups are ordered hierarchically in their possession of the attribute and group inequality comparison captures the extent to

which differences between groups account for the overall inequality of individuals. These concepts can be used to measure the degree of segregation, clustering, and polarization between groups. In order to illustrate the merit of these concepts and their joint application to understanding group based inequality we provide an example using Demographic and Health Surveys data for five societies. It may be seen that the choice of measures is greatly consequential in applied work.

Revisiting Between-Group Inequality Measurement: An Application to the Dynamics of Caste Inequality in Two Indian Villages

- World Development---2011---Peter Lanjouw, Vijayendra Rao

Summary Standard approaches to decomposing how much group differences contribute to inequality rarely show significant between-group inequality, and are of limited use in comparing populations with different numbers of groups. We apply an adaptation to the standard approach that remedies these problems to longitudinal household data from two Indian villages--Palanpur in the north and Sugao in the west. In Palanpur we find that the largest Scheduled Caste group failed to share in the gradual rise in village prosperity. This would not have emerged from standard decomposition analysis. However, in Sugao the alternative procedure does not yield any additional insights because income gains have applied relatively evenly across castes.

Riding the Ever-Rolling Stream: Time and the Ontology of Violent Conflict

- World Development---2011---Graham Brown, Arnim Langer

In this paper, we examine the ways in which the passage of time is dealt with in econometric studies of violent conflict and civil war with empirical attention to the dynamics of ethnic conflict. We argue that the mainstream approach to econometric studies of civil war is based on a time-invariant ontology and that this is not an appropriate or adequate way of capturing

the causal patterns of violent conflict. Based analysis of replication datasets using structural break analysis and rolling windows, we show how careful attention to the passage of time reveals important macro-historical changes in the coefficients on ethnic diversity in explaining conflict incidence. We conclude that econometric studies of civil war need to pay more careful attention to the limitations on the generalizations that they draw through attention to the passage of time and better iteration with qualitative and historical studies.

Sons of the Soil, Migrants, and Civil War

- World Development---2011---James Fearon,David D. Laitin

Summary In nearly a third of ethnic civil wars since 1945, the conflict develops between members of a regional ethnic group that considers itself to be the indigenous "sons of the soil" and recent migrants from other parts of the country. The migrants are typically members of the dominant ethnic group who migrate in search of land or government jobs, often supported by the state with economic incentives and development schemes. This paper elaborates on the concept of a sons-of-the-soil conflict; presents descriptive statistics and empirical patterns; identifies a typical escalation sequence; illustrates the several steps with an account of the Tamil-Sinhalese conflict along with other cases; discusses the obstacles to negotiated settlements; and concludes with a suggestion on the role of grievances in explaining civil war onsets.

A Systematic Approach to Cultural Explanations of War: Tracing Causal Processes in Two West African Insurgencies

- World Development---2011---Paul Richards

Summary Many accounts of cultural factors in armed conflicts are dependent on circumstantial details. Alternative quantitative approaches suffer from confusion of correlation and cause. This paper describes and exemplifies a third approach to the analysis of cultural factors in war--causal process tracing. Six key steps in implementing causal process tracing are outlined

and applied to recent episodes of armed conflict in Côte d'Ivoire and Sierra Leone. The virtue of the method lies in establishing a systematic framework for the comparison and evaluation of cultural mechanisms, thus providing an escape from hazards associated with subjective regression.

The Spatial Distribution of Riots: Patronage and the Instigation of Communal Violence in Gujarat, India

- World Development---2011---Ward Berenschot

Summary Why does violence erupt in some areas and not in others? The Hindu-Muslim violence that engulfed Gujarat in 2002 did not spread uniformly throughout the state, as a sizable number of towns and villages remained unaffected by the killing, looting, and raping that took place. This article takes up the different levels of violence within one city as a clue to understand the local dynamics that lead to riots. This ethnographic study of events in a violent and a peaceful locality suggests that violence is more likely in neighborhoods where inhabitants gain access to state institutions through patronage networks that derive electoral gains from communal violence.

Explaining Anti-Chinese Riots in Late 20th Century Indonesia

- World Development---2011---Samsu Rizal Panggabean,Benjamin Smith

Summary In this essay we ask why anti-Chinese riots took place in some Indonesian cities but not in others during the upheaval of May 1998. Employing process-tracing within a sub-national comparison of four cities, we argue that anti-Chinese riots in May 1998 were a frame-shifting strategy employed by security forces to distract public attention from their failure to control anti-government student demonstrations. Anti-Chinese rioting took place only where the local government and the security forces failed to limit the repertoires and spatial reach of protests used by prior student demonstrators.

Political Instrumentalization of Islam and the Risk of Obscurantist Deadlock

- World Development---2011---Jean-Philippe Platteau

Summary The empirical literature has established a strong link between being a Muslim country and indicators of political performance and democracy. The idea of the "clash of civilizations" put forward by Samuel Huntington and applied to Islam by Bernard Lewis and others points to unique aspects of the Islamic religion and culture that make the advent of democracy especially difficult. In this paper, I show that there is a systematic misconception about the true nature of the relationship between Islam and politics: far from being fused into the religious realm, politics tends to dominate religion. Because of some characteristics, namely the lack of a centralized religious authority structure and the great variability of interpretations of the Islamic law, there is a risk of an "obscurantist deadlock" in the form of a vicious process whereby both the ruler and his political opponents try to outbid each other by using the religious idiom. This risk looms particularly large in crisis situations accentuated by international factors such as witnessed during the second half of the 20th century. From a short comparative analysis, it is however hard to conclude that unique aspects of the Islamic faith are ultimately responsible for the persistent autocratic feature of Muslim polities.

Religious Media, Devotional Islam, and the Morality of Ethnic Pluralism in Mauritius

- World Development---2011---Patrick Eisenlohr

Summary Pluralism in Mauritius illustrates the special role religious traditions can play for dynamics of ethnicity. They do so in constituting moralities of coexistence that cannot be easily subsumed under the role of religion as an ethnic marker. To illustrate this point, this paper focuses on the circulation of religious media and their emphasis on religiously grounded notions of the common good, and addresses the importance of a media-sustained public sphere for the modalities of ethnic pluralism in Mauritius. The media-driven

dynamics of ethnic and religious pluralism also highlight performatively constituted morality comprising of both affective and meaningful dimensions of the public sphere, as they are evident in Mauritian engagements with religious media.

Estranged Natives and Indigenized Immigrants: A Relational Anthropology of Ethnically Mixed Towns in Israel

- World Development---2011---Daniel Monterescu

Summary Ethnic relations between the Palestinian and Jewish communities in ethnically mixed towns in Israel are marked by class divides, political fragmentation, and perception of alienation vis-à-vis place and other. Analyzing patterns of communal identity politics, this article revisits the spatial history of Jaffa since 1948. Against theories of urban ethnocracy predicated on the convergence of state policies and capitalist accumulation, which in turn engender longstanding spatial segregation between Jews and Arabs and between new and old residents, I argue that it is precisely the indeterminate "contact zones" between communities and spaces that constitute the political and cultural realities in these cities. Proposing a relational reading of these spatial dynamics, this article shows that in contradistinction to the basic premise of the nation-state, in Jaffa as well as other mixed towns, the coupling between space and identity collapses. The concepts of "spatial heteronomy" and "stranger relations" are proposed to characterize the challenge raised by ethnically mixed towns to the Jewish state and to the ethnonational logic that guides it.

We-ness and Welfare: A Longitudinal Analysis of Social Development in Kerala, India

- World Development---2011---Perna Singh

Summary This paper challenges the conventional wisdom that ethnic diversity negatively influences public goods provision through a longitudinal study of the Indian state of Kerala, which has attained exceptional levels of social development despite high fragmentation along religious and caste lines. This paper argues that

it is not objective diversity but a subjective sense of "we-ness," which is the key determinant of the level of public goods provision and social development. A historical analysis of Kerala illustrates how a cohesive subnational community generates progressive social policy as well as societal monitoring of schools and clinics, which together give rise to relatively high levels of education and health outcomes.

Financial Openness and Productivity

- World Development---2011---Geert Bekaert,Campbell Harvey,Christian Lundblad

Summary Financial openness is often associated with higher rates of economic growth. We show that the impact of openness on factor productivity growth is more important than the effect on capital growth. This explains why the growth effects of liberalization appear to be largely permanent, not temporary. We attribute these permanent liberalization effects to the role financial openness plays in stock market and banking sector development, and to changes in the quality of institutions. We find some indirect evidence of higher investment efficiency post-liberalization. We also document threshold effects: countries that are more financially developed or have higher quality of institutions experience larger productivity growth responses. Finally, we show that the growth boost from openness outweighs the detrimental loss in growth from global or regional banking crises.

Are Third World Emigration Forces Abating?

- World Development---2011---Timothy Hatton,Jeffrey G. Williamson

Summary Most observers appear to believe that Third World emigration pressure is on the rise. But history suggests that migration typically follows a bell shape, in which case it might be entering on the downward phase. This paper estimates the economic and demographic fundamentals driving emigration from the developing world to the United States since 1970. The results suggest that emigration pressure, determined largely by source country demographics, education, poverty,

and migrant stock dynamics, has recently been abating. Projections into the future suggest that it may even decline, and that its composition will become much more African and much less Hispanic.

Entrepreneurship is Not a Binding Constraint on Growth and Development in the Poorest Countries

- World Development---2011---Wim Naudé

Summary Many economists claim that entrepreneurship is an important determinant of economic growth and development. In the sub-discipline of development economics however, entrepreneurship is largely absent from explanations of growth and development. This may be because arguments and evidence marshaled by other economists studying entrepreneurship fail to convincingly show that entrepreneurship is a binding constraint on development in the poorest countries. However, by neglecting entrepreneurship development economics may fail to appreciate how institutions shape development outcomes. It is worthwhile to study entrepreneurship in development as it may improve our understanding of the real binding constraints.

Revisiting Religion: Development Studies Thirty Years On

- World Development---2011---Séverine Deneulin,Carole Rakodi

Summary This paper re-assesses the treatment of religion in development studies 30 years after the publication of a special issue of World Development on "Religion and Development". Given the changes in the social and political context, consideration of the subject of religion can no longer be avoided. The paper identifies two implications of this for development studies. First, the assumptions of secularization and secularism that supposedly define the relationships between religion, society, and politics have to be revisited. Second, development studies must recognize that religion is dynamic and heterogeneous. Both development studies and religion are concerned with the meaning of "progress" or a "better life," implying that attention

has to be given to social and historical processes of meaning creation, requiring a shift from positivist to interpretivist research methods. The paper concludes by looking at how consideration of religion is transforming development studies.

The Politics of Public Health Aid: Why Corrupt Governments Have Incentives to Implement Aid Effectively

- World Development---2011---Simone Dietrich

Summary Conventional wisdom suggests that foreign aid is more effective in less corrupt states. Recently, however, research is emerging that suggests that this argument may be too broad and that the effect of governance on aid effectiveness is masked by the study of aggregate aid flows. I focus on the public health sector and develop an argument of strategic compliance: corrupt recipient governments have incentives to comply with donor objectives but they will do so in aid sectors, in which compliance is cheap. I use two-step Generalized Method of Moments (GMM) as my primary estimation technique. I find strong and robust evidence for my argument.

"AIDS is Money": How Donor Preferences Reconfigure Local Realities

- World Development---2011---N. Simon Morfit

Summary There is growing concern that the global response to AIDS in sub-Saharan Africa is compromising the region's human development more broadly. Through a case study of Malawi, I examine the impact of AIDS prioritization by international donors on the country's NGOs and analyze why AIDS wields such influence on development work. In the last 20 years the Malawian NGO sector has evolved to favor AIDS above all else. AIDS has come to possess prestige and legitimacy that other development sectors are denied. Although guided by good intentions, AIDS efforts may have hindered attempts to address other, non-AIDS, development issues.

An Inquiry into Constraints on a Green Revolution in Sub-Saharan Africa: The Case of NERICA Rice in Uganda

- World Development---2011---Yoko Kijima,Keijiro Otsuka,Dick Sserunkuuma

Summary In Uganda, New Rice for Africa (NERICA), a high-yielding upland rice variety suitable for the African environment, was introduced to increase food security and reduce poverty in rural areas in 2002. However, more than 50% of the NERICA adopters in 2004 had abandoned it in 2006. The regression results indicate that the low profitability of NERICA relative to alternative crops in variable rainfall areas explains the massive dropout. It is also found that the profitability of NERICA production was low when farmer-produced seeds were used in 2006, suggesting the weak dissemination of appropriate information on seed production to rice farmers.

Can Commercially-oriented Microfinance Help Meet the Millennium Development Goals? Evidence from Pakistan

- World Development---2011---Heather Montgomery,John Weiss

Summary The current emphasis in the microfinance industry is a shift from donor-funded to commercially sustainable operations. This article evaluates the impact of access to microloans from the Khushhali Bank-Pakistan's first and largest microfinance bank which operates on commercial principles. Using primary data from a detailed household survey of nearly 3,000 borrower and non-borrower households, a difference in difference approach is used to test for the impact of access to loans. Once the results are disaggregated between rural and urban areas there is a positive impact in rural areas on food expenditure and on some social indicators such as the health of children and female empowerment. These impacts are observed even in very poor households. These findings suggest that commercially-oriented microfinance and the millennium development goals are not incompatible, given a supportive environment.

Do Village Funds Improve Access to Finance? Evidence from Thailand

- World Development---2011---Lukas Menkhoff,Ornsiri Rungruxsirivorn

Summary This paper examines whether recently introduced "village funds," one of the largest microfinance programs ever implemented, improve access to finance. Village funds are analyzed in a cross-sectional approach in comparison to competing financial institutions. We find, first, that they reach the target group of lower income households better than formal financial institutions. Second, village funds provide loans to those kinds of borrowers who tend to be customers of informal financial institutions. Third, village funds help to reduce credit constraints. Thus, village funds provide services in the intended direction, albeit to a seemingly limited degree.

Land Tenure Arrangements and Rural-Urban Migration in China

- World Development---2011---Katrina Mulan,Pauline Grosjean,Andreas Kontoleon

Summary Obstacles to internal migration in China contribute to inefficiency, inequality, and land degradation. Academic and policy debate has primarily focused on discrimination against rural migrants on arrival in urban areas. Meanwhile, barriers to migration out of rural areas have received less attention. This paper examines the role of incomplete rural property rights in the migration decisions of rural households. We examine the relationship between tenure insecurity and restrictions on land rentals, and participation in outside labor markets. The results indicate that tenure insecurity reduces migration. This relationship is particularly pronounced on forest land, which has implications for the conservation of recently replanted forest areas.

Fair Trade/Organic Coffee, Rural Livelihoods, and the "Agrarian Question": Southern Mexican Coffee Families in Transition

- World Development---2011---Bradford L. Barham,Mercedez Callenes,Seth Gitter,Jessa Lewis,Jeremy Weber

Summary We use a random sample of coffee producing households in southern Mexico to compare opportunities associated with government subsidies and migration to the role of Fair Trade/organic coffee in household livelihoods. Although land and labor returns among Fair Trade/organic coffee growers are higher than for conventional growers, differences in yields are more important than price premiums. Moreover, investment in education and labor opportunities outside coffee dominate those in Fair Trade/organic coffee. The results highlight the value of an integrated approach to the agrarian question that improves productivity and prices and supports other pathways for improving incomes.

Political Institutions and Financial Development: An Empirical Study

- World Development---2010---Yongfu Huang

Summary This paper examines whether political institutional improvement promotes financial development, using a panel dataset of 90 developed and developing countries over 1960-99. The empirical evidence reveals a positive effect of institutional improvement on financial development at least in the short-run, particularly for lower income countries. The preliminary evidence by a before-after event study indicates that a democratic transformation is typically followed by an increase in financial development.

Human Development and Foreign Direct Investment in Developing Countries: The Influence of FDI Policy and Corruption

- World Development---2010---S.L. Reiter,H. Kevin Steensma

Summary While policymakers place great importance on foreign direct investment (FDI) in advancing development in developing countries, the links between FDI, economic development, and human development remain tenuous. We attempt to better understand these relationships by looking at the influence of FDI policy and corruption on these relationships. We find that FDI inflows are more strongly positively related to improvement in human development when FDI policy restricts foreign investors from entering some economic sectors and when it discriminates against foreign investors relative to domestic investors. The relationship between FDI and improvement in human development is also more strongly positive when corruption is low.

Disability Cash Transfers in the Context of Poverty and Unemployment: The Case of South Africa

- World Development---2010---Sophie Mitra

Summary South Africa's Disability Grant (DG) program has been criticized for its poor administration and the dependency culture it promotes. This paper assesses the program's targeting effectiveness and its effects on labor supply. Using disability self-reports and standard measures of economic well being, the results suggest that DG's inclusion errors are relatively limited but exclusion errors are substantial and serious. The paper also shows that increased leniency in disability screening policy in the Gauteng province in the early 2000s does not appear to have altered labor market behaviors relative to Northern Cape, a province where there was no change in policy.

Inside Informality: The Links Between Poverty, Microenterprises, and Living Conditions in Nairobi's Slums

- World Development---2010---Sumila Gulyani, Debabrata Talukdar

Summary Using households rather than enterprises as the analytical unit, this study of 1,755 households in Nairobi's slums reveals that informal household microenterprises are indeed helping offset poverty. Mi-

croenterprises are helping households that are, a priori, more likely to be poor. Better microenterprise performance is associated with certain "business-related" factors, such as sales area, time in, and sector of operation. But "living conditions"--residential tenure and infrastructure access--also strongly influence both creation and success of microenterprises. Interventions that improve infrastructure and reduce tenure insecurity and rent-induced pressures to move may be crucial for incubating microenterprises and reinforcing their contribution to poverty alleviation in Nairobi's slums.

Orphanhood and the Living Arrangements of Children in Sub-Saharan Africa

- World Development---2010---Kathleen Beegle, Deon Filmer, Andrew Stokes, Lucia Tiererova

Summary Increasing adult mortality due to HIV/AIDS in Sub-Saharan Africa raises considerable concern about the welfare of surviving children. Studies have found substantial variability across countries in the negative impacts of orphanhood on child health and education. One hypothesis for this variability is the resilience of the extended family network in some countries to care for orphans--networks under increasing pressure by the sheer number of orphans in many settings. Using household survey data from 21 countries in Africa, this study examines trends in orphanhood and living arrangements, and the links between the two. The findings confirm that orphanhood is increasing, although not all countries are experiencing rapid rises. In many countries, there has been a shift toward grandparents taking an increased childcare responsibility--especially where orphan rates are growing rapidly. This suggests some merit to the claim that the extended network is narrowing, focusing on grandparents who are older, and may be less able than working-age adults financially to support orphans. However, there are also changes in childcare patterns in countries with stable orphan rates or low HIV prevalence. This suggests that future work on living arrangements should not exclude low HIV/AIDS prevalence countries, and explanations for changes should include a broader set of factors.

Accounting for Remittance and Migration Effects on Children's Schooling

- World Development---2010---Catalina Amuedo-Dorantes,Susan Pozo

Summary We examine the impact of remittances on children's school attendance in the Dominican Republic. To isolate the effect of remittances from the effect of sometimes concurrent household out-migration, we focus on children in households without members currently residing in the United States. While girls' school attendance rises with the receipt of remittances, secondary school-age children and younger siblings are the ones who most decidedly gain from remittances. Additionally, we find that migration negatively impacts the school attendance of children as it eliminates the positive effect of remittances when we expand the sample to include children in households with members residing abroad.

Microfinance and Household Poverty Reduction: New Evidence from India

- World Development---2010---Katsushi Imai,Thankom Arun,Samuel Annim

Summary The objective of the present study is to examine whether household access to microfinance reduces poverty. Using national household data from India, treatment effects model is employed to estimate the poverty-reducing effects of Micro Finance Institutions (MFIs) loans for productive purposes, such as investment in agriculture or non-farm businesses on household poverty levels. These models take into account the endogenous binary treatment effects and sample selection bias associated with access to MFIs. Despite some limitations, such as those arising from potential unobservable important determinants of access to MFIs, significant positive effect of MFI productive loans on multidimensional welfare indicator has been confirmed. The significance of "treatment effects" coefficients has been verified by both Tobit and Propensity Score Matching (PSM) models. In addition, we found that loans for productive purposes were more important for poverty reduction in rural than in urban areas.

However in urban areas, simple access to MFIs has larger average poverty-reducing effects than the access to loans from MFIs for productive purposes. This leads to exploring service delivery opportunities that provide an additional avenue to monitor the usage of loans to enhance the outreach.

Food Prices and Modern Retail: The Case of Delhi

- World Development---2010---Bart Minten,Thomas Reardon,Rajib Sutradhar

Summary Modern retail is quickly becoming an important driver of change in food markets in developing countries. However, the impact of this development on basic food prices facing urban consumers is not well understood. In a detailed case study of Delhi, modern retail is shown to emerge quickly, offering more labeled and branded food products and more choice than traditional markets. We further find that modern retail at its mere incipience in India sells basic foods mostly at the same or lower prices than traditional retail and might thus become an important contributor to improved urban food security.

Identity, Interest and Information Search in a Dynamic Rural Economy

- World Development---2010---Paulo Santos,Christopher Barrett

Summary This paper examines how farmers in a developing country search for information. Using data on farmers' decisions to connect with other farmers in order to ask for information about different agricultural problems, we explore the role played by identity in accessing information. We show that farmers target different subsets of acquaintances when searching for different types of information, supporting the view that identity cannot be the main determinant of such decisions.

Knowledge Management in Practice: Pitfalls and Potentials for Development

- World Development---2010---Julie Ferguson, Marleen Huysman, Maura Soekijad

Summary Knowledge management is increasingly recognized as a relevant management approach within the development sector. However, few academic studies have analyzed the conceptual foundations of knowledge management practices in a development-specific context. As a result, the political dimensions of knowledge management are often overlooked. Through a literature review, illustrated with reference to examples from practice, this paper identifies a difference between latent goals and active knowledge management practices, which can lead to counterproductive development outcomes. The paper identifies the pitfalls and potentials associated with knowledge management in a development context and presents a conceptual framework that recognizes and builds on political dimensions of knowledge as discussed in participation and post-developmental debates.

Determinants of Government Efficiency

- World Development---2010---David Hauner, Annette Kyobe

Summary We compile the first large cross-country panel dataset of public sector performance and efficiency, encompassing 114 countries on all income levels from 1980 to 2004, with about 1,800 country-year observations for the education sector and about 900 observations for health. We regress these indicators on potential economic, institutional, demographic, and geographic determinants. Our most resounding conclusion is that higher government expenditure relative to GDP tends to be associated with lower efficiency in the respective sector. Moreover, we find that richer countries exhibit better public sector performance and efficiency, and that government accountability and demographic factors also play a significant role.

Does Foreign Direct Investment Drive Technological Upgrading?

- World Development---2010---Thomas Kemeny

Summary This paper evaluates whether inward foreign direct investment stimulates technological upgrading, and if its impact depends on an economy's level of social capability. FDI inflows exert a positive influence on technological upgrading over a lengthy time period for a large and diverse sample of countries. This effect is conditioned by an economy's level of social capability, as well as its income. Among poor countries the effect of FDI on upgrading is bolstered for those endowed with higher levels of social capability. The effect of FDI on upgrading in rich countries remains positive but is weaker, and social capability exerts little disparate influence among these similarly socially capable economies.

The Fight for the Middle: Upgrading, Competition, and Industrial Development in China

- World Development---2010---Loren Brandt, Eric Thun

Summary When China acceded to World Trade Organization (WTO) in 2001, there were fears that Chinese firms would lose market share in key sectors to foreign-invested enterprises (FIEs). Although aggregate data often indicate a shift in favor of FIEs, indigenous firms in many cases have slowly increased market share and deepened their technical capabilities. Through an analysis of aggregate data and three sectors, we show how the dynamics of competition between Chinese and FIEs in China's domestic market enhance the upgrading prospects for Chinese firms. China represents a new model of development in several important respects: industrial upgrading efforts are often domestically driven, within this domestic market there is intense competition between both domestic and foreign firms, and this competition is driving and stimulating the upgrading efforts of domestic firms.

Supplier Upgrading in the Home-furnishing Value Chain: An Empirical Study of IKEA's Sourcing in China and South East Asia

- World Development---2010---Inge Ivarsson,Claes Göran Alvstam

Summary We use detailed firm-level data from 2008 to show how the world's largest home-furnishing retailer, IKEA from Sweden, provides its suppliers in China and SE Asia with significant technological support to improve their products and processes. This demonstrates that even buyer-driven global value chains, coordinated by large retailers, have the potential to contribute to technological upgrading among many small, inexperienced producers of labor-intensive products. Theoretically, this suggests that the current value-chain theory needs to take into account the existence of a "developmental" governance structure.

Catching up Trajectories in the Wine Sector: A Comparative Study of Chile, Italy, and South Africa

- World Development---2010---Lucia Cusmano,Andrea Morrison,Roberta Rabellotti

Summary From a development perspective an investigation of the changes that have occurred in the wine industry is of particular interest because it provides evidence on how emerging economies have been able to acquire significant shares of the international market in a dynamic sector. Based on novel empirical evidence, this paper shows that emerging countries with diverse institutional models and innovation strategies have actively participated in the process of technological modernization and product standardization. These newcomers in the wine sector have responded particularly effectively to changes in demand, aligning emerging scientific approaches with institutional building efforts and successful marketing strategies.

Formal and Informal Institutions in a Transition Economy: The Case of Vietnam

- World Development---2010---Liesbet Steer,Kunal Sen

Summary We examine the role of informal and formal institutions behind the growth of private sector in Vietnam since the official recognition of private enterprises in the early 1990s. We show that firms have increasingly taken on risks in their transactions in spite of weak formal institutions. Risk-taking by firms can be explained by the use of informal institutions such as relational contracts and networks along with recourse to emerging formal institutions such as written contracts. Our results suggest that informal institutions remain important as mechanisms of risk management even as the economy matures and new formal institutions gradually develop.

The Returns to Education in Thailand: A Pseudo-Panel Approach

- World Development---2010---Sasiwimon Warunsiri,Robert McNown,Sasiwimon Warunsiri Paweenawat

Summary This study employs the pseudo-panel approach for estimating returns to education in Thailand, while treating the endogeneity bias common to estimates from data on individuals. Pseudo-panel data are constructed from repeated cross-sections of Thailand's National Labor Force Surveys of workers born during 1946-67. Estimates show a downward bias of the returns to education in least squares regressions with individual data, a result confirmed with instrumental variable estimation. The overall rate of return is between 14% and 16%. Females have higher returns than males, and workers in urban areas have higher returns than those in rural areas.

Remittances, Household Expenditure and Investment in Guatemala

- World Development---2010---Richard Adams,Alfredo Cuenca

Summary This paper uses a nationally-representative household data set from Guatemala to analyze how the receipt of internal remittances (from Guatemala) and international remittances (from United States) affects the marginal spending behavior of households. Two

findings emerge. First, controlling for selection and endogeneity, households receiving international remittances spend less at the margin on one key consumption good--food--compared to what they would have spent on this good without remittances. Second, households receiving either internal or international remittances spend more at the margin on two investment goods--education and housing--compared to what they would have spent on these goods without remittances. These findings support the growing view that remittances can help increase the level of investment in human and physical capital in remittance-receiving countries.

Forests to the People: Decentralization and Forest Degradation in the Indian Himalayas

- World Development---2010---Jean-Marie Baland,Pranab Bardhan,Sanghamitra Das,Dilip Mookherjee

Summary This paper assesses degradation of forests managed by local communities (Van Panchayats (VPs)), relative to state protected and open access forests in the Indian state of Uttaranchal. It is based on ground-level ecological measures of forest quality (including canopy cover, biomass, logging, and regeneration) in forest areas adjoining a random sample of villages, and controls for unobserved village heterogeneity, possible endogeneity of management regimes and cross-forest spillovers. Controlling for these factors, VP forests are found to be 20-30% less logged, and similar on other dimensions. The logging differences are greater the longer the forest has been under a VP.

How Do Ethnic Militias Perpetuate in Nigeria? A Micro-level Perspective on the Oodua People's Congress

- World Development---2010---Yvan Guichaoua

Summary The paper discusses the recently promoted view that organized insurgent violence should either be conducted by activists bonded together by social capital ties or self-interested quasi-mercenaries, depending on the type of financial resources available to the group. We contrast this perspective with the

study of an ethnic Nigerian militia, the Oodua People's Congress (OPC). It appears that the success of this militia over time was jointly sustained by important preexisting social connections and numerous opportunities for economic gains. The perpetuation of OPC, we argue, is ensured by a "moral economy" whose members enjoy self-insurance in an environment perceived as unsafe.

The Future of Small Farms

- World Development---2010---Steve Wiggins,Johann Kirsten,Luis Llambrí

Summary Interest in agriculture for growth and poverty reduction reawakened in the early 2000s made all the keener by the sudden rise in cereals prices on world markets in 2007-08. But is it still possible to drive agricultural growth through small farms, as happened in the green revolution? Whether small farms have a future was debated at a workshop held in Wye, United Kingdom, in June 2005. It concluded that small farm development is not just desirable for poverty reduction, but also feasible, even in changing circumstances and particularly those of more concentrated supply chains with more demanding buyers. That said, while much that needs to be done is straightforward, such as provision of public goods, fostering the institutional innovations to allow small farmers to deal with the emerging supply chains will require patient work, tailored to specific circumstances. The future of all smallholders may well not lie in farming, but the measures to stimulate the rural nonfarm economy and provide jobs for those leaving farming--a favorable rural investment climate, provision of public goods, institutional development--are largely the same as those for agricultural development as well.

The Future of Small Farms: Trajectories and Policy Priorities

- World Development---2010---Peter Hazell,Colin Poulton,Steve Wiggins,Andrew Dorward

Summary While smallholder development has, in the past, led to reductions in poverty and hunger, does

this still apply in today's more globalized world? This paper reviews the debates on the contemporary role of agriculture in development and the case for small farms in light of the rise of supermarkets, lower commodity prices and liberalized trade, agricultural research funding, environmental change, HIV/AIDS, and changing policy ideas. Although the answers vary greatly by context, for many low-income countries, smallholder development remains a key option. The policy agenda, however, has changed. In addition to providing public goods, the growing challenge is to overcome market failures, which is largely a matter of institutional innovation.

Reflections on the Role of Agriculture in Pro-Poor Growth

- World Development---2010---Alberto Valdés, William Foster

Summary This paper assesses the importance of agriculture poverty reduction, largely through its impact on overall economic growth, drawing on evidence from Latin America and other developing regions. The econometric evidence strongly suggests that the sector contributes to growth more than its share of GDP, certainly in Latin America but also elsewhere. Cross-country studies show that, on average in the developing world, agriculture tends to have an impact on both national growth and poverty reduction that is greater than its simple share of national GDP. The results reinforce the argument against taxing agriculture relative to other sectors and that in assigning government expenditures to public goods one should take into account the historical relationship between agricultural growth and the subsequent non-agricultural growth. The paper also considers approaches to stimulate the rural economy.

The Role of Agriculture in African Development

- World Development---2010---Xinshen Diao, Peter Hazell, James Thurlow

Summary Widespread rural poverty in Africa and the success of Asia's Green Revolution suggest that agricul-

ture is a key sector for African development. However, in response to recent skepticism, this paper examines whether the conventional wisdom about agriculture's contribution to the development process can still be applied to Africa today. We first outline the debate between the proponents of agriculture and its skeptics before presenting a series of case studies reflecting the heterogeneity of initial conditions facing low-income African countries. Drawing on economy-wide modeling, these case studies contrast the effectiveness of alternative growth strategies in reducing poverty. The findings indicate that while Africa does face many new challenges unlike those faced by Asian countries, there is little evidence to suggest that these countries can bypass a broad-based agricultural revolution to successfully launch their economic transformations.

Principal Challenges Confronting Smallholder Agriculture in Sub-Saharan Africa

- World Development---2010---Thomas Jayne, David Mather, Elliot Mghenyi

Summary This paper uses small-scale farm survey data from five countries of eastern and southern Africa to highlight four under-appreciated issues: (i) how land distribution patterns constrain the potential of crop technology and input intensification to enable many small farms to escape from poverty; (ii) why most smallholders are unable to produce more than a marginal surplus or participate meaningfully in commodity markets; (iii) why most farmers are directly hurt by higher grain prices; and (iv) why the marketed agricultural surplus is exceedingly concentrated among a small group of relatively large smallholders. Policy and public investment options are reviewed in the light of these findings. There is no one future for small farms in Africa: much depends on government policy and investment decisions.

From Policy Aims and Small-farm Characteristics to Farm Science Needs

- World Development---2010---Michael Lipton

Summary This paper examines the agricultural science

needs of small farms. The green revolution successfully negotiated two tightropes: agricultural productivity increases were larger than the fall in prices that resulted from producing more food; and output per hectare rose faster than output per worker, thus increasing the demand for labor. The current challenge is to generate technology that helps poor farmers in low potential areas. Since research capacity is increasingly private, incentives to produce the needed technology are needed, perhaps through contracts to produce varieties with specific characteristics. Development of seeds needs complementary work on water, for which economists, plant scientists, and engineers need to pool their skills.

The Future of Small Farms: New Directions for Services, Institutions, and Intermediation

- World Development---2010---Colin Poulton, Andrew Dorward, Jonathan Kydd

Summary Efficient pre- and post-harvest services are essential if small farms in high potential areas are to intensify production, contribute to economic growth, and reduce poverty. They also matter if small farms in marginal areas are to manage their natural resource base, in the face of growing population pressure and climate change. Difficulties that smallholders face in accessing services are reviewed, showing how incentives for commercial delivery of services to smallholders differ between staple food, traditional cash crop, and high value product supply chains. The major challenge in service delivery to smallholders in much of Africa concerns coordination of service development and delivery. Different forms of intermediary institution for achieving such coordination are examined.

The Rural Non-farm Economy: Prospects for Growth and Poverty Reduction

- World Development---2010---Steven Haggblade, Peter Hazell, Thomas Reardon

Summary Policy makers have high expectations for the rural non-farm economy (RNFE). Given high income shares, growing employment, and frequently low capital requirements, they see the RNFE as a potential

pathway out of poverty for their rural poor. Yet available evidence suggests that pro-poor rural non-farm growth does not occur automatically. For the poor to benefit from rural non-farm growth, policy makers must stimulate buoyant rural economies, with robust non-farm income growth, not simply low-productivity employment. Moreover, the poor must gain access to growing market niches. Fluid labor markets provide one important bridge linking the rural poor to growing non-farm opportunities.

The Political Economy of Policies for Smallholder Agriculture

- World Development---2010---Regina Birner, Danielle Resnick

Summary As the experience of the 20th century has shown, implementing policies that increase agricultural productivity among smallholders is a particularly promising strategy to achieve pro-poor growth. However, history also reveals major political challenges to adopting this strategy. The paper compares the experience of Asian countries that were able to launch a smallholder-based Green Revolution with the experience of African countries that are still struggling with this goal. It then reviews the political economy literature to identify the factors that account for these divergent experiences. Finally, the paper develops a conceptual framework to guide empirical research to close the knowledge gaps identified by the review.

Impact Assessment of Policy-Oriented International Agricultural Research: Evidence and Insights from Case Studies

- World Development---2010---Tom Walker, Jim Ryan, Tim Kelley

Summary Assessing the impact of policy-oriented research is fraught with methodological difficulties ranging from attributing influence on policy change to constructing an appropriate counterfactual. The six case studies in this special section address these challenges in the context of international agricultural research. Methodological and analytical lessons are drawn about

the uptake and influence of policy-oriented research on policy change and about the conduct of cost-benefit analysis for such research. The authors of the studies effectively used a key-informant approach to document uptake and influence for policy reforms that were believed to have incorporated well-defined outputs from policy research.

Returns to Policy-Oriented Agricultural Research: The Case of Barley Fertilization in Syria

- World Development---2010---Mohamed A.M. Ahmed,Kamel Shideed,Ahmed Mazid

Summary In 1984, ICARDA and its Syrian partners initiated farming systems research that led to a change in national fertilizer allocation policy. Evidence is assessed on the policy influence of the fertilizer-response research and on the impact of switching to a more inclusive policy that relaxed the government's probation of fertilizer allocation to barley. Interviews with key informants make a persuasive case for attribution; estimates from economic surplus models are consistent with a high rate of return on investment in the policy-oriented research. This case study provides a contribution to the limited empirical literature on returns to research under policy distortions.

The International Food Policy Research Institute (IFPRI) and the Mexican PROGRESA Anti-Poverty and Human Resource Investment Conditional Cash

- World Development---2010---Jere Behrman

Summary The Mexican PROGRESA/Oportunidades anti-poverty and human resource conditional cash transfer (CCT) program has influenced considerably policies in many countries. The Mexican government engaged the International Food Policy Research Institute (IFPRI) to undertake the initial evaluation of PROGRESA/Oportunidades. This paper considers: (1) Was the PROGRESA program design influenced by prior IFPRI research? (2) Why was IFPRI chosen to undertake the initial impact evaluation of PROGRESA? (3) How did the IFPRI evaluation of PRO-

GRESA contribute to the program? (4) Were there spillovers of the IFPRI evaluation of PROGRESA? It concludes that estimated benefit-cost ratios of IFPRI's evaluation of PROGRESA considerably exceed one.

The Perceived Impact of the In-Trust Agreements on CGIAR Germplasm Availability: An Assessment of Bioversity International's Institutional Activities

- World Development---2010---Elisabetta Gotor,Francesco Caracciolo,Jamie Watts

Summary This study assesses the generation and consequences of the In-Trust Agreements (ITAs) that established the legal status of the CGIAR germplasm as freely available for the benefit of humanity under the auspices of FAO. The analysis looks at the history of the ITAs and focuses on the role of Bioversity International in research and other activities in influencing, facilitating and enabling the ITA negotiations. Results confirm the central role of Bioversity and policy research in the negotiations process. Concepts developed during the ITA negotiations contributed toward subsequent multilateral negotiations that eventually culminated in the International Treaty on Plant Genetic Resources.

Kenyan Dairy Policy Change: Influence Pathways and Economic Impacts

- World Development---2010---Simeon Kaitibie,Amos Omore,Karl Rich,Patti Kristjanson

Summary Marketing, transporting, processing, and consuming dairy products contribute significantly to the livelihoods of many poor Kenyan households. This study analyzes the impact of recent research supporting policy changes to liberalize informal milk markets. The study found that behavioral changes in dairy sector participants arising from the research evidence-supported policy and regulatory changes led to an average 9% reduction in milk-marketing margins, and a significant increase in the number of licensed small-scale milk vendors. High welfare benefits arising from the policy change, with a net present value of US\$230 million, are captured by consumers, producers, and milk vendors.

Assessing the Impact of Policy-Oriented Research: The Case of CIFOR's Influence on the Indonesian Pulp and Paper Sector

- World Development---2010---David Raitzer

Summary Qualitative and quantitative methods are applied to assess the impact of CIFOR's political economy research on the Indonesian pulp and paper sector. Key-informant interviews triangulated by trend-series tests suggest important influence through advocacy intermediaries and counterfactuals of slower adoption of improvements. Effects on conservation set-asides, over-capacity, and plantation establishment are estimated to avert loss of 76,000-212,000 hectares of natural forest (135,000 under main assumptions). Application of an economic-surplus framework for environmental benefits of forest conservation and avoided implicit wood subsidies finds benefits of US\$19 to US\$583 million (US\$133 million main estimate), compared with US\$500,000 of direct research costs.

Economic Assessment of a Change in Pesticide Regulatory Policy in the Philippines

- World Development---2010---Deborah Jane Templeton,Nelissa Jamora

Summary In response to growing health concerns, the Philippine government instigated a suite of pesticide regulatory policies and implementing guidelines and launched Integrated Pest Management as a National Program to promote a safer and an ecologically sound approach to pest control. The main aim of this study is to measure the economic benefits of the 1992-96 pesticide policy package. Specifically, the study examines those factors that influenced the government's decision to change the policies on pesticides and pest control practices and attributes these benefits to the key players, with a focus on relevant International Rice Research Institute's (IRRI) policy-orientated research.

Good for Living? On the Relationship between Globalization and Life Expectancy

- World Development---2010---Andreas Bergh,Therese Nilsson

Summary This paper analyzes the relationship between three dimensions (economic, social, and political) of globalization and life expectancy using a panel of 92 countries covering the 1970-2005 period. Using different estimation techniques and sample groupings, we find that economic globalization has a robust positive effect on life expectancy, even when controlling for income, nutritional intake, literacy, number of physicians, and several other factors. The result also holds when the sample is restricted to low-income countries only. In contrast, political and social globalization have no such robust effects.

Debt Relief, Investment and Growth

- World Development---2010---Pernilla Johansson

Summary From 1989 to 2004 the donor community provided approximately \$400 billion in debt relief to developing countries in an attempt to promote growth and reduce poverty. Using a sample of 118 developing countries, this paper empirically assesses the impact of debt relief on growth via (1) resources made available for investment from reduced debt service payments and (2) improved incentives to invest from a reduced debt stock. Although the results show no general evidence of a growth effect from debt relief, the study provides certain evidence that it promotes investment and thereby growth in countries not classified as HIPCs.

Geographical Diversification of Developing Country Exports

- World Development---2010---Ben Shepherd

Summary This paper shows that export costs, tariffs, and international transport costs are all robustly associated with geographical export diversification in a sample of 117 developing countries. Reducing each of them by one standard deviation could lead to increases in the number of export destinations of 12%, 3%, and 4%, respectively. From a geographical diversification point of view, trade facilitation at home is an important complement to improving market access abroad. Customs procedures and document preparation in exporting countries have particularly strong

effects. Trade costs in general have larger effects in manufacturing, and highly differentiated sectors.

Regulating Water Services for All in Developing Economies

- World Development---2010---Esther Gerlach,Richard Franceys

Summary Economic regulation is being introduced into the water services sector in developing economies, where widespread poverty and service inadequacies affect regulatory rationales. This paper analyzes the regulatory experience in 11 metropolitan areas with respect to the challenge of reaching all urban consumers, particularly the poor. Case study evidence suggests that pro-poor regulatory outcomes have been constrained by inadequate framework conditions and a limited understanding of alternative providers. In many cases regulatory governance has been equally vulnerable, although some regulators have demonstrated a capacity and willingness to achieve a balance between the social and financial objectives of water service regulation.

Do Forests Help Rural Households Adapt to Climate Variability? Evidence from Southern Malawi

- World Development---2010---Monica Fisher,Moushumi Chaudhury,Brent McCusker

Summary Data from rural Malawi are used to assess the role of forests in rural household adaptation to climate variability, and to examine implications for adaptation to future climate change. Although forests do not currently play a role in anticipatory adaptation by rural households, they do appear important for reactive coping: providing food during shortages, and a source of cash for coping with weather-related crop failure. We find households most reliant on forests have low income per person, are located close to forest, and are headed by individuals who are older, more risk averse, and less educated than their cohorts.

"Ancient and Backward or Long-Lived and Sustainable?" The Role of the Past in Debates Concerning Rural Livelihoods and Resource Conservation in Eastern Africa

- World Development---2010---Daryl Stump

Summary Attempts by external agencies to intervene in the operation of local resource exploitation strategies frequently include reference to historical arguments. These vary in accuracy and sophistication but are nevertheless rhetorically useful since discussions of economic or environmental sustainability or degradation are substantially strengthened by historical comparisons and precedents. Focussing on examples of indigenous intensive agriculture in eastern Africa, this paper argues that relevant evidence of this sort is often unavailable or far from unambiguous. It is therefore necessary to be critical of the ways in which perceptions of the past are invoked within these discourses, and to be aware of the strengths and weaknesses of historical arguments in this regard.

Promoting Transparency in the NGO Sector: Examining the Availability and Reliability of Self-Reported Data

- World Development---2010---Ronelle Burger,Trudy Owens

Summary Amid calls for NGOs to become more accountable, this work examines discrepancies between what NGOs say and do. Using a unique dataset of NGOs in Uganda it investigates the inaccuracies in reported financial transparency and community participation. We find that the threat of being caught reduces the likelihood of financial misrepresentation, while a desire to maintain a good reputation leads to misrepresentation of community consultation. Analysis provides indications that: NGOs with antagonistic relations with government may be more likely to hide information; and that unrealistic donor demands may be an obstacle to transparency. Findings caution against an overly naïve view of NGOs and a reliance on self-reported information.

A Rural-Urban Comparison of Manufacturing Enterprise Performance in Ethiopia

- World Development---2010---Bob Rijkers,Mans Soderbom,Josef Loening

Summary Manufacturing enterprises in rural and urban Ethiopia are compared to examine how location and investment climate characteristics affect performance. Urban firms are larger, more capital intensive and have higher labor productivity than rural firms, yet there is no strong evidence of increasing returns to scale. The hypothesis that firms in rural towns have the same average total factor productivity as urban firms is not rejected; however, firms in remote rural areas are less productive. Rural firms grow less quickly than urban firms. These results can partly be attributed to differences in the quality of infrastructure, access to credit and transportation costs across rural and urban areas. Since rural firms operate in a business environment that is very different from its urban counterpart, lessons derived from urban investment climate surveys cannot immediately be transferred to rural areas.

Employment Vulnerability and Earnings in Urban West Africa

- World Development---2010---Philippe Bocquier,Christophe Nordman,Aude Vescovo

Summary This article develops indicators of vulnerability in employment in seven economic capitals of West Africa and studies their links with individual incomes. Quantitative, distributional and qualitative analyses show that vulnerability compensating mechanism is mainly seen in the informal sector, in the upper tail of the earnings distribution and particularly in the circumstance of visible underemployment. Employment vulnerability is not compensated for the poorest workers in the private sector. Long "job queues" and weak institutional protection of workers may have reduced bargaining power in the formal sector.

Consumption Fluctuations and Welfare: Evidence from China

- World Development---2010---Chun-Yu Ho,Wai-Yip Alex Ho,Dan Li

Summary This paper examines inter-provincial consumption risk sharing and intertemporal consumption smoothing across Chinese provinces before and after the 1979 economic reform. Our results indicate that the degree of consumption risk sharing among Chinese provinces is lower than that within the United States and across the national boundaries of OECD countries. On the other hand, the level of consumption smoothing among Chinese provinces is higher than that across OECD or European Union countries, but lower than that in the United States. Moreover, our results show that consumption risk sharing and smoothing in China have deteriorated since the 1979 economic reform. Finally, we show that eliminating consumption fluctuations yields substantial welfare gains, which suggests that stabilization policies are desirable for China.

The Global Food Crisis and Guatemala: What Crisis and for Whom?

- World Development---2010---Alain de Janvry,Elisabeth Sadoulet

Summary International food prices rose sharply during 2006-08, precipitating the "global food crisis." We analyze the welfare effects of changes in prices over categories of households in Guatemala and find three surprising results. The first is that the transmission of international into domestic prices was quite modest. The second is that most farm households are net buyers of food implying that they lost from rising prices. The third is that farm households represent two-thirds of all poor households losing from rising food prices, stressing the importance of production for home consumption in sheltering the poor from the crisis.

Are International Databases on Corruption Reliable? A Comparison of Expert Opinion Surveys and Household Surveys in Sub-Saharan Africa

- World Development---2010---Mireille Razafindrakoto,François Roubaud

Summary This study examines the limits of global corruption indicators based on experts' perceptions. It draws on a wave of original surveys conducted in eight African countries that combined two types of approaches. The first approach covers a sample of over 35,000 people and uses experience-based questions to measure petty bureaucratic corruption. The second (Mirror Survey) reports 350 experts' opinions. A comparison of these two sources paints a clear picture of the experts' errors of assessment. We also find evidence for ideological biases, with experts tending to rank countries based on their own political preferences, and the existence of an erroneous implicit cultural model of "how Africa works".

Financial Reforms, Patent Protection, and Knowledge Accumulation in India

- World Development---2010---James Ang

Summary The main objective of this paper is to explore the impact of financial sector reforms, financial deepening, and intellectual property protection on the accumulation of knowledge for one of the world's largest developing countries. The findings indicate that increased intellectual property rights protection is associated with higher knowledge accumulation. While financial deepening facilitates the accumulation of ideas, the implementation of a series of financial liberalization policies is found to have a non-linear effect. The results show that financial liberalization will exert a beneficial impact on technological deepening only if the financial system is sufficiently liberalized.

Patent Incentives, Technology Markets, and Public-Private Bio-Medical Innovation Networks in Brazil

- World Development---2010---Michael P. Ryan

Summary Contested is whether patent laws promote indigenous technology invention and innovation in developing countries. Brazil reformed its patent laws in 1996 to permit pharmaceutical product patents. Study of five post-patent law reform bio-medical technology invention and innovation projects in the state of Sao Paulo supports the propositions that patents provide incentives to Brazilian bio-medical technology entrepreneurs to make risky investments into innovation and that patents facilitate technology markets among public-private technology innovation networks, both Brazilian collaborations and North-South collaborations. Brazil enacted a technology law in 2005 that encourages public-private technology innovation through patent incentives and patent-facilitated technology markets.

Does Stronger Intellectual Property Rights Protection Induce More Bilateral Trade? Evidence from China's Imports

- World Development---2010---Titus Awokuse,Hong Yin

Summary Most of the previous studies on the trade effects of intellectual property rights (IPR) protection have been from the perspective of major industrialized nations. However, much of the current debate on the effects of IPR protection involves large developing countries. This study contributes to the literature by analyzing the impact of stronger IPR laws in China on its bilateral trade flows. We estimate the effects of IPR protection on China's imports at the aggregate and detailed product categories for both developed and developing countries. The empirical results suggest that increased IPR protection stimulates China's imports, particularly for knowledge-intensive products.

Effects of Hub-and-Spoke Free Trade Agreements on Trade: A Panel Data Analysis

- World Development---2010---Jung Hur,Joseph Alba,Donghyun Park

Summary We use panel data consisting of 96 countries and covering the period 1960-2000 to investigate the

effects of free trade agreements (FTAs) and hub-and-spoke systems of FTA on exports. Our empirical results imply an annual growth rate of 5.57% in exports and hence a doubling of exports after 12.4 years between FTA partners. Non-overlapping FTAs account for 4.12%, while hub-and-spoke FTAs account for 1.45% of the estimated export growth rate. This indicates that, in addition to the direct trade liberalizing effect of FTAs, the hub-and-spoke nature of FTAs has an additional positive effect on trade.

Foreign Presence, Spillovers, and Productivity: Evidence from Ghana

- World Development---2010---Andreas Waldkirch, Andra Ofosu

Summary This paper investigates the effect of foreign presence at the sector and firm levels on the productivity of manufacturing firms in Ghana. We examine both labor and total factor productivity (TFP) and control for a number of observed factors as well as unobserved heterogeneity. We find robust evidence that the presence of foreign firms in a sector has a negative effect on domestically owned, but a positive effect on most foreign-owned firms. Unlike in recent work on China, it does not appear that the negative level effect is compensated for by a positive growth effect, at least not in any reasonable time period. We find no evidence of any wage effects.

Exchange Rate Volatility and Employment Growth in Developing Countries: Evidence from Turkey

- World Development---2010---Firat Demir

Summary Employing a unique panel of 691 private firms that accounted for 26% of total value added in manufacturing in Turkey, the paper explores the impacts of exchange rate volatility on employment growth during the period of 1983-2005. The empirical analysis using a variety of specifications, estimation techniques, and robustness tests suggests that exchange rate volatility has a statistically and economically significant employment growth reducing effect on man-

ufacturing firms. Using point estimates, the results suggest that for an average firm a one standard deviation increase in real exchange rate volatility reduces employment growth in the range of 1.4-2.1 percentage points.

Return Migration and Occupational Choice: Evidence from Albania

- World Development---2010---Matloob Piracha, Florin Vadean

Summary This paper explores the impact of return migration on the Albanian economy by analyzing the occupational choice of return migrants while explicitly differentiating between self-employment as either own account work or entrepreneurship. We find that the own account workers have characteristics closer to non-participants in the labor market (i.e., lower education levels), while entrepreneurship is positively related to schooling, foreign language proficiency, and savings accumulated abroad. Furthermore, compared to having not migrated, return migrants are significantly more likely to be entrepreneurs, showing the positive impact of migration on job-creating activities in Albania.

Values, Cultural Practices, and Economic Performance: Theory and Some Evidence from Kenya

- World Development---2010---Gilad David Aharonovitz, Elizabeth Kabura Nyaga

Summary Policies, saving rates, human capital, etc., are possible explanations for poor economic performance, but while these factors are changeable, underdevelopment persists. Looking for an unchangeable factor, we construct a theory for the effect of cultural values, such as moral values, risk-taking, and responsibility to others, on economic performance, and demonstrate it using a model in which responsibility for parents prevents development. We construct data of economic performance and values of seven tribes in Kenya, and use it to support the model. Thus, we suggest a methodology for the quantitative analysis of the effect of values over the economy.

Pastoralists' Conceptions of Poverty: An Analysis of Traditional and Conventional Indicators from Borana, Ethiopia

- World Development---2010---Boku Tache,Espen Sjaastad

Summary We examine the traditional wealth ranking system of Borana pastoralists in Ethiopia. We investigate the proximity of conventional poverty indicators to the traditional rankings, revealing the relative lack of proximity of income and expenditure indicators. An examination of the poverty rates generated by different indicators and poverty lines reveals that conventional measures produce poverty rates that are significantly higher than traditional rankings and measures based on herd size. Poverty diagnosis among pastoralists such as the Borana, in order to generate appropriate prescriptions, should to a greater extent rely on asset-based indicators; these should ideally be complemented by qualitative approaches.

Trust, Market Participation and Economic Outcomes: Evidence from Rural China

- World Development---2010---Qin Tu,Erwin Bulte

Summary Markets can only function properly in the presence of sufficient trust. We explore the relation between trusting behavior and market integration in rural China. We link the results of a trust experiment to actual behavior in the field (participation in the labor market versus informally exchanging labor), and find that high-trust households are more likely to use formal markets. We proceed by exploring the relation between labor market participation and economic outcomes, finding tentative evidence of a causal relation running from market participation to higher levels of income.

Community-Based Risk Management Arrangements: A Review

- World Development---2010---Ruchira Bhat-tamishra,Christopher Barrett

Summary Risk and its consequences pose a formidable threat to poverty reduction efforts. This article reviews

a plethora of community-based risk management arrangements across the developing world. These types of arrangements are garnering greater interest in light of the growing recognition of the relative prominence of household- or individual-specific idiosyncratic risk as well as the increasing shift towards community-based development funding. The article discusses potential advantages (such as targeting, cost and informational) and disadvantages (such as exclusion and inability to manage correlated risk) of these arrangements, and their implications for the design of community-based social protection programs and policies.

"Trade Matters in the Fight Against Poverty": Narratives, Perceptions, and (Lack of) Evidence in the Case of Fish Trade in Africa

- World Development---2010---Christophe Béné,Rebecca Lawton,Edward H. Allison

Summary Two opposing views exist in the literature on the potential role that international fish trade plays in economic development. While some claim that fish trade has a pro-poor effect, others denounce the negative effect of fish export on local populations' food security and doubt its contributions to the macro-economy. In this paper, we explore this debate in sub-Saharan Africa. Our analysis did not find any evidence of direct negative impact of fish trade on food security; neither did it find evidence that international fish trade generates positive, pro-poor outcomes. This paper discusses the possible reasons for this apparent lack of development impact and highlights the unsupported assumptions underlying the current discourse about international fish trade. We suggest that, given lack of evidence for the development benefits of fish trade between Africa and developed countries, fisheries policy could consider support for regional (Africa-to-Africa) trade that meets the growing African demand for lower-value fish. Means of overcoming barriers to intra-African trade in fish are discussed.

Assets, Activity Choices, and Civil War: Evidence from Burundi

- World Development---2010---Tom Bundervoet

Summary This article examines the relation between risky assets and activity choices in rural Burundi. The literature says that when assets are risky, their effectiveness as a buffer is eroded. A corollary of this is that even wealthier households will engage in income-skewing activities. Exploiting the differential degree in asset risk related to the spatial intensity of the civil war, we find that higher asset holdings do not induce households in the war regions to reduce investment in safe low-return activities--as opposed to households in other regions. This potentially explains (in part) the massive increase in poverty in the war regions.

Who Should be Interviewed in Surveys of Household Income?

- World Development---2010---Monica Fisher,Jeffrey Reimer,Edward Carr

Summary This study tests the null hypothesis that it is sufficient to interview only the household head to obtain accurate information on household income. Results show that using a husband's estimate of his wife's income does not produce statistically reliable results for poverty analysis. Estimates of the wife's income provided by the husband and wife are in agreement in only 6% of households. While limiting interviews to one person has the advantage of reducing the time and expense of household surveys, this appears detrimental in terms of accuracy, and may lead to incorrect conclusions on the determinants of poverty.

Women's Empowerment and the Creation of Social Capital in Indian Villages

- World Development---2010---Wendy Janssens

Summary Community-based development projects are often argued to strengthen social capital. This paper investigates the impact of a women's empowerment program in India on trust and cooperation, using data on 2,000 households. The program significantly increases trust and stimulates contributions to educational and infrastructural community projects. The effect on informal assistance among households is less consistent. The findings suggest substantial spillovers on the wider

community. Households who do not participate in the program themselves but who live in a program village are significantly more trusting and more likely to engage in collective action than households in control villages.

How Does Public Assistance Affect Family Expenditures? The Case of Urban China

- World Development---2010---Qin Gao,Fuhua Zhai,Irwin Garfinkel

Summary Using recent national household survey data and a propensity score matching method, this study examines the effects of urban China's primary public assistance program--Minimum Living Standard Assistance (MLSA)--on family expenditures, an important yet understudied indicator of family material well-being. We find that families receiving MLSA prioritized human capital investment (i.e., paying for education and health) rather than making the ends meet (e.g., paying for food, clothing, rent, and utilities). The policy implications of these findings are discussed.

Nutrient Intake of the Poor and its Implications for the Nutritional Effect of Cereal Price Subsidies: Evidence from China

- World Development---2010---Satoru Shimokawa

Summary We incorporate habit formation into an analysis of the effect of cereal price changes on the nutrient intake of the poor in China. We find that the poor's nutrient intake responds asymmetrically to declines and increases in cereal prices, and that the asymmetric response of their fat intake may be due to habit formation. Our results also imply that introducing cereal price subsidies can increase their total energy intake by increasing their calorie intake from fat and protein, while ending such subsidies would insignificantly affect their total energy intake, but further increase their calorie intake from fat and protein.

Adult BMI as a Health and Nutritional Inequality Measure: Applications at Macro and Micro Levels

- World Development---2010---Vasco Molini, Maarten Nubé, Bart van den Boom

Summary We explore the suitability of the adult Body Mass Index (BMI) to measure health and nutritional inequalities between and within households. The paper applies a macro analysis comparing female BMIs at the country level and a micro-analysis comparing females' and males' BMI in Vietnam. At macro level, we estimated an analogue of the Kuznets curve finding a U-shaped relation between development (Human Development Index) and health and nutritional inequality (female BMI). At micro level, we use the panel data characteristics of the Vietnam dataset and show how income improvements registered in the 1990s benefited males considerably more than females.

The Impact of Improved Maize Varieties on Poverty in Mexico: A Propensity Score-Matching Approach

- World Development---2010---Javier Becerril, Awudu Abdulai

Summary This study examines the adoption of improved maize germplasm in Oaxaca and Chiapas in Mexico. It employs a propensity score-matching approach to analyze the impact of the adoption of improved maize varieties on household income and poverty reduction, using cross-sectional data of 325 farmers from the two regions. The findings reveal a robust positive and significant impact of improved maize variety adoption on farm household welfare measured by per capita expenditure and poverty reduction. Specifically, the empirical results suggest that adoption of improved maize varieties helped raise household per capita expenditure by an average of 136-173 Mexican pesos, thereby reducing their probability of falling below the poverty line by roughly 19-31%.

Poverty and Inequality Among Ethnic Groups in Chile

- World Development---2010---Claudio Agostini, Phil Brown, Andrei C. Roman

Summary Despite two decades of rapid growth, indigenous Chileans are reported to face high poverty rates. However, non-representative surveys provide imprecise estimates of income, so quantifying poverty and inequality has been difficult. This paper estimates poverty and inequality using poverty mapping. In contrast to the previous studies, however, we use ethnicity rather than geography as a basis for disaggregation. We find that indigenous Chileans are indeed poorer, although we also find significant heterogeneity among ethnic groups. In addition, income inequality is generally lower for indigenous groups. These reliable estimates of poverty and inequality may improve the antipoverty targeting criteria used in Chile.

Remittances and Their Unintended Consequences in Cuba

- World Development---2010---Susan Eckstein

Summary After Soviet aid and trade ended Cuba was forced to reintegrate into the capitalist world economy. Needing hard currency, the government transformed the diaspora into a dollar attaining strategy, by facilitating and tacitly encouraging remittance-sending. Ordinary Cubans themselves wanted remittances to finance a lifestyle they could not otherwise afford. Despite their shared interest in remittances, the government increasingly appropriated remittances at recipients' expense. The article documents why the government encouraged remittance-sending, tensions between its interests in remittances and those of recipients, and contradictions inherent in the hard currency accumulation strategy that the government pursued while remaining politically committed to revolution-linked precepts.

Globalization, Poverty, and Inequality in Latin America: Findings from Case Studies

- World Development---2010---Machiko Nisanke,Erik Thorbecke

Summary This paper is an introduction to nine papers on the impact of globalization on inequality and poverty in Latin America, arising out of a conference organized in Rio under the auspices of a large-scale UNU-WIDER research project. Focusing on different manifestations of globalization and channels through which globalization affects poverty and inequality, the case studies in the present volume cover the spectrum from broad macroeconomic regional and country analyses to more micro-oriented studies in different settings in Central and South America. The case studies illustrate that the impact of globalization on poverty and inequality is extremely context specific.

Trade Liberalization and the Self-Employed in Mexico

- World Development---2010---Gurleen Popli

Summary This paper examines the trend in income inequality and poverty among the self-employed workers in Mexico during 1984-2002, a period of rapid trade liberalization. In the decade following the liberalization, inequality and poverty among the self-employed increased; as the economy stabilized inequality started to go down, but poverty kept increasing. To understand the observed changes the inequality and poverty indices are decomposed into within and between group components. Rising returns to skilled labor, regional differences in impact of liberalization and sectoral shifts in employment are important factors in explaining the trends in both inequality and poverty.

Globalization and Smallholders: The Adoption, Diffusion, and Welfare Impact of Non-Traditional Export Crops in Guatemala

- World Development---2010---Calogero Carletto,Angeli Kirk,Paul Winters,Benjamin Davis

Summary This paper uses a duration analysis based on adoption data spanning 25 years from six communities in the Central Highlands of Guatemala to explore how household characteristics and external trends play into both the adoption and diffusion processes of non-traditional exports (NTX) among smallholders. Based on the analysis, NTX production appeared to have delivered less prosperity to adopters than initially promised. Smallholders may lack capacity to overcome difficulties that inevitably arise in complex types of cultivations and in highly variable global agricultural markets. Governmental and non-governmental organizations can attempt to mitigate these difficulties, but market forces may overwhelm these efforts.

Remittances and Vulnerability to Poverty in Rural Mexico

- World Development---2010---Alejandro de la Fuente

Summary Remittances have been portrayed as the human face of globalization given their potential to alleviate poverty by directly increasing household income. Using a panel of rural households in Mexico from October 1998 to November 2000 this study assesses whether this is in fact the case. However, rather than examining whether remittances income would reduce future consumption poverty we asked if remittances are likely to reach people whose conditions are prone to worsen in the future. We found a negative and statistically significant relationship between the disbursement of remittances and the threat to future poverty that rural households could experience.

Globalization and Formal Sector Migration in Brazil

- World Development---2010---Ernesto Aguayo-Téllez,Marc-Andreas Muendler,Jennifer Poole

Summary Comprehensive linked employer-employee data allow us to study the relationship between domestic formal sector migration in Brazil and globalization. Considerable worker flows in the formal labor market during 1997-2001 are directed toward lower income

regions--the reverse flows of those often posited for informal labor markets. Estimation of the worker's multi-choice migration problem shows that previously unobserved employer covariates are significant predictors associated with migration flows. These results support the idea that globalization acts on internal migration through job stability at exporting establishments and employment opportunities at locations with a concentration of foreign owned establishments. A 1% increase in exporter employment predicts a 0.3% reduced probability of migration. A 1% increase in the concentration of foreign owned establishments at potential destinations is associated with a 0.2% increase in the migration rate.

Seasonal Migration and Early Childhood Development

- World Development---2010---Karen Macours, Renos Vakis

Summary This paper provides unique evidence of the positive consequences of seasonal migration for investments in early childhood development. We analyze migration in a poor shock-prone border region in rural Nicaragua where it offers one of the main household income diversification and risk -coping strategies. IV estimates show, somewhat surprisingly, that shock-driven migration by mothers has a positive effect on early cognitive development. We attribute these findings to changes in income and to the intra-household empowerment gains resulting from mother's migration, which offset potential negative early childhood development effects from temporary lack of parenting.

Earnings Mobility in Times of Growth and Decline: Argentina from 1996 to 2003

- World Development---2010---Gary S. Fields, Maria Sanchez Puerta

Summary In recent years Argentina's economy has experienced both rapid growth and severe decline. In this paper, we use a series of one-year long panels to study who gained the most in pesos when the economy grew

and who lost the most in pesos when the economy contracted. Various considerations led us to expect that mobility would be divergent--that is, that the individuals who started with the highest initial earnings would enjoy the largest earnings gains in pesos. Contrary to expectations and for a wide range of specifications, mobility is found to be mostly convergent, sometimes neutral, and never divergent.

Linkages Between Pro-Poor Growth, Social Programs and Labor Market: The Recent Brazilian Experience

- World Development---2010---Nanak Kakwani, Marcelo Neri, Hyun H. Son

Summary This paper analyzes the relationship between growth patterns, poverty, and inequality in Brazil during its globalization process, focusing on the role played by the labor market and social programs. Methodologically, the paper makes two contributions to the literature. One is the proposal of a new measure of pro-poor growth, which links growth rates in mean income and in income inequality. The other contribution is a decomposition methodology that explores linkages between three dimensions: growth patterns, labor market performances, and social policies. The proposed methodologies are then applied to the Brazilian National Household Survey covering the period 1995-2004.

Globalization and the Role of Public Transfers in Redistributing Income in Latin America and the Caribbean

- World Development---2010---Emmanuel Skoufias, Kathy Lindert, Joseph Shapiro

Summary This paper focuses on measuring the extent to which publicly subsidized transfers in Latin America and the Caribbean redistribute income. The redistributive power of 56 transfers in eight countries is measured by their simulated impacts on poverty and inequality, and by their distributional characteristic. Our findings suggest that public transfers can be effective instruments to redistribute income to the

poor. Despite coverage and distributional patterns that favor the poor, small unit subsidies limit the redistributive, poverty and inequality impacts of even the most targeted social assistance programs.

Minimum Wages, Globalization, and Poverty in Honduras

- World Development---2010---Thomas (Tim) Gindling, Katherine Terrell

Summary We test whether minimum wage legislation is an effective poverty reduction tool in a poor country trying to stay competitive in the global economy. In Honduras, increases in relatively high minimum wages lead to reductions in poverty, especially extreme poverty. However, the impact is felt only in households with workers in large firms and felt more strongly among those with low wage workers. Increases in the minimum do not affect poverty in sectors where minimum wages are not enforced or do not apply. Hence minimum wages can be a poverty reduction tool in the formal sector, which competes globally.

Growing out of Poverty: Trends and Patterns of Urban Poverty in China 1988-2002

- World Development---2010---Simon Appleton, Lina Song, Qingjie Xia

Summary This paper estimates trends in absolute poverty in urban China using the Chinese Household Income Project surveys. Poverty incidence curves are plotted, showing lower poverty in 2002 than in 1988 irrespective of the poverty line chosen. Incomes of the poorest fell during 1988-95, contributing to a rise in inequality. However, inequality has been fairly constant thereafter. Models of the determination of income and poverty reveal widening differentials by education, sex, and Communist Party membership. Income from government anti-poverty programs has little impact on poverty, which has fallen almost entirely due to overall economic growth rather than redistribution.

The Effect of ILO Minimum Age Conventions on Child Labor and School Attendance: Evidence From Aggregate and Individual-Level Data

- World Development---2010---Bernhard Boockmann

Summary Child labor has always been a core concern of the International Labor Organization (ILO). This paper investigates whether ILO conventions have contributed to reducing the scale of the problem. Two approaches to answering the question are used. First, evidence based on country-level data show that, by 1990, child labor was not less and school attendance was not greater in countries having ratified ILO conventions compared with non-ratifying states. Second, in individual-level data on school attendance from the 1990s, little evidence can be found for an increase in school attendance for children protected by ILO Convention 138 compared with unprotected children.

Corruption, Manufacturing Plant Growth, and the Asian Paradox: Indonesian Evidence

- World Development---2010---Virginie Vial, Julien Hanoteau

Summary Using panel data from the Indonesian manufacturing industry during the Suharto era (1975-95), we assess the impact of plant-level corruption on output and productivity growth. In support of the "grease the wheels" hypothesis and the view of an Asian paradox, we find that corruption, measured as bribes and indirect tax payments, has a positive and statistically significant effect on individual plant growth. This effect persists over the entire period, which suggests improvements in the efficacy of the bribe system and a strengthening of the long-term contract between firms and the government.

Certification, Partnership, and Morality in an Organic Shrimp Network: Rethinking Transnational Alternative Agrifood Networks

- World Development---2010---Maki Hatanaka

Summary Transnational alternative agrifood networks (TAAFNs) seek to make food production and trade practices more socially just and environmentally sustainable, and empower producers in the global South. Drawing on fieldwork in Indonesia examining an organic shrimp network, this paper challenges the viability of TAAFNs as an alternative development and trade model. Specifically, I question the extent to which TAAFNs are based on (1) objective and effective governance, (2) partnership, and (3) democracy and morality. This article concludes that producers and consumers need to develop closer and more substantial relations, if TAAFNs are to generate meaningful and lasting development.

The Effect of Infrastructure Access and Quality on Non-Farm Enterprises in Rural Indonesia

- World Development---2010---John Gibson,Susan Olivia

Summary There is growing interest in the rural non-farm sector in developing countries as a contributor to economic growth, employment generation, livelihood diversification, and poverty reduction. Access to infrastructure is identified in some studies as a factor that affects non-farm rural employment and income but less attention has been paid to the constraints imposed by poor quality infrastructure. In this paper, we use data from 4,000 households in rural Indonesia to show that the quality of two key types of infrastructure--roads and electricity--affects both employment in and income from non-farm enterprises. It appears that there would be gains from development strategies that improve both the access to and the quality of rural infrastructure.

How Important are Locational Characteristics for Rural Non-agricultural Employment? Lessons from Brazil

- World Development---2010---Erik Jonas-son,Steven Helfand

Summary By paying particular attention to the local economic context, this paper analyzes the factors that

influence rural non-agricultural employment and earnings. The empirical analysis is based on the Brazilian Demographic Census, allowing for disaggregated controls for the local economy. Education stands out as one of the key factors that shape employment outcome and earnings potential. Failure to control for locational effects, however, can lead to biased estimation of the importance of individual and household characteristics. The empirical results show that local market size, distance to population centers, and other proxies for transactions costs play an important role in shaping non-agricultural employment prospects and earnings.

Jump-starting Self-employment? Evidence for Welfare Participants in Argentina

- World Development---2010---Rita Almeida,Emanuela Galasso

Summary We evaluate the effects of a self-employment program offered to welfare beneficiaries of a large safety net program in Argentina. The program promotes self-employment by providing financial and technical assistance. Our findings show that only a small and selected subset of welfare beneficiaries is attracted to this type of exit strategy (female household heads and more educated). Exploring non-experimental methods, we also show that in the short-run participation in the program affects the labor supply of participants, by reducing the probability of having an outside job and increasing the total number of hours worked. However, at least in the short-run, the intervention fails to produce income gains to the average participant.

When is Cheap, Cheap Enough to Bridge the Digital Divide? Modeling Income Related Structural Challenges of Technology Diffusion in Latin America

- World Development---2010---Martin Hilbert

Summary The article presents a model that shows how income structures create diffusion patterns of Information and Communication Technologies (ICTs). The model allows the creation of scenarios for potential cuts in access prices and/or required subsidies for household

spending in Mexico, Uruguay, Brazil, and Costa Rica. One analyzed scenario would require the reduction of ICT prices to as low as 4% of the current price levels (to US\$ 0.75 per month), or alternatively, a subsidy as high as 6.2% of GDP (a figure comparable to public spending on education plus health). This is the income reality of the poor. Neither existing technological solutions nor existing financial mechanisms are sufficient to cope with this economic reality. The alternatives, such as a prolonged period of public access, are discussed.

Has Mercantilism Reduced Urban Poverty in SSA? Perception of Boom, Bust, and the China-Africa Trade in Lomé and Bamako

- World Development---2010---Michal Lyons, Alison Brown

Summary This paper addresses the immediate impacts of the China-Africa trade on Africa's informal traders and its longer term impact on urban poverty, based on a comparison of the major cities of two West African countries and drawing on semi-structured interviews with traders and on schedule-based interviews with key informants in government, business and the informal trade sector. The findings are that the increase in imports from China initially broadened access to trading for the poor, creating short-term improvements in livelihoods, but competition is driving down profit margins, and restricting the trade to a survival mechanism for many today. Thus it has provided limited long-term potential as an economic platform for national development and poverty reduction. The findings are discussed in terms of structuration theory and in terms of alternative conceptualizations of informal trade in Africa.

Disentangling Bargaining Power from Individual and Household Level to Institutions: Evidence on Women's Position in Ethiopia

- World Development---2010---Ramzi Mabsout, Irene van Staveren

Summary Women's bargaining power is generally analyzed only with individual level and household level

variables. We add a third level, namely institutional bargaining power. We define this as bargaining power which one party freely derives from unequal social norms. In the bargaining literature there is a common paradoxical finding, namely that more access to and control over individual resources sometimes decreases rather than increases women's bargaining outcomes. With household survey data from Ethiopia and making use of multilevel modeling and an aggregate model with interaction terms, we suggest that this paradoxical effect can be explained by very unequal gender norms--gendered institutions--at the group level. In our case, we used ethnic groups to show that in groups where gender norms are very unequal, individual and household level bargaining power variables effects are mediated by ethnic-gendered institutions. A policy implication of our findings is that gender policy may become more effective with shifting the emphasis from a largely individual approach to an institutional approach to support women's empowerment.

The Developing World's Bulging (but Vulnerable) Middle Class

- World Development---2010---Martin Ravallion

Summary Western notions of the 'middle class' are of little obvious relevance to developing countries. Instead, the middle class is identified here as those living above the median poverty line of developing countries, even if still poor by rich-country standards. Over 1990-2005, economic growth and global distributional shifts allowed an extra 1.2 billion people to join the developing world's middle class. Four-fifths came from Asia, and half from China. Many of those in this new middle class remain fairly close to poverty. Only 100 million of the 1.2 billion would not be considered poor in any developing country. Economic growth typically came with an expanding middle class.

Social Security Regimes, Global Estimates, and Good Practices: The Status of Social Protection for International Migrants

- World Development---2010---Johanna Avato, Johannes Koettl, Rachel Sabates-Wheeler

Summary Access to social protection differs widely amongst international migrants. Using new global data on bilateral migrant stocks, social security law, and bilateral social security agreements, we quantify the status of social protection of international migrants as belonging to one of four different regimes. Results suggest that approximately one quarter of global migrants fall under the most favorable regime, but these are largely north-north migrants. On the other hand, migrants from developing countries, in particular south-south migrants, are in a far less favorable position, having to depend largely on informal networks and self insurance as a way of minimizing risk.

Global Infant Mortality: Correcting for Undercounting

- World Development---2010---Rebecca Anthopoulos, Charles M. Becker

Summary The UN Millennium Development Goals highlight the infant mortality rate (IMR) as a measure of progress in improving neonatal health and more broadly as an indicator of basic health care. However, prior research has shown that IMRs (and in particular perinatal mortality) can be underestimated dramatically, depending on a particular country's live birth criterion, vital registration system, and reporting practices. This study assesses infant mortality undercounting for a global dataset using an approach popularized in productivity economics. Using a one-sided error, frontier estimation technique, we recalculate rates and concurrently derive a measure of likely undercount for each country.

Is Foreign Aid a Vanguard of Foreign Direct Investment? A Gravity-Equation Approach

- World Development---2010---Hidemi Kimura, Yasuyuki Todo

Summary This paper investigates whether and how foreign aid facilitates foreign direct investment (FDI) flows into less developed countries. We employ a large data set of source-recipient country pairs and conduct gravity equation-type estimation. Our empirical

methodology enables us to examine an effect through which aid from a donor country promotes FDI from the same donor in particular, which we call a "vanguard effect." We find that foreign aid in general does not have any significant effect on FDI. However, when we allow for differences in the size of aid effects across donor countries, we find robust evidence that foreign aid from Japan in particular has a vanguard effect, i.e., Japanese aid promotes FDI from Japan but does not attract FDI from other countries.

Investment Climate and FDI in Developing Countries: Firm-Level Evidence

- World Development---2010---Tidiane Kinda

Summary This paper uses firm-level data across 77 developing countries to show that constraints related to investment climate hamper Foreign Direct Investment (FDI). The main results show that physical infrastructure problems, financing constraints, and institutional problems discourage FDI. These results are robust to an alternative definition of FDI, introduction of additional explanatory variables, and some breakdown analyses (different sectors of activity and comparison between Sub-Saharan Africa and other developing countries). The results also highlight that exporter foreign firms are more constrained in their activity by physical infrastructure hurdles and the lack of skilled workers compared to firms supplying the domestic market.

Productivity and Employment in a Developing Country: Some Evidence from Korea

- World Development---2010---Sangho Kim, Hyunjoon Lim, Donghyun Park

Summary The vast majority of the sizable empirical literature which examines the relationship between productivity and employment examines data from developed countries. In this paper, we contribute to the limited empirical literature on the productivity-employment relationship in developing countries by applying structural vector autoregression (VAR) models on Korean data. We find that productivity-enhancing technology shocks reduce hours worked in the short run.

Such evidence is qualitatively similar to findings from developed countries, and more consistent with sticky price models than the real business cycle theory. Although productivity-enhancing technology shocks are an important source of economic growth in Korea, they may have exerted a negative impact on employment.

Who Benefits from Promoting Small Enterprises? Some Empirical Evidence from Ethiopia

- World Development---2010---Bob Rijkers,Caterina Ruggeri Laderchi,Francis Teal

Summary The Addis Ababa Integrated Housing Development Program (AAIHDP) aims to tackle the housing shortage and unemployment that prevail in Addis Ababa by deploying and supporting small enterprises to construct low-cost housing using technologies novel for Ethiopia. The motivation for such support is predicated on the view that small firms create more jobs per unit of investment by virtue of being more labor intensive and that the jobs so created are concentrated among the low-skilled and hence the poor. To assess whether the program has succeeded in biasing technology adoption in favor of labor and thereby contributed to poverty reduction, the impact of the program on technology usage, labor intensity, and earnings is investigated using a unique matched workers-firms dataset, the Addis Ababa Construction Enterprise Survey (AACES), collected specifically for the purpose of analyzing the impact of the program. We find that program firms do not adopt different technologies and are not more labor intensive than nonprogram firms. There is an earnings premium for program participants, who tend to be relatively well educated, which is heterogeneous and highest for those at the bottom of the earnings distribution.

Poverty Status and the Impact of Formal Credit on Technology Use and Wellbeing among Ethiopian Smallholders

- World Development---2010---Lenis Liverpool-Tasie,Alex Winter-Nelson

Summary This paper examines the impact of formal

credit (largely microfinance) on the use of improved technology and on consumption and asset growth across households in different degrees of asset poverty. Using data from rural Ethiopia, the analysis finds no relationship between participation in microfinance programs and the use of technologies or consumption growth among the poorest households even though the use of certain technologies, like fertilizer, contributes to their asset accumulation over time. For other households, microfinance has positive effects on both consumption and asset growth as well as on the use of improved technology. The findings imply variation in constraints faced by different classes of poor households and suggest the value of asset-based poverty classifications in identifying target groups for poverty interventions.

Impact of Access to Credit on Labor Allocation Patterns in Malawi

- World Development---2010---Hema Swaminathan,Rodrigo Salcedo,Jill L. Findeis

Summary This paper uses data from the Malawi Financial Markets and Household Food Security survey to examine the impact of gendered access to credit on labor allocation patterns within the household. The paper corrects for potential endogeneity of access to credit in the estimations. Access to credit relies on the credit limit concept. Thus, an individual has access to credit from a particular source if he/she is able to borrow a positive amount from that source. Results suggest that the impact of access to credit depends upon both the gender of the recipient and whether it is formal or informal credit.

Credit Program Participation and Child Schooling in Rural Malawi

- World Development---2010---Yasuharu Shimamura,Susana Lastarria-Cornhiel

Summary We evaluate the impact of agricultural credit program participation on children's school attendance in rural Malawi. Our paired-site sampling survey reveals that credit uptake decreased school attendance by young girl children. This finding raises concerns

that young girl children are exploited as child labor, either at home or in the field, when working adults become more involved in income-generating activities financed by credit. The data, however, do not show clear evidence for young girls staying at home to do household chores or working in the fields in households that obtained credit, but instead find simultaneous occurrence between attending school and taking responsibilities for domestic chores by young children. It would appear, therefore, that credit uptake delays the realization of this concurrence among young girl children and leads to delayed school enrollment.

Promising Approaches to Address the Needs of Poor Female Farmers: Resources, Constraints, and Interventions

- World Development---2010---Agnes Quisumbing, Lauren Pandolfelli

Summary This paper critically reviews some recent attempts to increase poor female farmers' access to, and control of, productive resources, focusing on Sub-Saharan Africa and South Asia. It surveys the literature from 1998 to 2008 that describes interventions and policy changes across several key agricultural resources. Compared to interventions designed to increase investment in human capital, only a minority of interventions or policy changes increasing female farmers' access to productive resources have been rigorously evaluated. Future interventions also need to pay attention to the design of alternative delivery mechanisms, tradeoffs between practical and strategic gender needs, and to culture- and context-specificity of gender roles.

Are Female-Headed Households More Food Insecure? Evidence from Bangladesh

- World Development---2010---Debdulal Mallick, Mohammad Rafi

Summary This paper uses household and village-level survey data to investigate the food security of male- and female-headed households in Bangladesh with particular attention to indigenous ethnic groups, and finds no significant differences in the food security between

these two types of households. The absence of social and cultural restrictions among the indigenous groups permitting their females greater freedom to participate in the labor force coupled with informal redistributive mechanism is attributed to their less food insecurity. This result indicates that noneconomic institutions can significantly impact economic outcomes such as food security.

Tests of Intrahousehold Resource Allocation Using a CV Framework: A Comparison of Husbands' and Wives' Separate and Joint WTP in the Slums of Navi-Mumbai, India

- World Development---2010---Vimalanand S. Prabhu

Summary Husbands and wives from 422 households in the slums of Navi-Mumbai, India, were interviewed separately first and jointly thereafter in a contingent valuation framework to assess their individual and joint household willingness to pay (WTP) for malaria vaccines. Husbands' and wives' demand differed significantly when they were interviewed separately but not when they were interviewed jointly. The author rejects the common preference model and unified (bargaining) model of intrahousehold resource allocation. Researchers should consider the complexity of intrahousehold decision making when they conduct stated preference surveys, even in patriarchal societies.

Do Rights Work? Law, Activism, and the Employment Guarantee Scheme

- World Development---2010---Anuradha Joshi

Summary Recent, "rights-based approaches" offer a promising route for bringing about social change. However, we have little experience with state-provided legally enforceable socio-economic rights. This paper examines one of the few examples of a legally granted socio-economic right--a limited "right to work"--that has existed in one state of India for over 25 years in the form of the Employment Guarantee Scheme. The paper argues that legal underpinnings do not automatically enable the poor to obtain rights; however, legal

rights have important indirect effects for pro-poor activist organizations including mobilizing membership, protecting activists from arbitrary action, and shifting public discourse.

One Size Fits All? Decentralization, Corruption, and the Monitoring of Bureaucrats

- World Development---2010---Christian Lessmann, Gunther Markwardt

Summary The majority of theoretical and empirical studies on the relationship between decentralization and corruption argue that the devolution of power might be a feasible instrument for use in keeping corruption at bay. We argue that this result crucially depends on the effectiveness of monitoring bureaucrats' behavior. The benefits of decentralization only occur if there is a supervisory body such as a free press, which is often lacking in a substantial number of countries. Using cross-country data, we analyze the relationship between decentralization and corruption, taking different degrees of the freedom of the press into account. Our main finding is that decentralization counteracts corruption in countries with high degrees of freedom of the press, whereas countries without effective monitoring suffer from decentralization. Our policy implication is that a free press is a necessary pre-condition for successful decentralization programs.

Vulnerability of Victims of Civil Conflicts: Empirical Evidence for the Displaced Population in Colombia

- World Development---2010---Ana Ibáñez, Andres Moya

Summary Internal conflicts and the forced displacement often caused by such conflicts impose a heavy burden on the civilian population and greatly damage a community's overall welfare. The present study employs a household-level survey administered to 2,322 Colombian displaced households to estimate changes in household welfare after displacement and to assess aggregate consumption levels in destination sites. We

also assess whether households are able to smooth consumption, and we analyze the strategies they are compelled to adopt in order to cope. Our results indicate that victims of civil conflict face difficulties in generating income, are unable to rely on usual risk-sharing mechanisms, and are forced to draw upon costly coping strategies in order to smooth consumption. The vulnerability of displaced households, and the possibility of falling into poverty traps, highlight the need to design and implement specific policies for victims of internal conflict in order to cope with the displacement shock.

Aid and Debt Relief in Africa: Have They Been Substitutes or Complements?

- World Development---2010---Robert Powell, Graham Bird

Summary Much attention has been paid to helping economies in sub-Saharan Africa (SSA) to achieve the Millennium Development Goals (MDGs). The conventional instruments for providing assistance have been foreign aid disbursements and debt relief. But have debt relief initiatives complemented or substituted for other aid? Has debt relief been additional? This paper examines the evolving relationship between debt relief and other foreign aid in SSA using recently constructed and improved data. Estimating a model of aid allocation for 42 SSA countries using panel data for 1988-2006, it finds that the relationships between debt, debt relief, aid, and resource transfers have changed over time. This paper interprets how policy changes may have modified the underlying relationship between aid and debt relief.

Is Corporate Aid Targeted to Poor and Deserving Countries? A Case Study of Nestlé's Aid Allocation

- World Development---2010---Laura Metzger, Peter Nunnenkamp, Toman Omar Mahmoud, Toman Barsbai

Summary Empirical evidence on the targeting of private aid is largely lacking, even though corporate donors are an increasingly important source of aid.

We contribute to closing this gap by performing a case study of Nestlé. The allocation of Nestlé's aid is compared to that of Swiss ODA and NGO aid, testing for both altruistic and selfish aid motivations. We conclude that Nestlé's aid clearly lacks focus in terms of targeting poor countries, which appears to be the downside of the strong link between commercial presence and aid. Moreover, according to our Tobit estimations, Nestlé grants more aid to recipient countries with stronger democratic but also more corrupt institutions.

Is Corruption an Efficient Grease?

- World Development---2010---Pierre-Guillaume Méon,Laurent Weill

Summary This paper tests whether corruption may be an efficient grease in the wheels of an otherwise deficient institutional framework. It analyzes the interaction between aggregate efficiency, corruption, and other dimensions of governance for a panel of 69 countries, both developed and developing. Using two measures of corruption and two other aspects of governance, we observe that corruption is less detrimental to efficiency in countries where institutions are less effective. It may even be positively associated with efficiency in countries where institutions are extremely ineffective. We thus find evidence for the "grease the wheels" hypothesis in its weak and strong forms.

A Critical Appraisal of McKinnon's Complementarity Hypothesis: Does the Real Rate of Return on Money Matter for Investment in Developing Countries?

- World Development---2010---Tomoe Moore

Summary McKinnon's [McKinnon, R. I. (1973). *Money and capital in economic development*. Washington, DC: The Brookings Institution] complementarity hypothesis predicts that money and investment are complementary due to self-financed investment, so that a real deposit rate is the key determinant of capital formation for developing economies. This paper critically appraises this contention by conducting a vigorous empirical approach using panel data for 107 developing countries.

The long-run and dynamic estimation results based on McKinnon's theoretical model are supportive of the hypothesis. However, when the investment model is conditioned by factors such as financial development, different income levels across developing countries, external inflows, public finance, and trade constraints, the credibility of the hypothesis is undermined.

Growth and Inequality in India: Analysis of an Extended Social Accounting Matrix

- World Development---2010---Janneke Pieters

Summary Based on an extended Social Accounting Matrix (SAM) for 2002-03, this study shows how sectoral growth in India affects inequality. A breakdown of the wage account into three educational levels and 10 sectors of employment improves the link between sectoral expansion and household income in the SAM. The results show that only agricultural growth reduces inequality, while growth in heavy manufacturing and services sectors raises inequality. Given India's current growth pattern, inequality is likely to increase further. In an analysis of the standard SAM growth in any sector would appear to reduce inequality, which underlines the importance of our extension.

Accounting for Inequality in India: Evidence from Household Expenditures

- World Development---2010---Jewelwayne Cain,Rana Hasan,Rhoda Magsombol,Ajay Tandon

Summary We utilize household-level consumption expenditure data from India to examine the evolution of inequality during 1983-2004. Various measures of inequality show that inequality levels were relatively stable during 1983-93, but increased during 1993-2004. The increases in inequality have not precluded reductions in poverty, however. They are also more of an urban phenomenon and can be accounted for by increases in returns to education in the urban sector to a considerable extent, especially among households that rely on income from education-intensive services and/or education-intensive occupations. Some of the

increases in the returns to education can be linked to economic liberalization undertaken in the 1990s.

Schooling Investments over Three Decades in Rural Tamil Nadu, India: Changing Effects of Income, Gender, and Adult Family Members' Education

- World Development---2010---Kei Kajisa,N. Venkatesa Palanichamy

Summary This article explores the changing determinants of schooling investments from 1971 to 2003 in Tamil Nadu, India, using pooled and panel data of farming households. We find that the high correlation between children's attainment of basic schooling and the household's assets for farming disappeared during the mid-1980s. However, even after the mid-1980s, the attainment of advanced education is still affected by rainfall and thus by farm income, indicating the lack of insurance markets and the segregation of poor households under agriculturally unfavorable conditions from advanced education. Meanwhile, the segregation based on gender and adult members' education has been disappearing.

Child Nutrition, Health Problems, and School Achievement in Sri Lanka

- World Development---2010---Suzanne L.W. Wisniewski

Summary This paper estimates the impact of nutrition and health problems on test scores of grade four students in Sri Lanka using a rich dataset on child height, weight, hearing and vision problems, helminthes infections, malaria, and micronutrient deficiencies. The results show that stunting and hearing problems in children have direct impact on tests scores and an indirect effect as parents may adjust to small changes in nutrition and health by changing the education inputs provided to their child. Further, omitting health problems from estimation generally causes an upward bias in estimates of stunting, a common measure of overall child health.

Female Empowerment: Impact of a Commitment Savings Product in the Philippines

- World Development---2010---Nava Ashraf,Dean Karlan,Wesley Yin

Summary Female "empowerment" has increasingly become a policy goal, both as an end to itself and as a means to achieving other development goals. Microfinance in particular has often been argued, but not without controversy, to be a tool for empowering women. Here, using a randomized controlled trial, we examine whether access to and marketing of an individually held commitment savings product lead to an increase in female decision-making power within the household. We find positive impacts, particularly for women who have below median decision-making power in the baseline, and we find this leads to a shift toward female-oriented durables goods purchased in the household.

Relative to What or Whom? The Importance of Norms and Relative Standing to Well-Being in South Africa

- World Development---2010---Jeff Bookwalter,Douglas Dalenberg

Summary Studies of relative standing and subjective well-being (SWB) consistently show a negative correlation between peer income and satisfaction. However, most investigate a single peer group in wealthy country. Using a South African household survey we model SWB using different measures of relative standing. Our results differ from most of the existing literature in two ways. First, they suggest that at low levels of income or expenditure--like most South Africans--the benefit of living among wealthier people outweighs the negatives of being the poorest of a peer group. In addition, we find achievement relative to one's parents is more important than the traditional emphasis on geographic peers.

A Test of the New Variant Famine Hypothesis: Panel Survey Evidence from Zambia

- World Development---2010---Nicole Mason, Thomas Jayne, Antony Chapoto, Robert Myers

Summary The new variant famine (NVF) hypothesis postulates that HIV/AIDS is eroding rural livelihoods and making agrarian communities more sensitive and less resilient to drought and other shocks. NVF has become a high profile but controversial part of the literature on HIV/AIDS and food crises, in part because it has not been subjected to detailed empirical testing. In this paper, an econometric analysis using panel data from Zambia indicates that increases in district-level HIV prevalence rates over the period 1991/92 to 2004/05 have had variable but generally negative impacts on agricultural production. NVF-type outcomes, defined narrowly as negative interactions between HIV/AIDS and drought, are more evident in areas of low rainfall, high land-to-labor ratios, and high HIV prevalence levels. These findings provide guarded support for the NVF hypothesis.

Health Insurance and Other Risk-Coping Strategies in Uganda: The Case of Microcare Insurance Ltd

- World Development---2010---Marleen Dekker, Annegien Wilms

Summary To reduce the burden of health expenditures in developing countries, health-insurance schemes have become popular and now feature prominently in poverty-reduction strategies. There is, however, limited empirical evidence on the effect of such schemes on the livelihoods of clients, especially regarding household strategies to finance medical expenditures. This paper explores the relationship between health insurance and other risk-coping strategies used to finance medical expenditures in Uganda. Insurance is associated with a lower frequency of asset sales but not with lower incidences of borrowing. The amount of money borrowed or generated through the sales of assets is lower for insured households.

Gold Digging Careers in Rural East Africa: Small-Scale Miners' Livelihood Choices

- World Development---2010---Deborah Fahy Bryceson, Jesper Bosse Jønsson

Summary Rural livelihood studies over the past two decades have stressed directional movement away from smallholder agriculture and the diffuse, ad hoc, uncertain, and low-earning character of most rural non-agricultural income diversification. Based on a recent survey of small-scale mining in Tanzania, this article documents the higher risks, greater potential earnings, more elaborate division of labor, and career trajectory of miners. Tracing cohort entry groups indicates that those willing to withstand the hardships of moving from one gold strike to another and time commitment to a career considered dangerous and alienated from agrarian traditions of the Tanzanian countryside may be materially rewarded for their efforts.

Life is Unfair in Latin America, But Does it Matter for Growth?

- World Development---2010---Luisa Blanco

Summary I analyze the effect of inequality on economic growth in Latin America, where inequality is measured as the area of family farms as a percentage of the total area of agricultural holdings. Using data from 18 Latin American countries during 1960-2004, I find that inequality has a nonlinear effect on economic growth. Overall, for the countries included in this analysis, the share of family farms has a positive significant effect on economic growth. These findings are robust to controlling for several factors, using a different indicator of inequality (land Gini), and addressing for endogeneity.

Complementary Labor Regulation: The Uncoordinated Combination of State and Private Regulators in the Dominican Republic

- World Development---2010---Matthew Amengual

Summary Although the ultimate success of labor regulation in many economic sectors depends on a combination of state and private actors, to date, researchers

have not studied the interaction between state and private regulation. What happens when these forms of regulation meet on the factory floor? Based on a case study of labor inspection and code of conduct implementation in the Dominican Republic, this paper argues that the comparative advantages of state and private actors can drive complementary state-private regulation. These findings suggest that private-voluntary initiatives can reinforce, rather than displace, state regulation.

Do Interventions at School Level Improve Educational Outcomes? Evidence from a Rural Program in Colombia

- World Development---2010---Catherine Rodriguez,Fabio Sanchez Torres,Armando Armenta

Summary This paper evaluates the impact that the "Rural Education Project--PER" had on Colombian rural schools. This supply-side scheme program included the implementation of flexible educational models adapted to the needs of the rural community and the provision of specialized didactic material and teacher training. We find positive and significant effects on measures of efficiency (dropout, passing, and failure rates) and quality in the schools where PER was implemented. The estimation is based on census information comprising more than 21,000 rural schools and is robust to three different methodologies of estimation and different comparison groups.

Doing it for Themselves: Direct Action Land Reform in the Brazilian Amazon

- World Development---2010---Cynthia Simmons,Robert Walker,Stephen Perz,Stephen Aldrich,Marcellus Caldas,Ritaumaria Pereira,Flavia Leite,Luiz Claudio Fernandes,Eugenio Arima

Summary The present paper considers a sometimes contentious process of land reform presently occurring in Brazil. This process, referred to in the paper as Direct Action Land Reform (DALR), involves organizations such as the Landless Rural Workers Movement

(Movimento dos Trabalhadores Rurais Sem Terra, or MST) and more spontaneous actions of individuals desiring a piece of land for their own. Results of a survey covering 751 households engaged in such land reform actions in the Brazilian Amazon are presented, in order to describe participants and land reform processes. Evidently, social movement organizations provide for a modest degree of wealth accumulation, a welfare improvement that must be set against potential environmental costs. The paper concludes by calling attention to the challenge DALR may ultimately pose to the Brazilian state.

Formal and Informal Institutions and Development

- World Development---2010---Mark C. Casson,Marina Della Giusta,Uma Kambhampati

Summary Our paper presents a critical review of the literature on institutional change and the role of institutions in economic development. We discuss the roles and interrelationships of formal and informal institutions and introduce a collection of papers addressing this topic in a variety of development settings.

Inequality, Democracy, and Institutions: A Critical Review of Recent Research

- World Development---2010---Antonio Savoia,Joshy Easaw,Andy McKay

Summary This paper surveys the theoretical and empirical literature on the effect of economic and political inequality on institutions. The current understanding suggests that unequal societies develop exploitative and inefficient institutions. Empirical research--which is scant, and has mainly concentrated at cross-national level--supports, to some extent, the existence of an inverse relationship between inequality and institutions, but more analysis is needed. Future empirical research should undertake country, state, and micro-level analysis, which are a necessary complement to aggregate level studies. The effect of inequality could also take place indirectly, through the influence of inequality on democratization.

Do Informal Institutions Matter for Technological Change in Russia? The Impact of Communist Norms and Conventions, 1998-2004

- World Development---2010---Brigitte Granville,Carol Leonard

Summary We explore the impact of informal institutions on technological change in transition, comparing the 89 regions of the Russian Federation. We use panel data during the period of recovery and growth, 1998-2004. The one-country framework provides a constant background--unlike, for example, in cross-country studies--against which variance in institution building may be observed. Property rights reform ranged from full enforcement in the Northwest to blocking in Communist regions in the Southeast. We find an unambiguous relationship between early strong reform and technological change. In our model, the quality of informal institutions is proxied by investment risk (ExpertRA Regions rating agency).

Work and Wellbeing in Informal Economies: The Regulative Roles of Institutions of Identity and the State

- World Development---2010---Barbara Harriss-White

Summary The larger part of the economy in most developing countries is outside the regulative control of the state. When defined in this way, it has two types of expression: first, self-employment (with some wage-work) in unregistered or unincorporated small enterprises; second, unregistered and unregulated activity and workers inside and around large registered organizations such as firms, public sector enterprises, and the state itself. This paper reviews the literature, mainly but not exclusively from India, with three objectives. First, it questions what brings order to such economic activity and how economic and social insecurity is instituted. Second, it examines the counter intuitive proposition that social security rights are de facto, if not de jure, dependent upon work rights. Third, it explores the dynamics of, and responses to, informalization.

Social Capital and its "Downside": The Impact on Sustainability of Induced Community-Based Organizations in Nepal

- World Development---2010---Krishna Prasad Adhikari,Patricia Goldey

Summary This paper examines the role of social capital in the sustainability of induced community-based organizations (CBOs). Quantitative and qualitative data were collected from 14 villages and 129 CBOs in Southern Nepal. This paper argues that social capital can be both positive and negative, affecting collective action and the sustainability of CBOs. Major problems include rule breaking with impunity and elite capture of resources, especially during the transition phase from external to internal management. While external agencies play an important role in inducing and sustaining CBOs, they should also address the complex issue of social capital and its downside.

Political Market Characteristics and the Provision of Educational Infrastructure in North India

- World Development---2010---Benjamin Crost,Uma Kambhampati

Summary In this paper, we are concerned with the provision of schools in rural North India, particularly with whether such provision is determined by the demographic and economic characteristics of the region or whether local democracy also plays a role. We find that the probability that a governing party loses an election has a positive effect on the provision of schooling infrastructure, while the margin of victory of the governing party has a negative effect. Political reservation for members of the Scheduled Castes (SCs) has a positive effect on schooling infrastructure in villages with a large SC population, but a negative effect overall.

Religious Schools, Social Values, and Economic Attitudes: Evidence from Bangladesh

- World Development---2010---M Asadullah,Nazmul Chaudhury

Summary This paper uses new data on female graduates of registered secondary secular schools and madrasas from rural Bangladesh and tests whether there exist attitudinal gaps by school type and what teacher-specific factors explain these gaps. Even after controlling for a rich set of individual, family and school traits, we find that madrasa graduates differ on attitudes associated with issues such as working mothers, desired fertility, and higher education for girls, when compared to their secular schooled peers. On the other hand, madrasa education is associated with attitudes that are still conducive to democracy. We also find that exposure to female and younger teacher is associated with more favorable attitudes among graduates.

Does the IMF Help or Hurt? The Effect of IMF Programs on the Likelihood and Outcome of Currency Crises

- World Development---2010---Axel Dreher,Stefanie Walter

Summary We empirically analyze the effect of International Monetary Fund (IMF) involvement on the risk of entering a currency crisis and, respectively, the outcome of such a crisis. Specifically, we investigate whether countries with previous IMF intervention are more likely to experience currency crises. In a second step, we analyze the IMF's impact on a country's decision to adjust the exchange rate, once a crisis occurs. We find that IMF involvement reduces the probability of a crisis. Once in a crisis, IMF programs significantly increase the probability that the authorities devalue the exchange rate. The amount of loans and compliance with conditionality have no impact.

Optimal Deficit and Debt in the Presence of Foreign Aid

- World Development---2010---Karin Mayr

Summary External revenue in the form of foreign aid constitutes an important component of the government's budget constraint in many developing countries. We derive optimal public spending--and the resulting optimal deficit and debt--in an optimal control

framework when the government seeks to maximize the utility of constituents in the presence of external revenue that cannot be influenced by the government directly but is contingent on public revenue and debt. We find that in this context, a policy of running budget deficits and accumulating debt becomes optimal. In simulations, we characterize the size and the path dependency of the optimal deficit and debt.

Microfinance Mission Drift?

- World Development---2010---Roy Mersland,Reidar Strøm

Summary Claims have been made that microfinance institutions (MFIs) experience mission drift as they increasingly cater to customers who are better off than their original customers. We investigate mission drift using average loan size as a main proxy and the MFIs lending methodology, main market, and gender bias as further mission drift measures. We employ a large data set of rated, multi-country MFIs spanning 11 years, and perform panel data estimations with instruments. We find that the average loan size has not increased in the industry as a whole, nor is there a tendency toward more individual loans or a higher proportion of lending to urban costumers. Regressions show that an increase in average profit and average cost tends to increase average loan and the other drift measures. More focus should be given to cost efficiency in the MFI.

Homogenization and Specialization Effects of International Trade: Are Cultural Goods Exceptional?

- World Development---2010---Jesse Chu-Shore

Summary In contrast to the logic that international trade leads to greater specialization and differentiation of products, cultural industries are often still protected from imports, in part, because of the worry that trade will lead instead to homogenization. Is this true for cultural goods and if so, is this different from other goods? I consider the effects of homogenization on industrial development, propose a network-based method of identifying homogenization in global trade patterns,

and test a range of industries. I find evidence of homogenization in many industries, calling into question a major justification for free trade.

A Cross-Country Comparison of Rural Income Generating Activities

- World Development---2010---Benjamin Davis,Paul Winters,Calogero Carletto,Katia Covarrubias,Esteban Quiñones,Alberto Zezza,Kostas Stamoulis,Carlo Azzarri,Stefania DiGiuseppe,Stefania Di Giuseppe

Summary This paper uses a newly constructed cross-country database composed of comparable income aggregates to examine the full range of income generating activities carried out by rural households. The analysis paints a clear picture of multiple activities across rural space in countries on all four continents, though less so in the included African countries. For most countries the largest share of income stems from off-farm activities, and the largest share of households has diversified sources of income. Diversification, not specialization, is the norm. Nevertheless, agricultural sources of income remain critically important for rural livelihoods in all countries.

How Cost-Effective is Biofortification in Combating Micronutrient Malnutrition? An Ex ante Assessment

- World Development---2010---J.V. Meenakshi,Nancy L. Johnson,Victor M. Manyong,Hugo DeGroote,Josyline Javelosa,David R. Yanggen,Firdousi Naher,Carolina Gonzalez,James García,Erika Meng,Hugo De Groote

Summary Biofortification is increasingly seen as an additional tool to combat micronutrient malnutrition. This paper estimates the costs and potential benefits of biofortification of globally important staple food crops with provitamin A, iron, and zinc for twelve countries in Africa, Asia, and Latin America. Using a modification of the Disability-Adjusted Life Years framework we conclude that overall, the intervention can make a significant impact on the burden of micronutrient

deficiencies in the developing world in a highly cost-effective manner. Results differ by crop, micronutrient, and country; and major reasons underlying these differences are identified to inform policy.

Exploring the Logic Behind Southern Africa's Food Crises

- World Development---2010---David Tschirley,Thomas Jayne

Summary Government action during food crises in southern Africa frequently exacerbates the problems, driving food staple prices well beyond import parity. We argue that an inability to make credible commitments, due largely to a lack of trust between public and private sectors, contributes to this dynamic. Empirical policy analysis can facilitate resolution only within a consultative process involving a broad range of stakeholders. The policies emerging from such a process are not likely to approximate first best recommendations. Yet the precise policies may be less important than the fact that they exist and that main stakeholders find them credible.

Reconsidering Conventional Explanations of the Inverse Productivity-Size Relationship

- World Development---2010---Christopher Barrett,Marc Bellemare,Janet Y. Hou

Summary The inverse productivity-size relationship is one of the oldest puzzles in development economics. Two conventional explanations for the inverse relationship have emerged in the literature: (i) factor market imperfections that cause cross-sectional variation in household-specific shadow prices and (ii) the omission of soil quality measurements. This study employs precise soil quality measurements at the plot level with multiple plots per household so as to test both conventional explanations simultaneously. Empirical results show that only a small portion of the inverse productivity-size relationship is explained by market imperfections and none of it seems attributable to the omission of soil quality measurements.

Does Women's Proportional Strength Affect their Participation? Governing Local Forests in South Asia

- World Development---2010---Bina Agarwal

Summary The gender and politics literature has long debated how women's proportional strength affects policy formulation within legislatures. Studies on gender and environmental governance have focused mainly on women's limited participation in local institutions. Both bodies of work leave important aspects unexplored. The former neglects the in-between process -- the impact of women's numbers on their effective participation, such as attending and speaking up at meetings, and holding office. The latter neglects to ask: what impact would increasing women's proportions have on participation and what proportions are effective? Rigorous empirical analysis is also scarce. Addressing these gaps, this paper, based on primary data for community forestry institutions in India and Nepal, statistically tests if a group's gender composition affects women's effective participation, and if there are any critical mass effects. The results support the popularly emphasized proportions of one-quarter to one-third, but women's economic class also matters, as do some factors other than women's numbers.

Great Expectations? The Subjective Well-being of Rural-Urban Migrants in China

- World Development---2010---John Knight,Ramani Gunatilaka

Summary This paper is among the first to link the literatures on migration and on subjective well-being in developing countries. It poses the question: why do rural-urban migrant households settled in urban China have an average happiness score lower than rural households? Three basic hypotheses are examined: migrants had false expectations about their future urban conditions, or about their future urban aspirations, or about their future selves. Estimated happiness functions and decomposition analyses, based on a 2002 national household survey, indicate that certain features of migrant conditions make for unhappiness, and

that their high aspirations in relation to achievement, influenced by their new reference groups, also make for unhappiness. Although the possibility of selection bias among migrants cannot be ruled out, it is apparently difficult for migrants to form unbiased expectations about life in a new and different world.

Voice, Votes, and Resources: Evaluating the Effect of Participatory Democracy on Well-being

- World Development---2010---Carew Boulding,Brian Wampler

Summary Participatory governance is said to enhance governance, citizens' empowerment, and the quality of democracy, creating a virtuous cycle to improve the well-being of the poor. However, there is limited empirical evidence for this relationship. Drawing from an original database of Brazil's 220 largest cities, we assess whether the adoption of a participatory budgeting (PB) program is associated with changes in social spending or changes in several indicators of well-being. We find that PB municipalities spend a slightly higher share of their budget on health and education programs, but there is little evidence that this shift in budget priorities affects measurable outcomes.