

DIALOGUE

D I A L n e w s l e t t e r

Issue 18

December 2002

Editorial

A number of recent economic studies have considered the impact of colonisation on different countries' development. They tend to put the emphasis either on the identity of the colonial power or on the type of colonisation, although both these aspects are obviously related. In the following pages, we will outline two DIAL studies on this question.

The first, based on a sample of 70 former colonies which are now developed or developing countries, suggests that the scale of settlement in these colonies not only had a lasting impact on their level of per capita income, but also on the level of inequalities. The study highlights a non-linear inverted U-shaped relationship between the size of the European settler population during the period of colonisation and the level of inequalities reached in the 1990s.

According to a second study on 47 African countries, the development of schools during colonisation seems to have depended on the identity of the colonial power in question. In the former British colonies, the local populations had a higher level of schooling in 1960 than in the former French colonies, and this superiority continued for several decades after their independence. Paradoxically, the better schooling did not lead to better economic performance or better average living conditions, either at the time of independence or at present.

This autumn was crowned with success for DIAL, as we were very pleased to see Michael Grimm take his viva voce doctoral examination in November at the Institut d'Etudes Politiques in Paris. His thesis (directed by Didier Blanchet and Denis Cogneau) dealt with micro-simulation tools designed to assess and quantify, ex-post and ex-ante, the medium and long-term impact of macro-economic policies and shocks, whilst taking into account the diversity of individual behaviour. It also analysed the relationship between demographic variables such as education and health on the one hand, and income generation and inequalities on the other. The tools were applied to the case of Côte d'Ivoire, with a particular concern for the distributive impact of structural adjustment, the AIDS epidemic and education policies. He passed with distinction, was highly commended by the jury, by a unanimous vote, and was recommended for a prize for his thesis.

Finally, like every year, DIAL was pleased to welcome researchers from the South for a few months this autumn, under the scholarship systems organized by the Institut de Recherche pour le Développement and the French Ministry of Foreign Affairs. Rachel Ravelosoa, researcher on the MADIO/INSTAT project, continued work on her thesis on education in Madagascar for her PhD in economics, and François Aka, professor at the University of Bouaké, furthered his work on poverty and tax system in Côte d'Ivoire.



DIALOGUE
is Dial newsletter.
It is published
in French and English.
Circulation: 1.500 copies.

Free subscription on our web site
www.dial.prd.fr

Publisher :
Jean-Pierre Cling

Editor :
Charlotte Guénard

Page-setting :
Coryne Ajavon

Design :
www.PassionMicro.com

Print :
Instaprint (Tours)

N° ISSN : 1254-7182

COLONISATION AND INSTITUTIONS

A vast amount of theoretical and empirical literature was produced in the 1990s on the relationship between growth and the level of economic inequalities, but in the end, no universal, robust link was actually found (Cogneau and Guénard, 2002a). The problem with trying to establish a link running from inequalities to growth, and also for its earlier reciprocal, i.e. the Kuznets curve, stems from the fact that the level and the distribution of income are determined by the same factors. In particular, growth and inequalities are constrained by inherited, long-lasting institutions, which condition the way factor and credit markets work and influence politico-economic balances, which in turn determine growth and inequalities.

Amongst the determinants of growth and inequalities, current research attempts to separate (i) intangible geographical factors (distance from the equator, climate, land-lock, etc.), (ii) historically determined institutions (language, religions and legal systems, property protection and civil and democratic rights) and (iii) economic policies implemented (trade, monetary, budgetary). These three elements are obviously inter-dependent, as location can influence the institutions, which can condition the implementation and success of policies, the results of which in turn condition the institutions. Whatever weight may be given to one or other of the three elements, there is nonetheless general agreement on the fact that differences in development stem less from the quantity of productive resources (human and physical capital) than from the institutions which organize the use of the resources (see, for example, Hall and Jones, 1999). In particular, the low growth and high level of income inequalities observed in Latin America and in sub-Saharan Africa¹ are analysed from this new angle.

This article deals with two problems currently being studied by DIAL researchers: the

institutional impact of colonisation and the role of institutions, in particular those present during colonisation, on countries' development. One of our research projects is aimed at understanding the differences in the levels of inequalities to be found in countries today through the mark left by colonisation. Another project on the same theme looks at the differences in the school systems inherited from colonisation in sub-Saharan Africa and their impact today in terms of development.

Institutions and Development: terms of the debate

Historical research has always been interested in the long-term impact of socio-economic structures and how they are reproduced over time. Economic literature, for its part, has looked at the influence of legal systems, social infrastructures and, more generally speaking, institutions, on economic spheres. Despite the absolute certainty that institutions are important to growth, our knowledge is still limited concerning the origin of institutions and why institutions that are harmful to growth are able to persist over time. The institutional elements most frequently analysed concern the countries' respect for contracts and property rights, civil and political liberties and the legal system in force.

Some studies carried out by "new comparative economics" focus on the impact of the identity of the colonial power on economic performance. Relatively systematically, they tend to compare two types of legal system: the Anglo-Saxon origin "common law" system and the French origin "civil law" system. Common law is described as a legal system where the judges are relatively independent and juries and jurisprudence play a central role. The system is based on fairly wide legal principles, such as confidence, for resolving disputes. On the contrary, under the civil law system the judges are civil servants, written law has preference over jurisprudence and legal decisions are subject to extensive controls and surveillance from a well-developed hierarchical system (Glaeser and Shleifer, 2002; Djankov, La Porta, Lopez and Shleifer, 2002). The latter system, inherited from

¹ The countries characterised by the most inegalitarian distribution of income in the world, Brazil and South Africa, are to be found in these two regions.

Roman law, was incorporated into the legal codes in France and Germany at the beginning of the 19th century². The two systems were "transplanted" in the colonies, so that the Anglo-Saxon legal system predominates in the United States, Canada, Australia, New Zealand, South Asia (Hong Kong and Singapore) and East Africa. On the other hand, Napoleon exported the legal system "à la française" to the European countries he conquered, such as Spain and Portugal. The system was subsequently "transplanted" in the regions controlled by the Portuguese, the Spanish, the Dutch and the French themselves. According to the studies mentioned above, it is still the basis of the legal systems in Latin American, North and West African countries and certain Asian countries (e.g. Taiwan). These studies believe that the impact of the two systems (the "legal origin") on countries' economic development is crucial, particularly in relation to the protection of property rights on capital, which is apparently better provided for under common law than under civil law. More generally, the latter system, but also Catholic or Muslim influence, is believed to have favoured State interventionism, combined with poorer economic and financial performance and more corruption. The British common law system and the Protestant influence, are believed in contrast to have favoured the building of a more limited and efficient State (La Porta, Lopez, Shleifer and Vishny, 1998 and 1999).

Other studies minimize the impact of the identity of the colonial power and the inherited legal system³, stressing instead the differences between settler colonies and exploitation colonies. They contend that, in regions where it was difficult for Europeans to settle due to bad sanitary conditions, and in regions that were initially rich in natural resources and/or were more densely populated, colonial powers introduced "extractive" institutions and private property systems that discouraged the accumulation of capital (Acemoglu, Johnson,

Robinson, 2001a and 2001b). The colonial strategy and the type of institutions were determined, amongst other factors, by whether it was feasible to establish long-term settlements due to the sanitary conditions: the authors link the death rate for settlers at the beginning of the 19th century to the type of institutions subsequently introduced. Countries in which Europeans settled in large numbers, characterised by low mortality rates amongst the first immigrants, had better capitalist institutions and higher levels of per capita GDP; in contrast, countries that were more densely populated at the start of the colonial period, around 1500, had poorer economic performance during and after colonisation (Acemoglu, Johnson and Robinson, 2001b). These differences do not stem from the identity of the colonial power, but rather from the characteristics of the region colonised. For instance, it happens that the British settled more often in regions with lower mortality rates, which appears to explain the correlation found between common law and development. Their results also suggest that, if Africa is poorer than the rest of the world today, this is not due to purely geographical reasons (Sachs, 2001) or ethno-cultural reasons (Easterly and Levine, 1997), but due to "bad institutions". However, the "institutional" hypothesis does not mean that geographical factors had no impact on the relative differences in development from one country to another, but that they have only had an indirect impact through the way they influence the quality of institutions (Rodrik, Subramanian and Trebbi, 2002), particularly with respect to the structure of land ownership.

Hence, although a relatively robust correlation has been established between the scale of European settlement in the former colonies and overall economic performance, the question of the real means by which European settlement led to better economic results still remains open. Was it due to better institutions based on property law, as suggested by Acemoglu and his co-authors, or mainly due to the initial stock of human capital and equipment that the European immigrants brought with them? Was the number of permanent settlers really the determining factor of the quality of the institutions, or was it not, rather, the presence of natural resources, particularly lucrative during the colonial period, that was the source

² Hayek (1960) dates the distinction between common law and civil law to the introduction of the Civil Code by Napoleon.

³ In contrast to Hayek, Weber (1978) put the emphasis on the ability to adapt to capitalism.

of the institutional differences, then and now? Tropical regions with limited numbers of colonial settlers may, for instance, have suffered from the race for natural resources which was the cause of both bad, extractive-based institutions and the widespread use of the slave trade to extend the sugar and cotton plantations, as was the case in Brazil, contrary to North America or Canada (Engerman and Sokoloff, 2000).

Colonisation and inequalities

Our own research (Cogneau and Guénard, 2002b) supports the claim that the scale of settlement in former colonies not only had an on-going impact on the level of per capita income in the country concerned, but also on the level of inequalities. Our estimates show that the percentage of the population of European descent (measured in 1900 or in 1975) accounts for a very significant share of the differences in income inequalities between former colonies. There is in fact a non-linear “inverted U-shaped” relationship between the scale of European settlement during the colonial period and the level of inequalities in the 1990s⁴. The relationship almost perfectly captures the specific case of inequalities in Latin-American countries. In former colonies with very few European settlers, the ethnic fragmentation of the local populations increases the level of inequalities observed and explains, to a great extent, the specific case of Africa. The two results are robust when econometric techniques are used to correct the possible endogeneity of European immigration flows and the other factors of inequalities, and for the fact that ethnic fragmentation is partly due to the territorial divisions made by the colonial powers and to their “divide to rule” policies. Like Acemoglu et al., we found that the differences observed are not due to the identity of the colonial power but to the characteristics of the regions and the type of colony in question.

⁴ The data on inequalities (Gini coefficient) is taken from the UN's World Income Inequality Database (WIID) on 70 former colonies, which are now developed or developing countries.

Do these results mean that the initial inequalities in resources and racial or ethnic discrimination are the main factors explaining the high levels of income inequalities to be found in Latin America or Africa? This is quite obviously of considerable importance in countries such as Brazil and South Africa (Lam, 1999)⁵. Nonetheless, it is not enough to explain the scale of inequalities observed in most cases, particularly in African countries where only a very small minority of the population are of European descent and where inter-ethnic income inequalities are limited. Following on from Sokoloff and Engerman (2000), we argue that the exploitation colonies themselves gave birth to inegalitarian institutions, however many people settled in the country concerned. In places with large numbers of European settlers, such colonies gave rise to institutions where political and economic power were held by an oligarchy of European descent and racial discrimination was rife. In countries where settlers of European origin left at the time of independence, the same type of institutions continued, still to the profit of an oligarchy in power, often representing a particular ethnic group. After independence, the dualism of economies and state structures continued to feed ethnic disputes to gain influence, leading to ethnic-based clientelism in areas such as public employment or investment choices (frequent “white elephants”). In both Latin America and Africa, the allocation of land, of well-paid jobs and public goods continued to be notably non-meritocratic, paternalistic and clientelist. The debate remains open as to whether the democratisation of such societies can help change the system since, as recent studies in political economics have shown, racial or ethnic divisions tend to reduce the demand for redistribution, because political programmes inspired by egalitarian, universalistic principles tend to run counter to the electors' racial or ethnic preferences⁶.

The results obtained to date concerning these major issues are hardly more than indications.

⁵ Where white people account for approximately 45% and 10% of the total population respectively.

⁶ This also applies to OECD countries, particularly the United States.

They nonetheless underline that the different levels of inequalities in former colonies are not so much due to differences of political philosophy on the part of the colonial powers, as to differences in the type of colonisation (settler or exploitation) and the initial differences between the regions colonised (natural resources, population, age of the pre-colonial States).

Colonisation, schools and development in Africa

In contrast, the development of schools in Africa during the colonial period definitely seems to have depended on the identity of the colonial power in question (Cogneau, 2002). In the former British colonies (16 out of 47 countries), the citizens had a higher level of education in 1960 than in the former French colonies. 15 to 60-year olds in former British colonies had an average of one and a half more years of schooling than their counterparts living in former French colonies, that is twice the average number of years of schooling. The literacy rate was on average 15 to 20 points higher in former British colonies in 1970, and these differences continued until 1990. In addition, full primary schooling was more common in former British colonies and more children also received secondary education. According to our estimates, the extension of Islam and ethnic fragmentation both had a negative impact on the quantity of education received, whereas the presence of European settlers in 1900 had a positive impact. The identity of the colonial power thus left its mark on the way schools worked in African societies, a mark that continued thirty years after their independence.

In terms of the quantitative extension of primary schooling, it seems that the French system of free, secular education, introduced at the beginning of the 20th century, was less of a success than the British system, based on a partnership of missionaries and the State. The Belgian and Portuguese systems, entirely based on missionary works, were no more successful than the French system, except that they managed a higher rate of evangelisation than the other countries. In addition, the British were better at meeting African demands for secondary education, whether in their settler

colonies, despite the racial segregation that characterised them, or in their extraction colonies. The French system only enabled a very small elite to have access to secondary or university studies, and thereby to administrative posts. The main reason for the failure of the French system no doubt stems from a lack of human and financial resources: a free system without help from missionaries was obviously costly and its expansion could only be limited, particularly after the 1st World War and during the crisis of the 1930s. In addition, the French paid high salaries to African teachers and professors, on the strength of egalitarian and assimilationist principles ("same job, same pay") thus raising the cost even further. It remains to be seen whether these higher wages helped provide better quality education. A comparison of literacy rates does not confirm this, but more detailed analysis is required on this point.

Whatever the case may be, the educational advantages of the former British colonies were not translated in terms of higher economic performance in these countries, or in better average living conditions. In 1960 and 1990 alike, the inhabitants in the former British colonies were no richer than their counterparts in the former French colonies, nor did they have a higher life expectancy rate. The study of four cases (Côte d'Ivoire, Ghana, Madagascar and Uganda) showed that the returns from education in terms of income were significantly lower in former British colonies at the beginning of the 1990s. It can also be noted that the other countries, former Belgian, Portuguese or Italian colonies, or independent countries such as Ethiopia and Liberia, were less successful than the former French colonies, although they had comparable educational performance in 1960, and their transport infrastructures were no less developed. The wage and infrastructure policy implemented by the former French colonies also led to far more rapid urbanisation than in the other two groups of countries. It is not impossible that the introduction of the Franc Zone made up in macro-economic stability for their handicaps in terms of wage costs and distribution of education.

As in La Porta et al. (1998 and 1999), the influence of the identity of the colonial power is confirmed to the advantage of the British in

terms of schooling, but with no notable impact in terms of development and growth. Also, as in Acemoglu, Johnson and Robinson (2001a and 2001b), the impact of the European settler colonies on the development of schools and on growth was confirmed. However, we must not forget the disastrous ethical consequences inherent to these policies, as shown in the levels of inequalities achieved. Racism was the European colonial powers' driving ideology, whatever the tempering effect of their liberal, egalitarian or Christian philosophies may have been.

Denis Cogneau and Charlotte Guénard

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Training and expert missions, second semester 2002

Burkina Faso

Sandrine Mesplé-Somps and **Marc Raffinot** undertook a second mission on behalf of the ODI (23-29 September) as part of a study on the use of programme-budgeting as a poverty reduction tool. They presented the book *Les nouvelles stratégies de lutte contre la pauvreté*, edited by J. - P. Cling, M. Razafindrakoto and F. Roubaud (DIAL/Economica, 2002), at the French Cultural Centre in Ouagadougou

Cameroon

Alain Brilleau took part in a workshop in Yaoundé organized by PARIS21 and AFRISTAT from 9 to 11 December, on the use of statistics for poverty reduction policies.

China

Constance Torelli went to China from 21 to 31 July as part of the EU-China Stat Programme on the informal sector. The mission was coordinated by the CESD-Rome and was one of a series of missions offering support in methodology for the 1-2-3 surveys in urban areas carried out in three Chinese provinces.

Columbia

François Roubaud went to Bogota from 8 to 10 July 2002, accompanied by **Javier Herrera**, for a mission to analyse the results of the 1-2-3 surveys carried out in the 5 Andean Pact countries on behalf of the Andean Commission-DGCID/Ministry of Foreign Affairs, and to prepare surveys on "participacion ciudadana" (« Quarta reunion de expertos gubernamentales en estadísticas del sector informal», Secretaria general de la Comunidad andina/Dane).

France

François Roubaud gave a training session on statistical surveys (1-2-3, Rural Observatories, LSMS, CWIQ) and the different approaches to poverty, for a group of 30 African executives at the "Household surveys" seminar, CEFIL, INSEE, in Libourne, from 15 to 18 July.

Alain Brilleau and **Charlotte Guénard** gave a training session at the Institut Forhom in La Rochelle from 6 to 9 and 13 to 14 August as part of the cycle "Action plan against poverty (inequalities and poverty indicators and monitoring the impact of poverty reduction policies).

François Roubaud spoke on 27 August at the Ministry of Foreign Affairs workshop on "Governance: comparative strategies and operational choices" (MAE/DGCID, ENA, Paris, 26-28 August).

Jean-Pierre Cling and **Mireille Razafindrakoto** presented the collective work *Les nouvelles stratégies internationales de lutte contre la pauvreté*, published by Economica, at the training seminar on PRSPs for French development co-operation technical assistants (DGCID, ENA), 2 September.

Flore Gubert and **Anne-Sophie Robilliard** spoke on 16 September at the workshop "Needs for rural and agricultural statistics for monitoring PRSPs" under the auspices of the PARIS21 and FAO consortium (Centre de conférences internationales, Paris).

Michaël Grimm, **Charlotte Guénard** and **Mohammed Ali Marouani** gave classes (Microsimulations, Poverty and Inequalities Indicators and Computable General Equilibrium Models) as part of the "macro-economic modelling" training programme for the Specialised International Cycle on Public Administration at ENA, from 28 November to 5 December.

Sandrine Mesplé-Somps gave a training session on poverty in Côte d'Ivoire to students in the GPE training cycle (Economic Policy Management) at CERDI in Clermont-Ferrand on 28 November.

French Polynesia

On request by INSEE, **Alain Brilleau** undertook a technical support mission at the Institute of Statistics for French Polynesia from 19 to 31 July, to set up a new retail price index.

Guinea Bissau

Alain Brilleau took part in a mission from 16 to 23 November, on request by AFRISTAT

and in collaboration with two of their experts, to produce a new consumer price index.

Italy

Constance Torelli and Michel Kagan took part in a workshop on "the presentation of the initial results of the 1-2-3 Survey conducted in China", organized by the CESD-Rome, which took place in Rome from 9 to 12 September.

Michel Kagan took part in the interim summary of the MED-NOE programme, at the workshop organized by CESD-Rome from 24 to 25 October, designed to give the current state of the project and to circulate the data. Representatives from statistical institutes from 11 Mediterranean countries took part in the workshop.

Jordan

Michel Kagan took part in the sub-regional workshop on "methodological exchanges on the non-observed economy", organized by CESD-Rome under the MED-NOE programme, attended by national accountants and statisticians from Palestine, Jordan, Egypt and Lebanon, in Amman from 1 to 3 October.

Luxembourg

Invited by EUROSTAT, **Alain Brilleau** took part in a seminar on 5 December, to evaluate software designed to calculate a consumer price index for developing countries.

Madagascar

Mireille Razafindrakoto and François Roubaud took part in a support mission for the MADIO project from 6 to 15 November, designed to set up and analyse the surveys and prepare a seminar on corruption. They organized a conference-debate based on their presentation of a special issue of the journal *Afrique contemporaine* on the theme "Madagascar after the storm: a look at ten years of political and economic transition", at CITE/IRD, in Antananarivo, on 13 November.

Mali

Mohamed Ali Marouani and Marc Raffinot organized a seminar on "institutionalising the poverty reduction strategy paper for Mali" on behalf of ODI and presented the book *Les nouvelles stratégies internationales de lutte contre la pauvreté* in Bamako on 5 September. **François Roubaud** took part in the AFRISTAT scientific committee meeting in Bamako on 7-8 October.

Morocco

Michel Kagan went on a second mission to the Institute of Statistics in Morocco to back up his work on the informal sector within the MED-NOE programme. He took part in the sub-regional workshop on "methodological exchanges on the non-observed economy", attended by representatives from Algeria, Tunisia and Morocco, in Rabat from 22 to 25 July.

Denis Cogneau and Mohamed Ali Marouani undertook a mission at the General Economic Policy Division of the Ministry of Finances in Rabat from 18 to 24 November as part of the project to "improve modelling and analysis of the impact of the EU-Morocco association agreement on the Moroccan economy", financed by the European Commission.

Senegal

Alain Brilleau undertook two missions concerning the informal sector part of the PARSTAT programme (2-13 August and 26 September - 10 October).

United States

Anne-Sophie Robilliard went to Washington DC from 21 to 31 October to work with Sherman Robinson from the International Food Policy Research Institute (IFPRI) as part of a project financed by the World Bank on the application of a micro-macro model for Indonesia.

Michaël Grimm went to Washington DC to give a class on micro-simulation techniques for poverty analysis at the "Micro-Macro Linkages in the Design of Growth and Poverty Reduction Strategies Workshop", World Bank, from 8 to 15 December.

Papers given in conferences, second semester 2002

Belgium

Mohamed Ali Marouani took part as discussant for the paper "Modelling the effects of trade on women: a comparative perspective" (M. Fontana) at the workshop *Methodological tools for assessing the sustainability impact of EU's economic policies* organized by CEPII and the European Commission in Brussels on 7-8 November.

Mireille Razafindrakoto presented an article "Measuring governance and democracy: analysis based on some statistical indicators collected in different African capitals", at the "Statistics and Human Rights" seminar co-organized by the European Commission/EUROSTAT, and the CDG Munich, in Brussels, from 27-29 November.

Brazil

Anne-Sophie Robilliard went to Sao Paolo to take part in a workshop on the impact of economic policies on poverty and income distribution, organized by the World Bank and the *Fundacao Instituto de Pesquisas Economicas* of the University of Sao Paolo from 8 to 10 July.

France

Jean-Pierre Cling, Mireille Razafindrakoto and François Roubaud presented the collective work *Les nouvelles stratégies internationales de lutte contre la pauvreté* (DIAL/ Economica, 2002):

- at the yearly meeting of the DGCID, Ministry of Foreign Affairs, from 17-19 July;
- at the annual conference of the Haut Conseil de la Coopération Internationale (HCCI) "*Coopérer au début du XXI^e siècle*", on 16 September.

Denis Cogneau presented an article entitled "Colonisation, schools and development in Africa – an empirical analysis" at the DELTA-INRA (LEA)-DIAL, seminar on development economics, at the Site Jourdan, on 6 November.

François Roubaud presented a special issue of *Afrique Contemporaine* "Madagascar after the storm: a look at ten years of political and economic transition", at the conference on Madagascar organized by the Association for the promotion of the history and traditions of French-speaking countries, at the *Cercle*

National des Armées, in Paris, on 23 November.

Anne-Sophie Robilliard presented an article "Examining the Social Impact of the Indonesian Financial Crisis using a Micro-Macro Model", co-written with F. Bourguignon and S. Robinson, at the OECD seminar "How are globalisation and poverty interacting and what can governments do about it ?", on 9 December in Paris.

Denis Cogneau took part as a discussant in the session on "Developing Country Experiences: Research and Policy Discussion on Globalisation and Poverty for Sri Lanka, Bangladesh, the Philippines and Benin" at the OECD seminar "How are globalisation and poverty interacting and what can governments do about it ?", on 10 December in Paris.

Poland

François Roubaud gave a presentation entitled "*The new international poverty reduction strategies: has anything really changed?*" at the international conference Hexapolis III, "Inequalities and Poverty in the world's major cities", part of the SIRS project "Health, inequalities and social breakdown in contemporary cities: Abidjan, Antananarivo, New York, Paris, Sao Paulo, Warsaw", LFIS (Polish Academy of Sciences) / INED, 25-27 September, Warsaw.

Sweden

Denis Cogneau and Michael Grimm presented an article entitled: "AIDS and income distribution in Africa. A micro-simulation study for Côte d'Ivoire", at the 27th conference of the International Association for Research in Income and Wealth, Stockholm-Djurhamn (18-24 August).

United States

Mireille Razafindrakoto went to Washington DC to take part in the "Urban Research Symposium" organized by the World Bank from 9 to 11 December, whose main theme was: "Urban Development for Poverty Reduction: Towards a Research Agenda". She presented an article entitled: "Urban dynamics and its impact on household living conditions".

Working papers published in the second semester 2002

All these papers are available on our site <http://www.dial.prd.fr>

Barat C., Massuyeau B., Spielvogel G. : *Analyse structurelle et conjoncturelle de l'économie ghanéenne*, June, **Réf. 2002-10**

This report presents a structural analysis of the Ghanaian economy, an outlook of its recent evolution and growth estimations for 2001 and 2002. Ghana holds a special position in West Africa, because of its strong economic growth during the last twenty years and its flexible exchange rate regime. The economic crisis in 2000 led the new elected government to adopt restrictive budgetary and monetary policies, allowing for a necessary adjustment and increasing inequalities. Growth estimations confirm the slowdown for 2001 and 2002 but raise the question of the credibility of Ghana macroeconomic statistics.

Azam J-P., Gubert F.: *Those in Kayes. The impact of remittances on their recipients in Africa*, October, **Réf. 2002-11**

This article briefly describes the Soninke labor migration, and interprets it as a means of diversifying risk in a context of missing insurance and credit markets. Historical and anthropological studies on this ethnic group are briefly surveyed, and suggest that it is not only the well-being of those left behind which is insured by the migrants, but also the pride of the clan. A simple partial-equilibrium model is developed to capture this phenomenon, which gives rise to moral hazard problems. This prediction is tested econometrically using an original data set collected by one of the authors in the Kayes area (Western Mali), the main source of Soninke labor migration to France.

Grimm M.: *The medium and long term effects of an expansion of education on poverty in Côte d'Ivoire; A dynamic microsimulation study*, October, **Réf. 2002-12**

A dynamic microsimulation model is used to analyse the distributional effects of an expansion of education in Côte d'Ivoire in the medium and long term (1998-2015). The simulations are performed in order to replicate several policies in force or subject to debate in this country. Various hypotheses concerning the evolution of returns to education and

labour demand are tested. The direct effects between education and income as well as the different transmission channels, such as occupational choices, fertility, and household composition, are analysed. The effects of the educational expansion on the growth of household incomes, their distribution and poverty depend very crucially on the hypothesis made on the evolution of returns to education and labour demand. If returns to education remain constant and the labour market segmented, the effects will be very modest.

Gros J-B., Letilly G., Martinet S. : *Performances commerciales de l'Afrique subsaharienne, une diversification nécessaire*, November, **Réf. 2002-13**

This study analyses trade strategies and performances of a sample of seven Sub Saharan African countries (South Africa, Côte d'Ivoire, Ghana, Madagascar, Mauritius, Nigeria and Senegal), which together represent over two-thirds of Africa's total exports. Although the poor overall Africa's trade performance can be explained to a great extent by well known factors (commodity prices, macroeconomic problems, etc.), this does nothing to explain why some countries succeed to increase their exports and not others. This paper attempts to do so, by splitting these countries' export growth rate during the 1990s, into a demand effect and a competitiveness effect. This allows us to appreciate the impact of specialization on trade performance: if a country is specialised in goods for which there is little world demand, or whose sales prices are falling, its exports will be affected accordingly. According to this breakdown, it is not trade specialisation that explains why certain countries succeeded, but above all their competitiveness, that is their ability to increase their market shares on both traditional and new export products. The analysis also clearly shows that the best performing countries are precisely those which have diversified their exports the most, such as Madagascar (thanks to its export processing zones), South Africa and Ghana.

Fafchamps M., Gubert F.: *Contingent Loan Repayment In The Philippines*, November, **Réf. 2002-14**

This paper examines credit repayment among rural Filipino households, using survey data collected in four villages in the Cordillera mountains of northern Philippines between July, 1994 and March, 1995. We find that the timing of loan repayment depends on shocks affecting lender and borrower but amounts repaid and debt forgiveness do not. Borrowers occasionally repay debt in labor when faced with a bad shock. Contractual interest charges often are reduced ex post but reductions do not depend on shocks except through the timing of repayment. We find no evidence of loan roll-over, debt peonage, or labor bonding.

De Vreyer P., Mesplé-Somps S.: *Consumption growth and spatial poverty traps: a theoretical and econometric analysis of the effect of social services and community infrastructure on living standards in Peru*, December, **Réf. 2002-15**

The purpose of the paper is to test the existence of geographic poverty traps in Peruvian rural areas, using a four years household panel data set. It presents a theoretical model of household consumption growth, that allows for the effect of community variables to modify the returns to augmented capital in the household production function.

Data are coming from three different sources: ENAHO 1997-2000 household surveys, the population census of 1993 and the district infrastructure census of 1997. These three sources of data provide a very rich set of local geographic and socio-economic variables, and local public goods availability information, as well as complete information at the household and individual levels. For instance, the ENAHO household surveys collect information on individual access to anti-poverty programs which have been developed during the analyzed period. Combining the

data allows to take into account potential selection biases due to geographic targeting of anti-poverty programs. As in Jalan and Ravallion (2002), we use a quasi-differencing method to identify the impact of locally determined geographic and socioeconomic variables, while removing unobserved household and community level fixed effects. GMM are then used to estimate the model parameters from the four years unbalanced household panel. Several significant interesting results appear, confirming that private consumption growth depends on local geographic variables. It appears that the local provision of medical care or living in areas with highly educated people have a positive impact on private consumption growth rates. On the opposite, benefiting from an educational or health anti-poverty social program is not found to have a strong impact on private consumption growth.

Marouani M. A. : *Imperfections du marché du travail et modèles d'équilibre général calculables : une revue de littérature*, December, **Réf. 2002-16**

This article aims discusses different labour market modelling choices made in applied general equilibrium models and the consequences of these choices on the results obtained when simulating various tax policy shocks with these models. Taking into account the imperfect functioning of the labour market in applied models does not have effects on employment issues only. It also permits a better estimation of the adjustment capacities of an economy facing a shock. This could explain why models relying on a perfect labour market functioning are often very optimistic in their evaluation of the impact of various shocks. Finally, the difficulty of empirical validation of the labour market specifications chosen weakens the use of these models for policymaking.

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