

Can trade help meet the goals of the Africa Commission? *David Hulme and Francis Teal*

The first target that has been set under the Millennium Development Goals (MDG) is the halving of extreme poverty by 2015. The last newsletter appeared shortly after the publication of the Report of the Commission for Africa - 'Our Common Interest' - setting out policies that need to be implemented if Africa is to meet this goal. As on present trends Africa is not going to meet that goal, there is increasing urgency in understanding how African economic performance can be improved.

How can the lives of the poor in Africa most effectively (and rapidly) be improved? Answering that question is a key part of the research agenda that the ESRC set for the Global Poverty Research Group (GPRG). In addressing that question, the work of the Group has focused first on who needs to be the target of policy - who are the poor, where are they, how can poverty best be measured and analysed - and secondly on which policies can impact most effectively on poverty.

In December there will be a one-day seminar in London reporting on a range of ESRC research focused on Africa. The Africa Commission Report is very clear

that addressing Africa's poverty requires more rapid growth. The GPRG has been asked to address the question as to how this objective can be achieved. The key points on which we will be focusing are both the magnitude of the task that Africa faces and possible solutions. The figure below shows how the level of income across different regions has changed over the two decades from 1980 to 2000.

The picture from these overall data is both bad news and good. The bad news is that Africa's position has fallen radically relative to other regions. The good news is that very high rates of growth in very poor economies have proved possible and have moved China from being one of the poorest regions in the world to being nearly as rich as South-East Asia in the space of twenty years. It is often argued that growth in income is not nearly enough to solve the problem of poverty. It passes many of the poorest groups in society by and fails to recognise that the poorest cannot successfully participate in a world economy as they live in areas with little infrastructure, less access to education and no access to the technology necessary for exporting. For the poorest, trade can be seen to be an irrelevance.

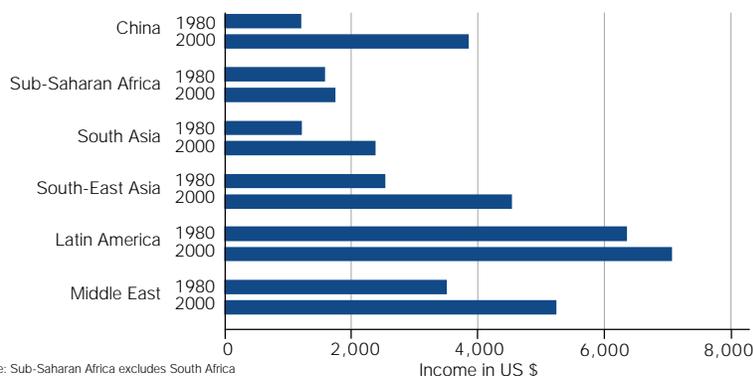
It is certainly true that trade growth can pass the poorest by - corrupt embezzlement

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of funds from oil rich economies is an obvious example. However, it is equally true that policy can make trade work for the poorest. Indeed, the fact that the MDGs may on average be met is due to the success of China in reducing poverty. China's growth did lead to a massive reduction in the numbers of people living on less than US\$1 per day.

The focus of the seminar in December will be how ESRC research can contribute to understanding which policies will ensure that success in raising incomes leads to decreases in poverty in Africa.

Changes in Incomes per Capita: 1980-2000



Note: Sub-Saharan Africa excludes South Africa
Source: PENN World Tables. Incomes are weighted by population and expressed in 1996 PPP\$

The support of the Economic and Social Research Council (ESRC) is gratefully acknowledged. The work was part of the programme of the ESRC Global Poverty Research Group

David Hulme awarded Researcher of the Year medal

Professor David Hulme has recently been awarded a Distinguished Achievement Medal by the President of the University of Manchester, as Researcher of the Year for 2005. The award will be presented at a special ceremony in October, and is in recognition of Professor Hulme's pioneering research on the conceptualisation, measurement and analysis of poverty in developing countries. Professor Hulme co-directs the GPRG and is also the founder and director of the Chronic Poverty Research Centre (CPRC), an international partnership of research organisations and NGOs that focuses on the persistence of poverty and the dynamics of human deprivation (www.chronicpoverty.org).

Over the last eighteen months his research with the GPRG has focused on (1) the nature of development studies and the case for cross-disciplinary research on poverty, inequality and well-being; and (2) the development of new frameworks for analysing poverty that can incorporate multidimensionality and duration. Professor Hulme is currently involved in the University of Manchester's ambitious

plans to establish a World Poverty Institute. More information is available online at www.sed.manchester.ac.uk/idpm/staff/hulme_david.htm

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South African Economic Policy Under Democracy: A 10 Year Review GPRG-Stellenbosch University conference, October 2005

Janine Aron (CSAE), Geeta Kingdon (GPRG/CSAE) and Stan du Plessis (Stellenbosch)

The tenth year of democratic government by the African National Congress in South Africa in 2004 was heralded by a spate of conferences evaluating various aspects of the first decade. An economic retrospective was planned by the National Institute of Economic Policy (NIEP), an independent think tank, with invited contributions on monetary policy and labour policy by CSAE members. However, NIEP was dissolved for financial reasons before the conference could be held in late 2004. CSAE members Janine Aron and Geeta Kingdon have been instrumental in establishing a new conference to be held

in late October in Stellenbosch, South Africa. Local and international experts will review South African economic policy since 1994, with discussants drawn from academia, the government and the private sector. Professor Vito Tanzi, formerly the Director of the Fiscal Affairs Department at the IMF, will deliver the keynote address, and the conference will culminate with reflections by distinguished invited panellists. The *Journal of African Economies* at Oxford University will publish a selection of the papers in a special conference issue, and a book will be edited with all the contributions. The conference, including the travel and accommodation of presenters,

discussants, keynote speaker and panellists, has been funded principally by the GPRG, with contributions from DFID and Stellenbosch University. A report on this conference will appear in the next issue of the GPRG newsletter.



Political corruption and the HIPC initiative

Sarah Bracking

Political corruption has been central to good governance agendas since the 1990s, and has been recently prioritised by the UK-led Africa Commission as key to reform measures designed to bring Africa out from 'crisis'. The Commission identifies corruption as a 'by-product of weak governance' (2005, 142), and as a central cause of underdevelopment and poverty. In its report, *Our Common Interest*, the Commission recommends that 'African governments, together with their development partners, should broaden their investigation of means to address corruption at all levels' (2005, 143), and then summarises that 'good governance underlies all development' (2005, 147). So is ending misrule and its manifestation in corruption the central task and panacea for restoring development, as the Commission claims?

It is clear that the Heavily Indebted Poor Countries (HIPC) and Poverty Reduction Strategy Paper (PRSP) processes have already highlighted anti-corruption in sub-Saharan Africa. To meet the 'completion point' of the HIPC debt relief process a country must 1) prepare a Poverty Reduction Strategy; 2) implement an HIPC-specific reform process that ensures debt reduction monies are used for poverty reduction purposes; and 3) maintain a macro-economic framework agreed with the IMF (World Bank, 2005: 15). Increasingly, to meet criteria 2) requires an anti-corruption policy framework. Given this relationship between financing poverty reduction and applying an anti-corruption policy, the importance of understanding political corruption and how to reduce it has become paramount to the well-being of the poor.

In practice, the behaviour of donors and elites is contradictory and problematic. First, because corruption resists quantitative measurement and is prone to qualitative misconception, the nature of the problem resists standardised intervention. Second, because corrupt

behaviour may be embedded in society and sometimes located outside state practice, anti-corruption strategies often raise many other issues concerning the legitimacy of government action, of growth strategies, welfare regimes and income distributions. What may initially appear as secondary to macro-economic stability or a poverty reduction strategy, can rapidly reappear as a threat to the success of refinancing negotiations as a whole.

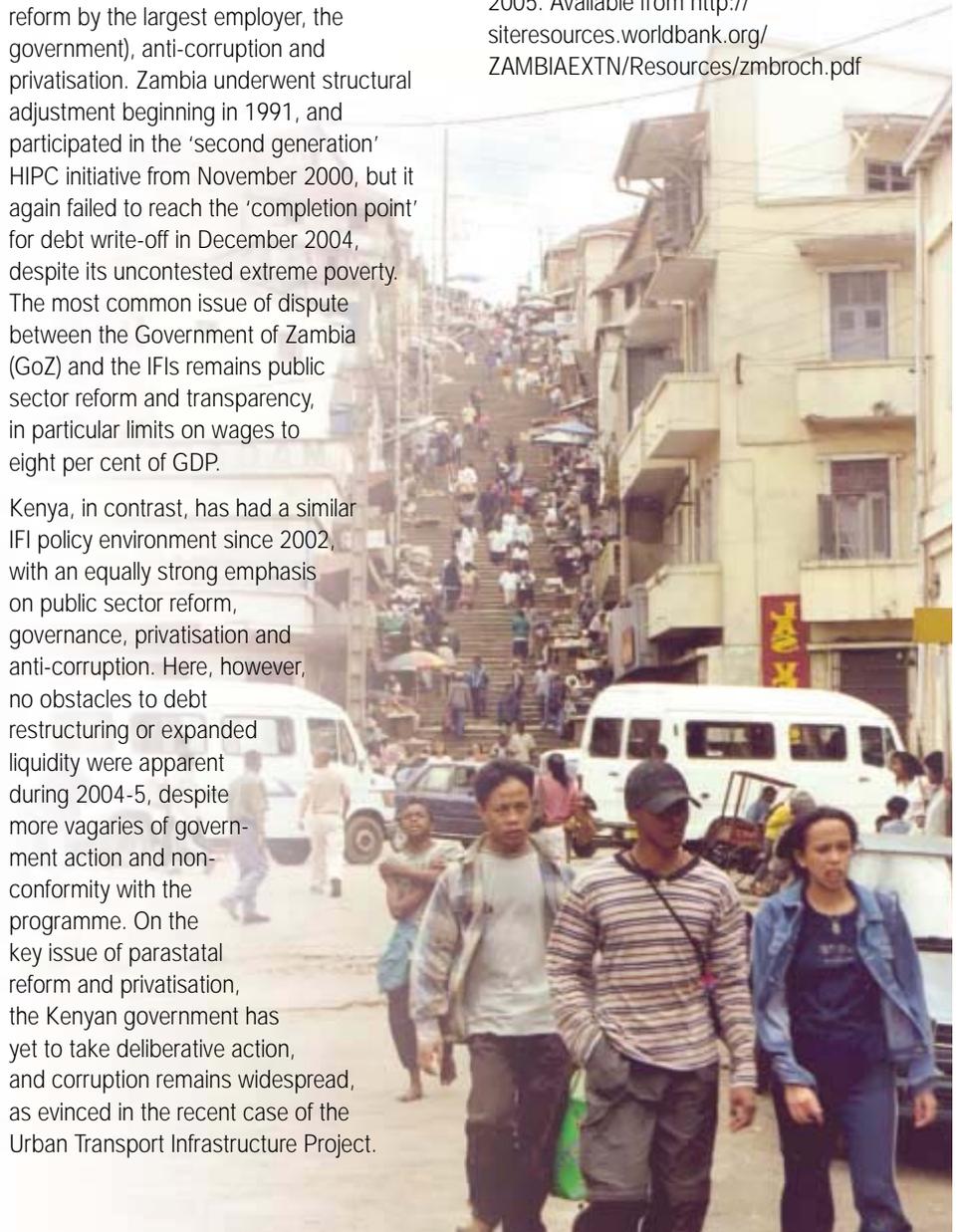
In Zambia, for example, relations with the international financial institutions (IFIs) have, until recently, disassembled around the issues of public sector pay (labour market reform by the largest employer, the government), anti-corruption and privatisation. Zambia underwent structural adjustment beginning in 1991, and participated in the 'second generation' HIPC initiative from November 2000, but it again failed to reach the 'completion point' for debt write-off in December 2004, despite its uncontested extreme poverty. The most common issue of dispute between the Government of Zambia (GoZ) and the IFIs remains public sector reform and transparency, in particular limits on wages to eight per cent of GDP.

Kenya, in contrast, has had a similar IFI policy environment since 2002, with an equally strong emphasis on public sector reform, governance, privatisation and anti-corruption. Here, however, no obstacles to debt restructuring or expanded liquidity were apparent during 2004-5, despite more vagaries of government action and non-conformity with the programme. On the key issue of parastatal reform and privatisation, the Kenyan government has yet to take deliberative action, and corruption remains widespread, as evinced in the recent case of the Urban Transport Infrastructure Project.

Kenya has arguably bartered its geo-strategic assets, relatively more wealthy position and promise of democracy, for more nonconformity within the HIPC process relative to Zambia; although the assessment of which regime is the more corrupt would be difficult to make.

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Cocoa farming in Ghana

Andrew Zeitlin

In July, Andrew Zeitlin presented results of recent work in Accra, Ghana. This work, studying Ghana's cocoa sector, was presented to three audiences: the Ghana Cocoa Board, the Ghana office of the World Bank, and a conference on the theme of 'Shared Growth in Africa' put on by Cornell, the World Bank, and the University of Ghana's Institute for Statistical and Socio-Economic Research. The research builds on previous work at the CSAE by Marcella Vigneri, tracking a geographically representative sample of cocoa farmers in Ghana's Ashanti, Brong Ahafo, and Western Regions across the production seasons of 2001/02 and 2003/04. This project was first described in the May 2005 GPRG newsletter ('Ghana Cocoa Farming: Agricultural Productivity Growth and the Rural Sector'). Each of

the July presentations emphasised a different perspective on this current research.

Discussion with the Ghana Cocoa Board focused primarily on issues of government policies and their implementation. As illustrated in Figure 1, output has grown most rapidly in Ghana's Western Region, but increases in yields have been more consistent across the country. This suggests that growth in the industry is not monolithic: rather, expansion of cocoa-growing lands remains important in the Western Region, while increases elsewhere have been largely intensive in nature.

Accordingly, the Cocoa Board's concerns included determinants of the intensity of cultivation methods and the breadth and

depth of coverage of the government's spraying regime. The great diversity of yields realised in the 2003/04 season suggests scope for intensive growth (Figure 2). On the other hand, the strong correlation observed between fertilizer use and yields, juxtaposed against the fact that fertilizer was not used in 2003/04 by more than half of all farmers interviewed, is consistent with the notion that market failures may constrain progress in this respect. The determinants of factor intensity will constitute an important part of a final report submitted to the Cocoa Board this autumn.

In addition, the research allowed for an analysis of the impact of the government's spraying programme. Under this programme, government spray gangs provide the capital, in the form of gas-powered spraying machines, required to promote regular application of insecticides. It was found that nearly all farmers (92%) in the region studied had received at least one application at the hands of the government spray gangs. Relatively few had received the full course as prescribed by the Cocoa Board. However, analysis of data collected by the GPRG suggests that the economically and statistically significant impacts of the government's spraying regime occur in the first spraying: in other words, mere receipt of the programme's assistance, even if incomplete, seems to be more important than completion.

A somewhat different set of concerns among the World Bank's Accra office drew that audience's attention to issues of labour supply in the face of changing economic incentives. An intriguing finding of the research carried out last autumn under GPRG funding is that, among cocoa farming households remaining in the sample, the number of people working on the farms has actually declined, while the total days worked on



these same farms has increased (as has output). This finding, suggestive of rural underemployment, raises questions of linkages between the cocoa sector and other sources of employment. Evidence that people have left cocoa farming households - and, further, that this out-migration has been greatest in the Western Region, where output has expanded most in the sample - is at first glance counter-intuitive and is the subject of ongoing study.

The paper presented to the Shared Growth conference (available on the web at <http://www.issar.org/63%20Zeitlin.pdf>) looked at the interaction of markets and agricultural productivity. Entitled 'Market Structure and Growth in the Cocoa Sector of Ghana', this paper examined the role played by Licensed Buying Companies (LBCs). LBCs are authorised by the government to purchase cocoa from farmers at a government specified price. Most of this cocoa is then sold to the Cocoa Board for external marketing, although there is some direct marketing by LBCs. At the village level, LBCs - to which farmers had access to an average of 3.3 in their village in 2003/04 - engage in non-price competition, providing inputs, credit, and even scholarships, telephone poles, or other prizes to farmers in order to attract producers' business. This paper examined the hypothesis that village-level competition among LBCs promotes higher productivity on cocoa farms. The evidence supports a relationship between this market structure and both the level and growth rate of cocoa productivity over the two seasons of the study (2001/02 and 2003/04). The paper argues that an improvement in the 'competitiveness' of the local market for cocoa by one standard deviation was associated with a remarkable increase in productivity, exceeding 20%.

Further, in keeping with the theme of the conference, the paper assessed the distributive impact of this effect. A priori, one might be concerned that wealthier farmers would be better able to access the advantages of such a competitive institutional environment. However, no evidence could be found to suggest that wealth strengthens the effect of LBC

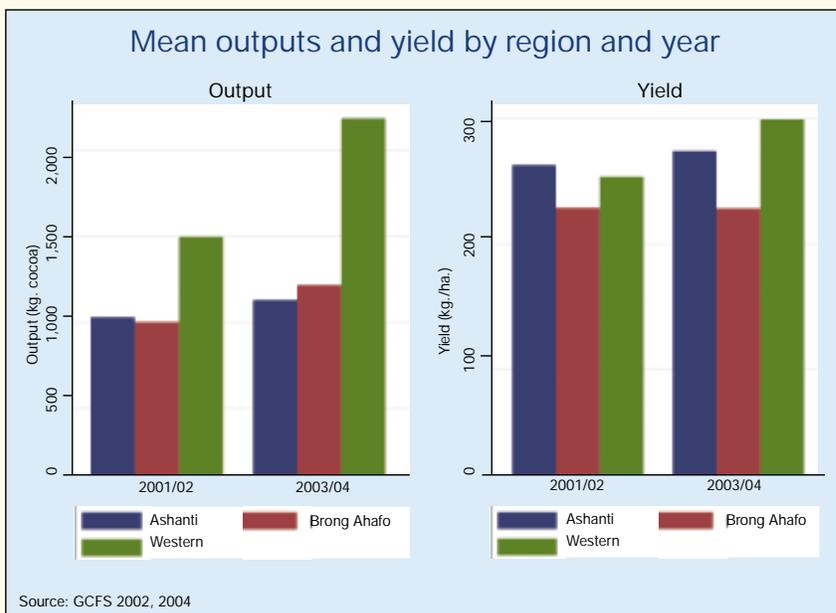


Figure 1: Output and land yield

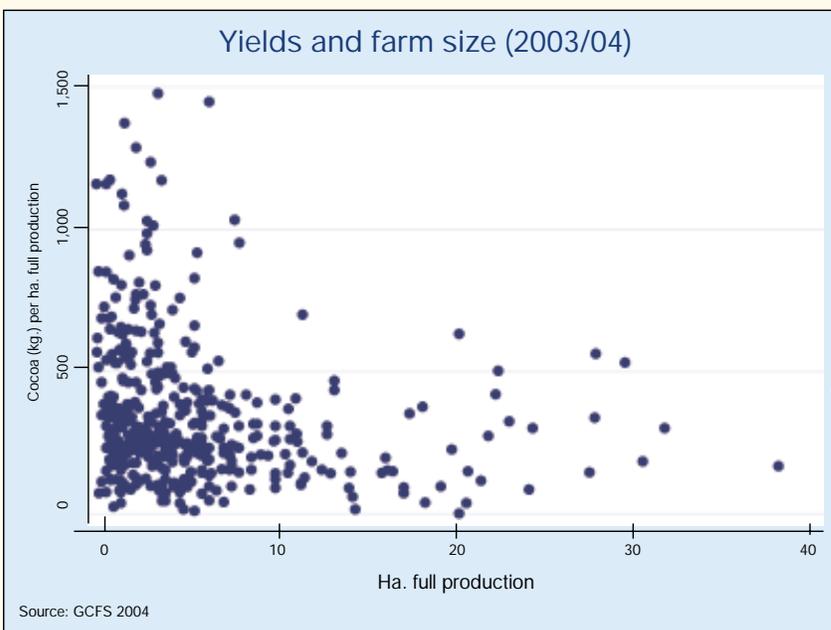


Figure 2: Farm yields and size

competition. On the contrary, the data examined are suggestive in ordinal terms, but without statistical significance, that competition among LBCs has brought greater benefits to farmers with less asset wealth.

These discussions have suggested important directions for future work. Concerns of Cocoa Board members about technological change and its impact on seasonality and quality of

cocoa output may be partially addressed by using the data collected, particularly in conjunction with supplementary data to be provided by the Cocoa Board. The labour market dynamics explored in these presentations are the subject of ongoing analysis, which has been greatly informed by the comments we received. It is further hoped that this ongoing work will inform the design of future survey work by the GPRG in this area.

Reclaiming development? Assessing the contributions of development alternatives conference, IDPM, 27-29 June

Eighteen years ago, Northern and Southern NGOs held a conference in London to address the issue of development alternatives. The theme remains as relevant today as it did then, and to explore this issue further IDPM hosted a conference on Reclaiming Development? Assessing the Contributions of Non-Governmental Organisations to Development Alternatives.

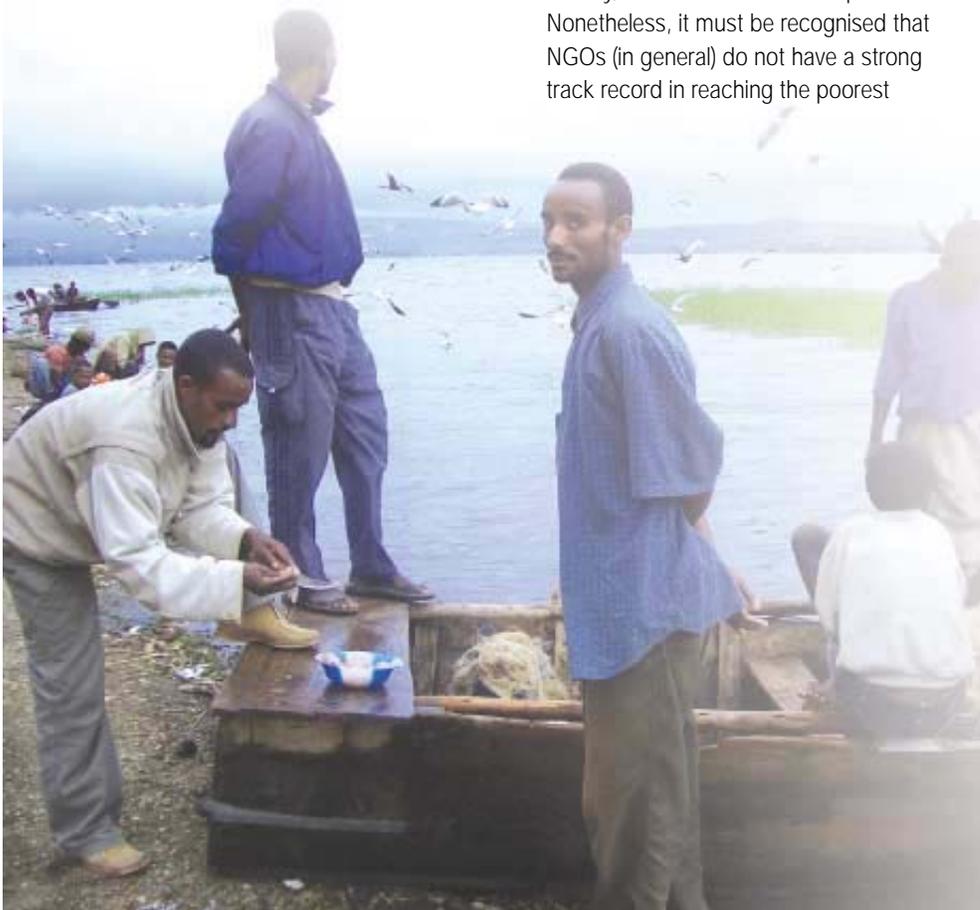
The relevance of the topic lies, for the most part, in the challenge of poverty reduction. If NGOs are seeking development alternatives, they are seeking, for the most part, more inclusive, pro-poor development, (although we should recognise that such alternatives also include groups on the right of the political spectrum). The debate about NGOs and their contributions to development has been wide-ranging. As NGOs have become more embedded

within the development programmes of the official agencies, and as NGO activities have grown in scale, many have challenged NGOs, arguing that they are no longer able to provide leadership on development alternatives. Between 27-29 June, over one hundred researchers and practitioners gathered at the University of Manchester to discuss these and related issues. The GPRG was one of three sponsors for this event, additional support being given by the Ford Foundation and the Canadian International Development Agency (CIDA).

For the poorest, securing a political voice requires some degree of self-identity and is likely to need, for the most marginalised and vulnerable groups, a degree of professional support due to the scale of exclusion. For evident reasons, such support is unlikely to come from the state or the private sector. Hence, if it is to be provided at all, it will be provided by civil society, of which NGOs form a part. Nonetheless, it must be recognised that NGOs (in general) do not have a strong track record in reaching the poorest

groups. A key role, in addition to finding ways to provide direct support to groups of the poor, may be creating a space for innovation around new forms of social provision, and in identifying new ways of understanding and promoting development - both in theory and practice. As poverty reduction is recognised as a global challenge, it is important to ensure that measures to reduce poverty do not discriminate against the poorest. The tendency is for accepted and conventional institutions to address 'acceptable' or 'deserving' groups among the poor. For NGOs themselves, the issue continues to be problematic. There are fears that their increased incorporation into mainstream development reduces their relevance to the poor and their capacity to support the poor. More formalised management systems, mobile and resource conscious staff, and greater concentration on specific outputs rather than processes have all biased their work away from the poor.

The significance of agency is emphasised by such discussions. Much concentration is placed on social structure and systems and the ways in which they define and constrain action. Whilst recognising the very powerful way in which institutions limit opportunities and create poverty, the institutions of NGOs and their work, as represented at this conference and at the earlier discussion at Manchester University on the rights-based approach to development, offer a more optimistic picture. We are not making grand claims here - indeed many NGOs are modest about their success - but many try to find new, more socially progressive options and present them to the poor. At the same time, participation in these events indicates a willingness to explore and challenge oneself, one's organisation and each other. Whilst some suggest that NGOs are defensive and reluctant to



Contribution of NGOs to development

2005 *Diana Mitlin*

share, the set of conferences in which IDPM has participated testify to an opposite position. NGOs are willing to come together and examine their practices, sharing their uncertainties and frustrations and looking for ways to improve.

It is not possible here to do justice to the wide range of perspectives and evidence presented. A full range of papers is available on <http://www.sed.manchester.ac.uk/idpm/research/events/ngo2005/index.htm>. Particularly strong presentations were offered by our plenary speakers: Mary Racelis (a lifetime of work with Philippine NGOs); Rose Molokoane and Sonia Fadriago (from homeless people's Federations in

South Africa and the Philippines); Evelina Dagnino (a university professor working with civic movements in Brazil); Pim Verhallen (from ICCO in the Netherlands); Michael Edwards (Ford Foundation); and Firoze Manji (providing through Fahamu an essential news service for all those following development in Africa).

The conclusions of the final plenary session point to the overwhelming concern of NGOs that they be more effective in addressing poverty. Participants recognised that, whilst service delivery may be important, there is a need to go beyond such programmes to secure structural change. Structural change is taking place - for example, the new strategies on debt being used by the official development assistance agencies and the incorporation

of NGOs into securitisation strategies. However, such strategies need to be redirected so that they are more effective in including the poorest and addressing their needs. In this closing session, participants also recognised that NGOs have been active in the political arena with diverse and (in some cases) longstanding campaigns. There was recognition that such work needs to continue, but the discussions confirmed a change in approach. Rather than NGOs being the major and/or leading agency in this work, there was an acknowledgement of the need to establish partnerships with local communities and their associations. NGOs, it was suggested, need to be facilitators rather than leaders, adding value to a range of local actions defined by the poor themselves.



Agricultural markets in Benin and Malawi

Ruth Vargas Hill

The replacement of government marketing bodies with private traders has been an omnipresent reality in agricultural markets across sub-Saharan Africa in the last two decades. Whilst increased market efficiency has been the mantra driving these reforms, there has been little research on the relative efficiency of the various market institutions that have come into being as a result. In 2001, surveys of agricultural traders were carried out in Benin and Malawi as part of an IFPRI project to look at these very issues. These surveys highlighted the different types of market institution to have emerged in these countries. Using this data, Fafchamps, Gabre-Madhin and Minten (2005) show large differences in the margin and profit rates of traders in these two countries. Current work being undertaken by Ruth Vargas Hill, funded by the GPRG, looks further at these differences and tries to understand some of the driving causes of the observed variation in margins and profit rates across countries. Enhancing agricultural marketing efficiency is important for the welfare of farmers and consumers, and understanding the relative performance of liberalised market systems is a prerequisite to developing policies that can encourage the development of efficient markets.

Four categories of traders were identified and interviewed in these surveys: those who buy from traders and sell to other traders (wholesalers); those who buy from farmers and sell to traders (collectors); those who buy from traders and sell to consumers (retailers); and those who buy from farmers and sell direct to consumers (collector-retailers). As Table 1 shows, the number of traders in each of these groups varies across the two countries, with more traders in Malawi performing all marketing functions from farmer to consumer and acting as collector-retailers. We would expect the margin between buying and selling to be much higher for these traders as a result of the larger number of

marketing functions they perform. A priori, we might suspect that the dominance of these traders in Malawi explains the higher observed marketing margins. In Table 1 we see this is not the case, as average margins within each category of trader are also significantly higher in Malawi, even when the type of crop traded is controlled for.

One possible explanation is that there is some cost of transacting that is lower in Malawi than in Benin. However, as Table 1 shows, the variable costs of transacting do not vary significantly from country to country (with the exception of retail traders), leaving net margins also significantly higher in Malawi than in Benin.

Table 1: Comparison of marketing margins and costs across countries and type of trader

	Collector-Retailers	Collectors	Retailers	Wholesalers
Proportion of traders in sample (%)				
Benin	11%	45%	13%	30%
Malawi	56%	29%	12%	3%
Gross margin (rate)				
Benin	0.250	0.252	0.190	0.169
Malawi	0.614***	0.451***	0.444***	0.350***
Net margin (rate)				
Benin	0.104	0.093	0.172	0.049
Malawi	0.432***	0.269***	0.357***	0.225***
Variable costs (US \$)				
Benin	0.150	0.159	0.018	0.120
Malawi	0.183	0.187	0.094***	0.124
Annual profits as a share of total sales				
Benin	0.113	0.078	0.131	0.096
Malawi	0.244***	0.181***	0.218***	0.137

Table 2: Intangible costs of transacting

	Benin	Malawi
Population density		
Traders operating in areas of pop. density 0 -120	48%	49%
Traders operating in areas of pop. density 120 -1000	37%	51%
Traders operating in areas of pop. density 1000+	14%	0%
Use of brokers / intermediaries on last transaction		
Purchase	47%	4%
Sale	45%	2%
Proportion of trade conducted with regulars		
Suppliers	60%	50%
Buyers	35%	50%
Payment method		
Proportion of transactions in which cash is used	100%	100%
Means by which trader inspects quality		
Directly inspecting the product	99%	99%
Contractual disputes		
Frequency of bad quality of supplied product	0%	10%
Frequency of disagreement over measuring system	1%	13%
Frequency of attempts to renegotiate price	1%	8%
Trader Associations		
Traders who are members of an association	63%	3%
Average years of membership if a member	7 years	3 years
Number of other members in association	188	29
Number of trading partners in your association	34	7

This suggests any variation comes from 'intangible' transaction costs not captured in measurements of the variable cost of transacting. These intangible costs include the cost of searching for suppliers and buyers, negotiation or contractual risk. In a study of grain traders in Ethiopia, Gabre-Madhin (2001) showed that the magnitude of these unmeasured costs of transacting can be quite large: search costs were estimated as a fifth of the cost of a transaction.

However, the question remains as to why these costs might differ across the two countries. Benin and Malawi have a different history of agricultural marketing, which has impacted on the development of trading norms and market institutions. In Benin, private traders have a long history and government intervention has traditionally been negligible, whilst in Malawi the role of private traders has been limited as state intervention in marketing was quite extensive into the 1990s. In addition, whilst population density is similar across large parts of the two countries, Malawi does not have the urban concentrations and areas of high population density found in the south-eastern corner of Benin, and we might expect costs of searching for suppliers and buyers to be lower in areas of higher

population density. Table 2 highlights some of the differences in trading norms and market institutions between the two countries. Whilst payment in cash, physical inspection of quality and the use of regular suppliers and buyers play a similarly important role in agricultural marketing, significant differences in the use of intermediaries and membership of trading associations is observed. Contractual disputes can also be seen to vary across country with many more quality, quantity and price disputes reported in Malawi. The relative importance of these factors in reducing the cost of transacting is being examined as part of this work. Preliminary results suggest the use of intermediaries and the presence of trader associations both act to reduce transaction costs.

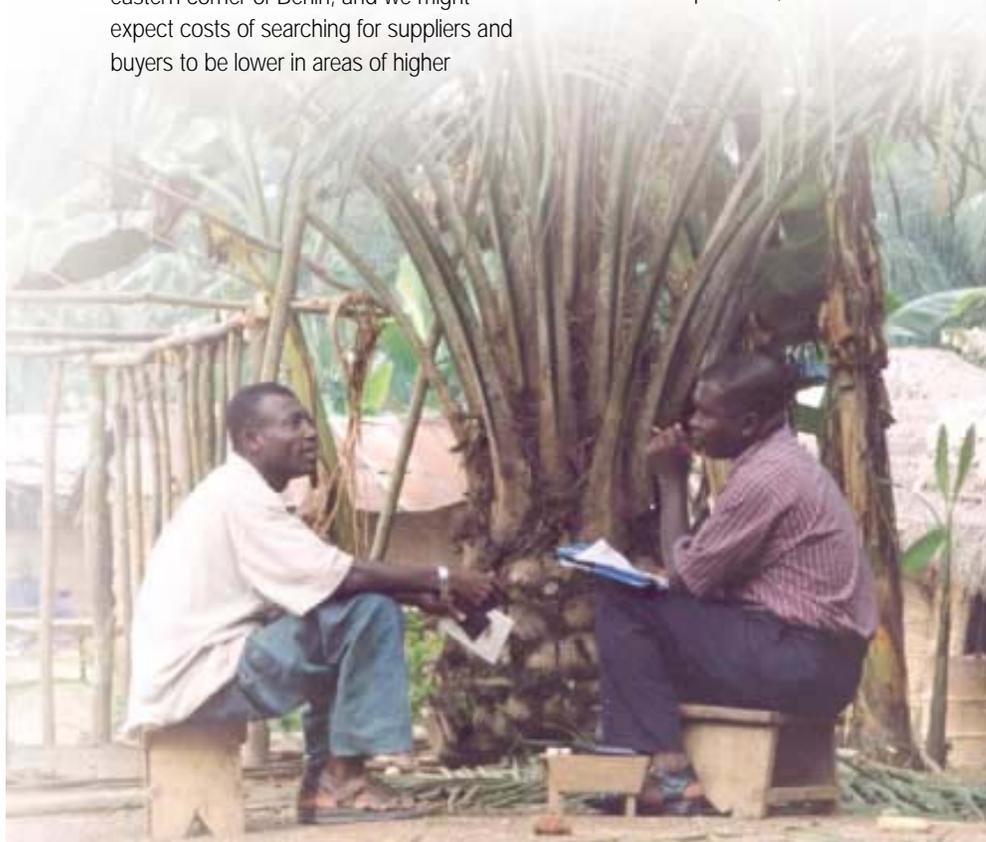
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Equity, opportunity and identity - GPRG conference 19 March 2006, St Catherine's College, Oxford

Papers addressing issues of equity, opportunity and identity adopting a multi-disciplinary perspective are invited for the GPRG conference 2006. As we intend this conference to operate without parallel sessions, opportunities to present will be limited. If your paper is not selected for this conference, it will be considered for the CSAE conference 'Reducing poverty and inequality: How can Africa be included?' which will include multidisciplinary sessions on inequality and well-being. This conference is being held 20-21 March 2006 at the same venue.

The call for papers is now open and the deadline for submission of abstracts is 9 December 2005. A decision will be made by the programme committee by 15 January 2006. Applicants from Africa (and travelling from Africa) may be eligible for full participation and travel costs and will be asked to submit a full paper for consideration. Please upload your abstract (or full paper if applying for funding) using the online submission form on the GPRG website at: <http://www.gprg.org/events/2006-03-gprgconf/default.htm>



A new look at unemployment in Ghana and Tanzania

Justin Sandefur

In 2000, Ghanaian President John Kufuor campaigned as a successful opposition candidate on a platform of job creation, promising 'a change that will be reflected in... a reduction in the depressingly high rate of unemployment, a change that will bring jobs and a living wage for the majority of our people.' In a parliamentary address presenting his first budget in 2001, Kufuor outlined his strategy for tackling unemployment: youth self-employment training programmes 'to develop the requisite entrepreneurial skills among the young people to create jobs for themselves.' Five years later unemployment, particularly among young people, remains a central political issue.



However, all sides to the debate lack concrete evidence of whether joblessness has risen or fallen in recent years, much less the information needed to diagnose its causes and possible cures.

In response to this gap, from July to September 2005 a team of researchers from Oxford, under the direction of Dr. Francis Teal, conducted the second stage of a longitudinal study of urban labour force participants in Ghana and Tanzania. The study attempts to track the earnings and employment experiences of over 3,000 individuals in ten large urban areas, creating lifetime job histories for a representative sample of the urban labour force. Conducted with the co-operation of the Tanzanian National Bureau of Statistics and the Ghana Statistical Service, the project is supported by the GPRG and by the DFID funded initiative, 'Sources of Rising Lifetime Incomes in Poor Countries'.

In November 2005, researchers will return to Ghana to present early results from their research to a summit on youth unemployment convened by the Ministry of Manpower and Employment and the World Bank office in Accra. While the

government has identified training as the core of its job creation strategy, research on labour markets in other African economies suggests unemployment can take a variety of forms, requiring very different solutions - from educated middle-class youths queuing for public sector jobs in Ethiopia, to poor households unable to find even subsistence earnings opportunities in South Africa. Who, precisely, are the unemployed in Ghana and Tanzania? Is self-employment in the urban informal sector a viable route out of poverty for unemployed youths? By providing a first look at the evolution of labour markets over time in these two countries, GPRG research in coming months will attempt to bring rigorous academic assessment to these vital policy concerns.

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Poverty, human capital and sustainable livelihoods in Tanzania, GPRG workshop, Dar es Salaam, January 2006

The Global Poverty Research Group (GPRG) in collaboration with the Economic and Social Research Foundation and other local partners in Tanzania is convening a national workshop on Poverty, Human Capital and Sustainable Livelihoods in Tanzania. The workshop will take place in Dar es Salaam, Tanzania during January 2006.

The main objective of this workshop is to create and promote awareness among policy makers, local researchers and practitioners dealing with human capital, poverty and labour market aspects, with the aim of incorporating these issues into further poverty research and policy strategies.

The agenda is threefold: (i) to promote collaboration, partnership and communication of GPRG data collection and related research to Tanzania stakeholders; (ii) to present research findings on the role of human capital in Tanzanian labour markets based on the empirical analysis of the Tanzania Manufacturing Firm surveys conducted by the Centre For the Study of African Economies (CSAE); and (iii) to discuss the potential use of existing survey data in poverty and labour market research in Tanzania.

The workshop will be attended by researchers from the GPRG; policy makers from Ministries of Education, Labour and Planning; representatives from

national vocational training authorities; universities; NGOs; and researchers dealing with human capital, poverty and labour market issues. The workshop is also open to interested private sector and civil society stakeholders. A report on this workshop will appear in the next newsletter.



Redesigning the state: Political corruption in development policy and practice, IDPM, University of Manchester, 25 November 2005 *Sarah Bracking*

This is an excellent time for a new examination of political corruption and we have received an overwhelming response to our conference call for papers. The conference is organised into three streams: a) development policy and anti-corruption intervention; b) the political economy of corruption; and c) political corruption and the state.

The first stream will examine the current ubiquity of corruption issues in development policy: beginning with an examination of the underlying methodologies which inform anti-corruption intervention; proceeding to a session on poverty reduction policies; and ending with the constraints on the implementation of anti-corruption policy.

The second stream, the political economy of corruption, will highlight the opportunities that exist for corrupt rents. Sessions will examine the opportunities inherent in regulation policy and firm structure, which serve to enable corrupt practice, and also how certain types of markets contribute to the ease with which people can extract rent either individually or in collusion with public officials.

The third stream will look at the more formal aspects of political corruption from a political science perspective: the disclosure of assets and regulation of



political party finance; the role of civil servants; and some institutional contexts in which anti-corruption policies have been applied at the central government level. These will include the role of anti-corruption authorities, the use of e-governance and the case of multilateral support of budget oversight and auditing. It will also examine the relationship between political culture, ethics, civic education, democratisation and the incidence of corruption.

The overall aim of this conference is to influence policy makers and practitioners in

the field of governance and anti-corruption by producing a finer understanding of political corruption, its causes and consequences. This work is part of theme five of the GPRG's mission on 'Governance, social norms and social outcomes', and will be disseminated through a post-conference policy brief and book publication. A report on this conference will appear in the next newsletter. The conference website is at:

<http://www.sed.manchester.ac.uk/idpm/research/events/PoliticalCorruption/>



New GPRG Working Papers

Unemployment in South Africa, 1995-2003: Causes, problems and policies, Geeta Kingdon and John Knight, GPRG-WPS-010

Narratives, stories and tales: Understanding poverty dynamics through life histories, Uma Kothari and David Hulme, GPRG-WPS-011

Empirical determinants of corruption: A sensitivity analysis, Danila Serra, GPRG-WPS-012

Local identities of poverty: Poverty narratives in decentralized government and the role of poverty research in Uganda, Phil Woodhouse, GPRG-WPS-013

Does performance related pay for teachers improve student performance? Some evidence from India, Geeta Kingdon and Francis Teal, GPRG-WPS-014

How flexible are wages in response to local unemployment in South Africa?, Geeta Kingdon and John Knight, GPRG-WPS-015

Democracy and resource rents, Paul Collier and Anke Hoeffler, GPRG-WPS-016

The dynamics of returns to education in Kenyan and Tanzanian manufacturing, Måns Söderbom, Francis Teal, Anthony Wambugu and Godius Kahyarara, GPRG-WPS-017

For public service or money: Understanding geographical imbalances in the health workforce, Pieter Serneels, Magnus Lindelow, Jose Garcia-Montalvo and Abigail Barr, GPRG-WPS-018

The rights of the rich versus the rights of the poor, John Gledhill, GPRG-WPS-019

Towards a unified framework for understanding the depth, breadth and duration of poverty, David Clark and David Hulme, GPRG-WPS-020

Property rights in a very poor country: Tenure insecurity and investment in Ethiopia, Daniel Ayalew, Stefan Dercon and Madhur Gautam, GPRG-WPS-021

Re-interpreting the rights-based approach - a grassroots perspective on rights and development, Diana Mitlin and Sheela Patel, GPRG-WPS-022

Knowledge generation for poverty reduction within donor organizations, Anthony Bebbington and Armando Barrientos, GPRG-WPS-023

Political entrepreneurs or development agents: An NGO's tale of resistance and acquiescence in Madhya Pradesh, India, Vasudha Chhotray, GPRG-WPS-024

Gender and household education expenditure in Pakistan, Monazza Aslam and Geeta Gandhi Kingdon, GPRG-WPS-025

Core poverty, basic capabilities and vagueness: An application to the South African context, David A. Clark and Mozaffar Qizilbash, GPRG-WPS-026

Working papers can be downloaded from the GPRG website at

<http://www.gprg.org/>

which includes an extensive outline of current research as well as links to both the Centre for the Study of African Economies and the Institute for Development Policy and Management.

Photographs by Stefan Dercon, Mattia Romani, Justin Sandefur, Pieter Serneels, Danila Serra, Marcella Vigneri and Andrew Zeitlin