



NOPOOR  
WORKING  
PAPERS

août 1

2017

---

*The NOPOOR project is funded by the European Union under the 7th Research Framework programme (theme SSH), Grant agreement nr. 290752*

**NOPOOR “Enhancing Knowledge for Renewed Policies against Poverty”**

# Content

- WP3 - Poverty: dimensions, processes and interaction..... 2
- WP4 - Impact of international aid on poverty..... 8
- WP5 - Impact of globalisation and international migration on poverty ..... 12
- WP6 - Inclusion/exclusion in social networks, work and cities..... 19
- WP7 - Education and Social Protection to alleviate poverty..... 25
- WP8 - States and political systems..... 31
- WP9 - Emerging issues and Poverty Scenarios in XXIst century..... 36

## WP3 - Poverty: dimensions, processes and interaction

[Working paper No.1](#)

Javier Herrera

### **Measuring poverty: from monetary to multidimensional poverty incidence**

*Considerable progress has been made in the two last decades with conceptualising poverty and measuring it. On the conceptual side, the main improvement has been to investigate different dimensions of poverty, including non-monetary forms of poverty, and to consider poverty as a multidimensional phenomenon. This has raised considerable challenges in the measurement of these dimensions and on the best way to render them in tools or indicators that would be easily usable by policymakers. Although exploring new dimensions improves our understanding of poverty and gives rise to more suitable policies, it also makes the measurement of poverty more complex. Broadening the spectrum of poverty serves to target the population that suffers from non-monetary deprivation. Yet it also raises the issue of coverage and leakage in targeting the poor.*

---

[Working paper No.53](#)

Jeremie Gross, Catherine Guirkinger, Jean-Philippe Platteau

### **Buy As You Need: Nutrition and Food Storage Imperfections (2017)**

*In this paper, we investigate how the activation of local food markets impacts the nutritional status of both children and adults, in a context characterized by large seasonal fluctuations in the price and availability of food grain. Taking advantage of the random scaling-up of a program of Food Security Granaries (FSGs) in Burkina Faso, we make three contributions. First, especially in remote areas where local markets are thin, food market activation considerably dampens nutritional stress. The effect is strongest among children, and young children in particular, for whom deficient nutrition has devastating long-term consequences. Second, and surprisingly, this beneficial effect is obtained despite the fact that total food consumption does not increase as a result of the external intervention. Third, it is a change in the timing of food purchase, translated into a change in the timing of consumption, that drives the nutritional improvement. A simple two-period model shows that an increase in consumption needs not take place when the price of food grain declines during the lean season if storage losses are taken into account. More than from the waste of the food grain stored, storage costs mainly arise from a self-control problem: food grain purchased anticipatorily results in immediate consumption and body mass accumulation, which is less efficient than nutrition-smoothing consumption flows.*

---

[Working paper No.5](#)

**Apara Banerjee, Basudeb Chaudhuri, Edouard Montier, Ahana Roy**

***Multi-dimensional poverty index- a state level analysis of India (2013)***

*The concept of poverty, over the years, has been analysed only in a uni-dimensional way based on income and consumption but this fails to give a real picture of the problem. Therefore in recent time many authors have put forward the idea of analysing poverty in a multidimensional way taking into consideration various aspects like well-being, employment, nutrition, health, education, etc. This article is an extension of Alkire and Santos's 2008 work on Measuring Multidimensional Poverty in India. Using their methodology for calculating Multidimensional Poverty Index this study takes into account different variables of Standard of Living, Health and Education and calculates MPI for India. For the calculation three rounds of National Family and Health Survey data has been used and an index has been formulated for each state of India. Poverty disparity existing between rural and urban areas of the country has been highlighted along with intra-urban imbalances. Further the paper tries to link the overall multi-dimensional poverty scenario in India with that of Female multi-dimensional deprivation. Finally the study tries to compare the results of MPI calculated with other published reports and datasets and find out the reasons for existing discrepancies.*

---

[Working paper No.8](#)

**Araceli Ortega Diaz**

***Defining a Multidimensional Index of Decent Work for Mexico (2013)***

*According to Mexican Labor Laws and ILO Regulations we build a multidimensional index of decent work using Alkire and Foster's methodology and apply it to panels of the National Survey of Occupation and Unemployment for Mexico (ENOE). This index is multidimensional and takes into account eight dimensions, one monetary and seven non-monetary, which are labor income, hours worked, social security, family care, sufficient work, protection to labor rights, respect to labor rights and job stability. As a result we manage to classify the labor status in four types: decent work, non-decent work, MEL (vulnerable by minimum labor standards) and wage vulnerable.*

---

[Working paper No.71](#)

**Abdoulaye Diagne**

***Which factors lead to entry and exit of poverty ? A meta-analysis on the dynamics of poverty in developing countries (2017)***

*Since adoption of the Millenium Development Goals (MDGs) in 1995 by the international community, poverty has declined in many developing countries. However, it remains widepsread. Also, many efforts continued to be deployed for a better understanding of the phenomenon. Studies on poverty in developing countries have made it possible to study important aspects of the phenomenon, notably to target impoverished populations and to define policies and programmes to reduce poverty. Different approaches with regard to poverty have been adopted. Started from a monetary approach, there has been fairly rapid evolution towards an approach based on needs according to which there are certain goods and services which are critical to humans, regardless of the society they live in. We could consider this as poverty of living conditions. Sen (1985) showed the importance of an alternative approach which is concerned with any lack in intrinsic capacitiy (income, education, health, civic rights, human rights, etc.) which enable the individual to live as they would like to.*

---

[Working Paper No.9](#)

**Araceli Ortega Diaz**

***Assesment of the different measures of poverty in Mexico: relevance, feasibility and limits (2014)***

*The Mexican government has made many efforts to fight poverty, this efforts could not be measure if it did not have accurate measures of poverty that reflect the changes in time of each type of poverty that social programs target. The current analysis presents the different measures of poverty that have been used in Mexico, their relevance and how they affect the perception of the impact of public policies. It is a document that use expertise accumulated for the past 30 years in Mexico.*

---

[Working paper No.69](#)

**Araceli Ortega-Díaz, Valeria Serrano-Cote, Isela Amarillas**

***Marriage Laws, Property Regimes and Poverty with Gender Bias (2017)***

*This paper analyses the relationship between property regimes of marriages in Mexico from 1996 to 2013. It starts by describing different marriage property regimes that exist in state laws in Mexico finding that 25% of Mexico's 32 states does not assign a patrimonial regime when the*

*spouses do not decide which regime will govern their marriage. This implies that at the time of divorce many women do not know what their legal rights are as they ignore the property regime in their marriage contract. These property regimes can generate economic inequality between men and women at the time of a marriage's dissolution because custody of children is in 99% of the cases allocated to women, which implies more time devoted to care and less to paid work, and the food pension, when allocated, is for the children not for women's household expenses leaving them more vulnerable in the event of a divorce.*

---

[Working paper No.61](#)

**Brendan Burchell , Kirsten Sehnbruch, Nurjk Agloni, Agnieszka Piasna**

***Human Development and Decent Work: Why some Concepts succeed and others fail to impact the Development Agenda***

*This paper examines the impact of the ILO's concept of Decent Work on development thinking and the associated literature. We attempt to answer the question of what makes a development initiative successful by comparing the decent work approach to the UNDP's human development concept (in conjunction with the human development indicator). We consider that the latter has been one of the most successful development concepts ever to have been launched, while the impact of decent work by comparison has been limited. Our hypothesis relating to the question of what makes a development initiative successful has four fundamental components: first, a solid theoretical foundation that justifies the launch of a development concept. A second vital factor is the availability of sufficient national and internationally comparable data that enables researchers and policymakers alike to apply the concept, preferably by means of a synthetic indicator. Third, the political will and institutional structure of the development institution that launches a concept is a key factor, particularly if data availability is limited as countries then have to be persuaded to generate new data. Finally, the intellectual environment into which the development initiative is launched has to be "ready" to receive and accept the new concept.*

---

[Working paper No.23](#)

**Ombeline De Bock**

***Formalization and social cohesion: Evidence from rural Rwanda (2015)***

*In many developing countries, where the judicial system is typically weak and where contracts are not legally protected against defaulting, there exists a multitude of membership-based organisations aiming at providing financial services to their members alongside more formal alternatives to access financial services. If these informal organisations persist despite the*

*enforcement constraints they face, we are tempted to ask how those financial groups overcome commitment issues and sustain cooperation?*

---

[Working paper No.64](#)

**Araceli Ortega Díaz**

***Cohabitation or Marriage: Poverty with Gender Bias***

*This paper analyses the relationship between poverty and union situation of couples in Mexico from 1996 to 2014. Using a logit model, cohabitation is estimated to increase the probability of being poor compared to being married, and based on a logit Oaxaca decomposition a couple who cohabit has on average up to 12 percentage points higher probability of being poor than spouses who are married. When the same analysis is performed to compare divorced men and women, women have a higher marginal probability of being poor. The Oaxaca decomposition shows that this difference is due to the fact being a female, varying from 2.2% to 3%, but the total gap due to the sex differential is 11%. The difference could be explained because the existence of marital regimes where the law establishes that the assets in case of divorce accrue to whoever works and pays for them. Given that women devote more time to unpaid work like household chores, men are the owners of the assets. This fact creates poverty with gender bias in the case of divorce.*

---

[Working paper No.19](#)

**Lena Giesbert, Jann Lay, Sarah Linde, Martin Ostermeier, Sebastian Prediger**

***SMART indicators for decent work in a post-2015 development agenda: A proposal for better measuring decent work (2015)***

*The aim of this paper is to contribute to the on-going discussion about the design of a post-2015 development framework by proposing indicators to monitor employment outcomes. Our analysis of the current MDG employment indicators shows that measurement problems, the inappropriate use of aggregate statistics, ambiguous interpretability, and assumptions which often do not hold true in the context of developing countries cause major shortcomings in the current indicators. Based on this critique we develop a new set of indicators for productive employment and decent work. We propose four indicators: (i) the growth of labour value added per worker, (ii) the working poverty rate and (iii) the share of workers receiving less than (a) an absolute and (b) a relative minimum labour income. We demonstrate the empirical application of these indicators for the country cases of Uganda and Peru.*

---

**Michel Sérurier**

***Mesurer l'économie informelle***

*Voilà plus de 30 ans que le concept d'économie informelle a émergé, cherchant à rendre compte d'un phénomène socio-économique bien plus ancien, combattu dans certains pays, toléré dans d'autres, mais le plus souvent ignoré des statisticiens et des économistes. Dans un tel contexte, les comptes nationaux en ignoraient l'existence, se satisfaisant le plus souvent des informations fournies par les sources statistiques ; et dans le cas où était prise en compte une évaluation de la part de l'économie non enregistrée par la statistique, il ne pouvait être question d'en différencier les caractéristiques. Avec l'émergence du concept, des outils de mesure ont peu à peu été mis en oeuvre, et la communauté internationale s'est engagée dans la formalisation de cadres conceptuels qui sont maintenant relativement bien stabilisés (voir Annexe 1). Dans ce contexte, se développe une demande pour la compréhension du phénomène et sa mesure. Or cette mesure peut être mise en oeuvre à deux niveaux ; un premier niveau est celui que permettent les enquêtes statistiques, portant sur des populations de plus ou moins grande amplitude (dans l'espace et dans le temps). Mais un autre niveau est également souhaité : la place que cette économie occupe dans l'économie nationale, niveau que seule la comptabilité nationale est en mesure de fournir. Sachant qu'une telle demande ne peut en aucun cas être satisfaite si cette mesure n'est pas menée de manière intégrée dans le processus plus général d'élaboration des comptes.*



## WP4 - Impact of international aid on poverty

[Working paper No.24](#)

Joaquin Morales Belpaire, Elena Serfilippi

### **Advocacy NGOs (2015)**

*We develop a theoretical model in which NGOs financed by foreign donors engage in two types of activities in a developing country: service provision and advocacy. In the model, service provision relieves poverty, but these aid resources risk embezzlement by corrupt authorities. Advocacy can encourage the local population to demand more transparency to the authorities, reducing embezzlement at the cost of investing fewer efforts in direct poverty alleviation. We find that in general advocacy will be under-provided because its benefit, improved governance, has the characteristics of a public good. NGOs can remedy to this under-provision by coordinating their actions, but because this coordination threatens the rents of the local authorities, officials will respond to coordination attempts by cracking down on NGOs. Full coordination is therefore undesirable: crackdown of NGOs will be too strong, which reduces service provision and hurts beneficiaries.*

---

[Working paper No.28](#)

François Bourguignon, Jean-Philippe Platteau

### **Aid Effectiveness Revisited, Part 1: Optimal Discipline in Donor-Recipient Relationships (2015)**

*This paper constitutes the first stage of an analysis of the problem of aid allocation when the donor is sensitive to both needs and governance considerations and is moreover able to influence local governance through its own disciplining effort. In this first stage, we write a principal-agent model of the relationship between a donor and a single recipient country. One key and original feature is the assumed comparability between domestic and donor-imposed disciplines: the two types can be summed up to obtain an aggregate discipline. We show that, paradoxically, an (exogenous) improvement of domestic discipline may be over-compensated by the donor so that total discipline actually decreases and elite capture increases. The relationship between domestic and total disciplines may thus be non-monotonous so that no simple general testable prediction can be inferred from economic theory regarding the impact of aid even controlling for domestic governance.*

---

François Bourguignon, Jean-Philippe Platteau

***Aid Effectiveness Revisited, Part 2: The Trade-off Between Needs and Governance (2015)***

*This paper constitutes the second stage of our effort to elucidate the mechanism of inter-country aid allocation by a single donor when the latter is sensitive to both needs and governance considerations and is moreover able to influence local governance through its own disciplining effort. In conformity with observations from the real world, it is also assumed that there is a negative correlation between the extent of needs and the quality of governance: in a one-donor-two-recipient framework, the poorer recipient country is less well governed than the richer one. Many rich insights are gained from the analysis. In particular, the poorer and less well governed country is more likely to receive a higher share of aid if governance is endogenized. And the share of a country will always increase if it has succeeded in improving its internal governance thanks to its own effort. This is true even in the case where this effort leads to a fall of aggregate governance as a result of an over-reaction by the donor. Finally, a decrease in the cost of external discipline will favor the poorer and less well governed country provided that the inter-country governance gap is large enough.*

---

James Gichuki, Anke Hoeffler

***Finance for Development: Are Sovereign Bond Issues in Sub-Saharan Africa Supporting Sustainable Development? (2017)***

*In this paper we provide a survey and a discussion of the recent sovereign bond issues in Sub-Saharan Africa. The Seychelles were the first country to issue Eurobonds in 2006, followed by the Republic of Congo, Ghana and Gabon in 2007. Others followed suit and to date a total of fifteen countries have used this source of finance. Raising funds through the international markets provides opportunities and risks. On the one hand bonds allow governments to pursue their sovereign choices and development trajectory. On the other hand countries face multiple risks, such as changes in exchange rates and commodity prices. Furthermore, some countries have only got weak capacity to implement and oversee the projects and manage their debt in a sustainable way. While some countries, for example Ethiopia, are able to use this new source of finance productively, we are pessimistic as to the debt management capability in most other countries. In particular with falling commodity prices debt restructuring, even defaults, appear likely for a number of African countries.*

---

[Working paper No.30](#)

**Peter Nunnenkamp, Albena Sotirova, Rainer Thiele**

***Do Aid Donors Specialize and Coordinate within Recipient Countries? The Case of Malawi (2015)***

*Acknowledging that aid proliferation and a lack of coordination impair aid effectiveness, donors have repeatedly promised to specialize and better coordinate their aid activities, most notably in the Paris Declaration of 2005. We exploit geocoded aid data from Malawi to assess whether the country's bilateral and multilateral donors have acted accordingly at the district and sector level. We do not find compelling evidence for increased aid specialization after the Paris Declaration, and the regional division of labor among donors may even have deteriorated. Our within-country evidence thus broadly corroborates what previous studies found at the national level of recipient countries.*

---

[Working paper No.46](#)

**Finn-Ole Semrau, Rainer Thiele**

***Brazil's development cooperation: Following in China's and India's footsteps? (2016)***

*The increasing importance of donor countries operating outside of the OECD's Development Assistance Committee (DAC) challenges the existing international aid architecture. In particular, non-DAC donors are suspected to provide aid solely based on self-interest without caring about recipients' need and merit. In this paper, we empirically investigate the aid allocation of one major non-DAC donor, Brazil. We find that Brazil's development cooperation is still predominantly shaped by historic and cultural ties to the Lusophone world and Latin America, while broader political and economic motives play a negligible role. To some extent, Brazil also takes recipients' need and governance into account. This broadly corroborates previous results for China and India, strengthening the conclusion that non-DAC donors are not as different from DAC donors regarding their aid motives as one might suspect.*

---

[Working paper No.21](#)

**Gani Aldashev, Cecilia Navarra**

***Development NGOs: Basic Facts (2015)***

*This paper systematizes the results of the empirical literature on development nongovernmental organizations (NGOs), drawing both from quantitative and qualitative analyses, and constructs a set of basic facts about these organizations. These basic facts concern the size of the development NGO sector and its evolution, the funding of NGOs, the allocation of NGO aid and projects across*

*beneficiary countries, the relationship of NGOs with beneficiaries, and the phenomenon of globalization of development NGOs.*

---

[Working paper No.20](#)

**Gani Aldashev, Esteban Jaimovich, Thierry Verdier**

***When warm glow burns: Motivational (mis)allocation in the non-profit sector (2015)***

*We build a general-equilibrium model of an economy with the non-profit sector financed through private warm-glow donations. Lack of monitoring on the use of funds implies that an increase of funds of the non-profit sector (because of a higher income in the for-profit sector, a stronger preference for giving, or an inflow of foreign aid) worsens the motivational composition and performance of the non-profit sector. If motivated donors give more than unmotivated ones, there exist two stable (motivational) equilibria. Linking donations to the motivational composition of the non-profit sector or a tax-financed public funding of non-profits can eliminate the bad equilibrium.*

---

[Working Paper No.15](#)

**Martin Acht, Toman Omar Mahmoud, Rainer Thiele**

***Corrupt Governments receive less State-to-state aid Governance and the delivery of foreign aid through Non State Actor (2014)***

*A core result of the aid allocation literature is that the quality of governance in recipient countries does not affect the amounts of foreign aid received. Donor countries may still give aid to poorly-governed countries because of a dilemma they face: those countries most in need typically also lack proper institutions. This paper argues that donors try to resolve this dilemma by delivering aid through non-state actors. Using aid shares as well as absolute amounts of aid allocated through different channels and considering different dimensions of governance, we provide evidence that bypassing governments via NGOs and multilateral organizations is indeed a response to weak recipient state institutions. The effect is stronger in aid sectors where donors can more easily switch between channels, and weaker for higher levels of economic self-interest among donors.*

## WP5 - Impact of globalisation and international migration on poverty

[Working Paper No.38](#)

**Fatou CISSE, Ismael FOFANA**

### ***The Growth and Poverty Impact of the West African Free Trade Agreement with the European Union***

*The Cotonou Agreement concluded in June 2000 between the European Union (EU) and African, Caribbean and Pacific (ACP) ended successive Lome regimes and paved the way for an Economic Partnership Agreement (EPA) consistent with the World Trade Organization (WTO) rules. Non reciprocal trade agreements which form the basis of EU and ACP trade relations are contrary to the Most Favored Nation (MFN) principle under the WTO. The aim of the EPA is to make EU and ACP trade relations consistent with WTO legal requirements. The EPA aims to create a Free Trade Area (FTA) between West Africa (WA) and the European Union (EU). Thus, countries in the sub-region are expected to open their domestic market to 75 % of the EU products over a period of 20 years. Apart from the gradual removal of barriers to trade, EU and ECOWAS agreed within the framework of EPA to design development programs to enable the region to adapt to the new trade environment created by the liberalization of trade with Europe. In our paper, the impact on West Africa of the Free Trade Agreement between EU and ECOWAS is analyzed against a baseline scenario where west african economies have already adopted the ECOWAS Common External Tariff. Compared to previous studies, our methodology adds value by combining a dynamic macro-micro multicountry model to assess the short, medium and long term impacts of the FTAs on fiscal revenues, trade balance, growth, and poverty. We simulate three realistic scenarios of 65 percent and 70 percent of market access over a period of 25 years. The first scenario involved a 70 percent liberalization of imports from EU over a period of 25 years, with 45 percent over the first 15 years. The second scenario assumes 70 percent of liberalization of imports from EU over a period of 25 years, with 64 percent during the first 15 years. Finally, the third scenario concerns 65 percent liberalization of imports from EU over a 25 years period, with 45 percent during the first 15 years.*

---

[Working Paper No.16](#)

**Jean-Marc Siroën, David Andrade**

### ***Regional Trade Agreements and the Spread of International Labour Standards ()***

*In the last two decades, international trade agreements have driven growing economic integration increasingly inclusive of social and labour provisions. This article investigates the link between labour clauses in trade agreements and national labour standards, comparing their effects on the ratification of ILO conventions and worker rights practices. An empirical estimation using panel data for 141 countries from 1980 to 2013 suggests that labour provisions have not played a*

*significant role in the improvement of labour practices, and that their effect has been limited to the ratification of ILO conventions. This gap highlights the importance of mechanisms that guarantee the enforceability of labour clauses included in trade agreements.*

---

[Working paper No.12](#)

**Jean-Marc Siroën, Aycil Yucer**

***Trade Performance of Free Trade Zones (2014)***

*Free trade zones (FTZ) have become widespread with the liberalisation of international trade and investment. They are a key player in the deepening of the global value chain (GVC). However, little is known about their contribution to world trade due to a lack of information on their location and status. This paper sets out to improve knowledge in this area by analysing the trade performance of FTZ countries at macro-level with a focus on FTZ externalities and distortive costs. We have built an original database of FTZs where we define them as processing zones benefiting from import tariff incentives. We show that FTZs raise trade only by easing the negative impact of protection. As importers of components and raw materials, they raise the rest of the world's exports. This confirms the contribution of FTZs to the GVC. This result is robust to a change in the model specification, errors and bias due to data collection issues and sample composition.*

---

[Working paper No.31](#)

**Francis Andrianarison, Fatou Cissé, Tiana Rabeloma**

***Remittances and Development: Do Remittance Channels Matter? (2014)***

*This paper uses a nationally-representative household survey carried out in Senegal to examine how remittance transfer channels aspects the marginal spending behavior of households. Two ...finding emerge. First, controlling for selection and endogeneity, households receiving remittances through informal transfer channels spend more at margin on key consumption good compared to what they would have spent on this good in receiving remittance through formal channels. Second, formal remittances channels lead to significantly increase marginal spending on two investments goods education and productive goods. At margin, households receiving remittances through informal transfer channels spend less on education and productive goods compared to what they would have spent on this good in receiving remittances through formal channels. These fi...ndings hold when we partition the data by quintile group based on household expenditure. Our ...findings support to the growing literature view that remittances can actually have a positive impact on economic development by increasing the level of investment in human capital and productive assets.*

Rafael de Arce, Saul de Vicente, Ramón Mahía, Eva Medina

***Discovering different patterns inside Sub-Saharan countries defining more homogeneous clusters to simulate specific trade policies (2014)***

*Free trade areas (FTA) initiatives (and/or academic simulations) to stimulate economic growth in African Sub-Saharan countries (SSC) have demonstrated wide heterogeneous results depending on the economic structure of each country. The value added chain structure plays a crucial role determining the real effect of such type of measures as economic triggers (see Mohan et Al, 2013). Additionally, the lack of statistical information is certainly a problem when trying to analyse the effect of these policies for the majority of the SSC. With the aim of use Computable General Equilibrium Models (CGE) for this goal (as usual), Social Accounting Matrices (SAM) are required and, unfortunately, they are not often available but for a reduced amount of countries in this subcontinent. In order to partially solve this problem, we propose a comparison between the data recorded in these SAMs and another database containing socioeconomic information. Taking into account the availability of World Bank Development Indicators (WDI) for all of the SSC, the aim of this investigation is to create a bridge between the selected 8 countries with available SAM and the rest of the countries without these matrices, as a useful tool to conduct macroeconomic simulations of FTA (or other) and its effect on poverty for each SSC using a 'kind of' economic structure archetype associated to the most similar country or countries in the area.*

---

Rafael de Arce, Saul de Vicente, Ramón Mahía, Eva Medina

***Trade liberalization and poverty reduction in Africa: computable general equilibrium models approach. Literature review (2013)***

*This paper presents an overview of the impact of trade liberalization on poverty in Sub-Saharan Africa within a general equilibrium framework. In this first section, we briefly introduce the links between trade liberalization and poverty reduction. Section 2 faces the use of General Equilibrium Models to analyze the relation between these two variables. Section 3 shows the main findings from previous literature of CGE models applied to the particular case of Sub-Saharan countries. The paper concludes with some final remarks and policy implications.*

---

[Working paper No.35](#)

**João Saboia, Lucia Kubrusly**

***Industrial Regional Decentralization and Poverty in Brazil***

*The present study aims to examine the process of spatial deconcentration of industrial activities in Brazil's recovering economy since 2003 and determine its potential contribution to the reduction of poverty that has occurred in recent years.*

---

[Working Paper No.36](#)

**Cisse Fatou, Bambio Yiriyibin**

***Effects of migration and remittances on child's time allocation: Evidence from Burkina Faso, Nigeria, and Senegal (2016)***

*This paper investigates the effects of international migration and remittances on children's time allocation in three west African countries (Burkina Faso, Nigeria and Senegal). We focus on children of age 6 to 15 and distinguish three activities: school attendance, paid work and non paid work. We account for endogeneity and selection using instrumental variable following Lewbel (2012) approach. To gain a better understanding of how family migration and remittance-receipt affect children's activities, we separate the migration from the remittance effect. We find that jointed effects of migration and remittances have positive impact on school attendance, negative effects on paid work but mitigated effects on non paid according to the country. The findings show also that migration and remittances do not have the same effects on child's activities. In the all three countries the effects of migration and remittances on education and paid work are opposite. Indeed not distinguish migration and remittances effects could leads to biased results. From a policy perspective, our results support three implications. First, the importance of distinguishing between the impacts of remittances and migration must be consider. Second, as remittance can substantially contribute to raise investments in child's human capital, policies that aimed at increasing remittance flows by lowering remitting costs or by offering matching funds can prove particularly helpful. At national level, migration must be integrated in the local development programs for a better use of the remittances. Third, government and development agencies should increase effort to collect national and regular disaggregated statistics on migration and remittances. For this end, a strong partnership between national statistic agencies, academics and donors is useful.*

---



[Working Paper No.37](#)

**Marcus Böhme**

***Does Migration Raise Agricultural Investment? – An Empirical Analysis for Rural Mexico***

*The effect of remittances on capital accumulation remains a contested topic. This paper uses a panel data set from rural Mexico to investigate the impact of remittances on agriculture and livestock investments. After controlling for the endogeneity of migration through an instrumental variable estimation our empirical results show that international migration has a significantly positive effect on the accumulated agricultural assets but not on livestock capital. This suggests that households use the capital obtained from international migration only to overcome liquidity constraints for subsistence production whereas migration itself seems to be the superior investment option compared to other productive activities such as livestock husbandry.*

---

[Working Paper No.22](#)

**Edgar Aragón**

***Ex-poor Technicians: a case study on Aerospace clusters in Mexico (2015)***

*This case study explores ways on how industrial policy based on clusters and free trade benefits the poor. Being the connection between free trade, clusters and the poor not so well developed in the literature, the paper uses regional case studies in the aerospace sector to identify new dimensions and key elements from the Mexican experience. The relationship is relevant in today's global economy where competition based on productivity, one of the main outcomes of cluster initiatives, combine with low cost makes some developing regions quite attractive, but not necessarily better off. The attraction of aerospace foreign direct investment, which has grown exponentially under free trade, adds the dimension of how to create sustainable high-tech jobs in a developing country.*

---

[Working Paper No.74](#)

**Edgar Aragón**

***Increasing employability of young people through Policy changes in Educational Systems: The Mexican Model of Dual Formation (2017)***

*This case study analyzes the policy process that led to the creation of the Mexican Model of Dual Formation, or MMFD (Modelo Mexicano de Formación Dual). It highlights competence as a success criterion through each section of the Reform Compass policy cycle. The process was started by gathering the stakeholders in a decision making body early on within the political process and forming a strategic core group from representatives of the private sector, government, school*

*systems and a German-Mexican chamber of commerce. The group was able to successfully set the agenda at the national level and make dual systems a topic within the Mexican-German bilateral agenda. Tropicalizing or adapting German dual systems was possible by formulating a pilot program with a group of Mexican states, private firms and the educational system. The implementation of the program faced few barriers to change due to the increasing demand of skilled technicians in Mexico, especially in the automobile sector. Evaluation of the pilot program could significantly increase the likelihood of success at the national level.*

---

[Working Paper No.72](#)

**Ramon Mahia, Anda David**

***Exploring the whole effects of migration in sending countries (Ecuador-Spain) (2015)***

*The main objectives of this piece of research are:*

- 1. Describe the migration context*
- 2. Describe living conditions and social integration from the arrival and during the period of stay in Spain*
- 3. Analyze the impact of Crisis, as external shock, in migration dynamics and migrant's welfare*
- 4. Understand determinants of return by comparing returnees and stayers*
- 5. Understand determinants of successful return*

*According to these objectives, this document briefly presents the main results of two surveys, one conducted in Madrid on Ecuadorian current migrants and one conducted in Quito and its province (Pichincha) on return migrants in the summer of 2014.*

---

[Working paper No.62](#)

**Marta Castilho, Marta Menéndez, Aude Sztulman**

***Poverty Dynamics in Manaus: Legacy of a Free Trade Zone? (2016)***

*This study contributes to the literature on the social impacts of Special Economic Zones by analyzing the dynamics of poverty in the Brazilian state of Amazonas, where the Free Trade Zone of Manaus (FTZM) is located. Using census data, statistical micro-decompositions and counterfactual simulations, we show that labor income was a major driver of poverty declines for the municipality of Manaus in the 2000-2010 decade. Comparison with ex-ante 'similar' municipalities, in terms of distributional and demographic criteria, corroborates a relative success in terms of poverty reduction in Manaus as well as the essential role played by labor income. Non-labor income was far more important in the rest of the state of Amazonas. These contrasting results help illustrate*

*both the benefits and limitations of the influence of the FTZM, and suggest that a better targeting of both social policies and training programs could improve distributional outcomes in the whole area.*

---

[Working Paper No.45](#)

**Marta R.Castilho, Alexis Saludjian**

***The changing trade specialization and poverty in Brazil (2016)***

*During the 2000s, social indicators showed significant improvement, and by the end of the decade a remarkable shift in poverty and income inequality was seen. In 2012, 30.4 million Brazilians were considered poor while extreme poverty touched 10.1 million individuals, and the Gini index decreased to 0.53. The reduction in poverty as well as the improvement on income distribution—both unparalleled in Brazilian history—are attributable to a number of events such as the several social policies adopted in the period and the growth experienced by the Brazilian economy during the first decade of the 21st century.*

---

[Working Paper No.78](#)

**João Saboia, João Hallak Neto, André Simões, Paulo Dick**

***Labor Market and Income Distribution in the Economic Slowdown and Crisis of the Period 2012/2016 – Minimum Wage versus GDP (2017)***

*This study deals with the evolution of the Brazilian labor market and the distribution of labor income in the recent period of slowdown and economic crisis. During the period analyzed there were significant changes in the labor market with an increase of unemployment and labor informality. Despite the deterioration of the labor market in recent years, especially in 2015 and 2016, inequality indicators showed a different trend, with continued deconcentration of income and subsequent stabilization until the end of the period. The econometric analysis showed that these results are associated not only with the behavior of the economy but also with the policy of increasing the minimum wage, which maintained the income gains of the lower tenths of the income distribution at higher levels than the ones observed for the higher tenths. Thus, the dynamics of the Brazilian labor market revealed the importance of public policies to guarantee the living conditions of unemployed workers. For those who remain employed, the object of the present study, policies such as increasing the minimum wage fulfill the function of minimizing the losses in income caused by the crisis.*

## WP6 - Inclusion/exclusion in social networks, work and cities

Working paper No.58

**Martin Benavides, Manuel Etesse, Lucia Espezua, Juan Leon**

***Gender norms, social capital and the reproduction of domestic violence in urban contexts of segregation and poverty***

*Going beyond descriptive analysis on economic segregation, this paper aims to answer the question of what social processes are activated in such contexts and how they impact on development issues. Specifically this paper uses an original dataset for the analysis of the impact of economic segregation on domestic violence exploring the mediating role of social capital and gender norms. We found that segregation has a positive impact on gender norms and this in turn increases the likelihood of domestic violence. Also in contexts of segregation, a greater intensity of social ties are developed and these networks in turn help reduce violence. In those segregated context then promoting social capital is a powerful mechanism for generating trust between women and helping them to improve their situation related to violence.*

---

Working paper No.6

**Jaime Ruiz-Tagle, Kirsten Sehnbruch**

***More, but Not Better Jobs in Chile? The Fundamental Importance of Open-Ended Contracts (2013)***

*In a context of a rapid economic growth during the last 20 years, the Chilean labour market has created a significant number of new jobs, unemployment has remained low, and wages have increased. Nevertheless, the quality of the jobs created by Chile's growing economy oblige us to question the success of the labour market in generating greater aggregate economic wellbeing. This paper studies the quality of employment in the Chilean labour market by focusing on the occupational status of workers, particularly on the relevance of open-ended contracts. We study labour markets conditions over the last two decades using both survey and administrative data and explore the statistical relevance of job characteristics in determining workers' labour capabilities. Our results show how despite consistent economic growth and employment generation, employment conditions present a mixed performance: the proportion of open-ended contracts has not increased, which means the same proportion of workers remains excluded from full rights and benefits. Our results show that apart from individual characteristics associated to human capital, the job characteristics that most impact labour capabilities are conditions associated with the occupational status of workers, particularly their type of contract. We find that having an open-ended contract is the most important factor that contributes to a worker's employment capabilities. Our findings support the need to look at employment conditions as important indicators of labour market development. We conclude the paper by discussing the policy implications of our findings.*

[Working paper No.67](#)

**Joseph Ramos, Kirsten Sehnbruch, Jürgen Weller**

***The Quality of Employment in the Latin American Development Literature: Theory and Evidence (2017)***

*no abstract*

---

[Working paper No.65](#)

**Brendan Burchell, Kirsten Sehnbruch, Agnieszka Piasna, Nurjk Agloni**

***The Quality of Employment and Decent Work: Definitions, Methodologies, and Ongoing Debates (2017)***

*This article explores the development of concepts related to the ‘quality of employment’ in the academic literature in terms of their definition, methodological progress, and ongoing policy debates. Over time, these concepts have evolved from simple studies of job satisfaction towards more comprehensive measures of job and employment quality, including the ILO’s concept of ‘Decent Work’ launched in 1999. This paper compares the parallel development of quality of employment measures in the European Union with the ILO’s Decent Work agenda and concludes that the former has advanced much further due to more consistent efforts to generate internationally comparable data on labour markets, which permit detailed measurements and international comparisons. In contrast, Decent Work remains a very broadly defined concept, which is impossible to measure across countries. We conclude by proposing three important differences between these two scenarios that have led to such diverging paths: the lack of availability of internationally comparable data, the control over the research agenda by partisan social actors, and a prematurely mandated definition of Decent Work which is extremely vague and all-encompassing.*

---

[Working paper No.63](#)

**Valéria Pero, Fernando Flores Tavares**

***Entrepreneurship, formalization and microcredit in Brazil***

*This article analyzes the reach of productive inclusion via entrepreneurship in Brazil, through Individual Microentrepreneur (MEI) formalization program and microcredit. Moreover, we estimate the effect of microentrepreneurs formalization and of having been interviewed for the Unified Registry for Social Programs (CadÚnico) in the chances of obtaining microcredit. The results show a positive and significant effect on the probability of having received microcredit in all model*

*specifications. This means that the probability of a microentrepreneur having received microcredit, other factors remaining constant, increases if he or she is registered as a MEI. Furthermore, if the person was interviewed for the CadÚnico and is registered as a MEI, the probability of having received microcredit is even greater. However, the interaction with poverty showed a negative result. Due to the still low access to credit and greater difficulty for poor microentrepreneurs, it seems important to maximize the effects of the programs integration.*

---

[Working paper No.39](#)

**Basudeb Chaudhuri, Namrata Gulati, Imdadul Halder, Aparna Banerjee, Ahana Roy, Safayet Karim**

***Assessing Health Care Scenario and Willingness to Pay for Health Insurance in Slums of Mumbai and Its Periphery (2015)***

*Limited access to health care finances in developing countries results in increased “out-of-pocket” expenditures on health services. This pushes a significant percentage of the population towards impoverishment. This calls for intervention, that can lead to economic prosperity and reduce existing inequity. Can health insurance serve as a tool to finance health care to eradicate poverty? The objective of this paper is to detail the existing health insurance market for the economically weaker section in the state of Maharashtra. It attempts to find out the health status, health insurance coverage and willingness to pay for prepaid schemes in Mumbai slums and its periphery, based on a household survey done in the slums of Mumbai in 2013. The expenditure behaviour on health care reveals that out of the households that have spent a large amount on a major illness, about 32.7 per cent have had to incur out-of-pocket expenses. The penetration of health insurance is very low with only 15 per cent of the surveyed households being insured. Fifty-two per cent of the insured households show a tendency to prefer private medical institutions for treatment. Out of 85 per cent of the uninsured households, 22 per cent were willing to pay for health insurance. Results show low penetration of health insurance due to un-affordability and lack of awareness implying that there is lot of potential to develop this market.*

---

[Working paper No.59](#)

**Hugo Ñopo, Ana Paula Franco, Mauricio Ibañez**

***Challenges and opportunities for the vulnerable youth in Peru (2017)***

*In this paper, based on a discussion presented at the NOPOOR conference in Santiago, Chile, April 21st, 2017, we document a panorama of the situation of vulnerable youth in Peru. After characterizing the population and highlighting their main challenges, we explore some avenues for policy options.*

Xavier Oudin, Laure Pasquier-Doumer, Thai Pham Minh, François Roubaud, Dat Vu Hoang

***Adjustment of the Vietnamese Labour Market in Time of Economic fluctuations and Structural Changes (2014)***

*In this paper, we consider how labour market adjusts to economic fluctuations, considering structural transformation at work as well as short term changes. We utilise series calculated from population censuses and data published in the statistical yearbooks of GSO for long term series, and Labour Force Surveys from 2007 to 2012 for short term data. The paper highlights the deep transformation of the labour market in the last decades. The labour force has doubled in 25 years and the share of agriculture has declined below 50%. Labour supply absorption was thus one of the main challenges for the Vietnamese economy. The household sector has been the main job provider over the years, in agriculture as well as in non-farm activities. The labour market has adjusted to the recent economic slowdown through different channels. If unemployment does not rise, some people withdraw from the labour force and the number of non-active people has grown. The quantity of labour is also affected by a significant reduction of hours worked. While the non-farm sector generates more jobs for skilled workers, there is a shift of unskilled labour towards agriculture. Due to demographic factors, labour supply absorption and creation of new jobs become a less acute problem. As Vietnam benefits of the demographic dividend, the situation on the labour market should be favourable during the present decade to implement structural policies.*

---

Miguel Flores, Corey S. Sparks

***Poverty and Female Homicide in Mexican Municipalities: A Bayesian Spatio-Temporal Analysis (2017)***

*Mexico, with a 1.964.375 km<sup>2</sup> area, is not only one of the most territorial extensive countries of Latin America, but also one of the most populated, with approximately 112 million inhabitants according to the 2010 Population Census. The country is also one of the most unequal, as in 2014 approximately*

*46% of the population lived in poverty conditions (CONEVAL, 2015). In the same way, it is one of the most violent. In recent years, Mexico has experienced a notable increase in criminal activity, which has impacted every sector of society. The upsurge of violence is recognized as a problem of social and public health, a serious social epidemic that manifests itself not only in the number of deaths or mortality rates, but also in the quantity, intensity, and variety of ways in which violence manifested. This phenomenon has gone on to have detrimental effects on individual and collective life, in the deterioration of quality of life and the health conditions of the population.*

**Sugata Bag, Suman Seth**

***Understanding Standard of Living and Correlates in Slums: An Analysis using Monetary Versus Multidimensional Approaches in Three Indian Cities (2016)***

*Slum-dwellers in developing countries live under derogatory living conditions compared to the rest of the urban areas and are marginalised socially and economically. Urban policies towards improving the living conditions of the slum-dwellers require understanding the associated characteristics, which vary both within and across cities. In this paper, we use primary household survey data specifically designed and collected from three largest metro cities in India, Kolkata, Mumbai and Delhi, to study living conditions in slums as well as to explore how various characteristics are similarly or differently associated with household's monetary vis-à-vis non-monetary living conditions across cities. To assess non-monetary living standard, we use a counting approach framework. We observe slum-dwellers in Mumbai fare much better both monetarily and non-monetarily than those in Delhi and Kolkata. We find a number of characteristics to be differently associated with monetary vis-à-vis non-monetary living standards both within and across cities. Decomposition of indicators reveals the sources of deprivation among households with different characteristics. Findings of our study should have useful policy implications.*

---

**Valeria Pero, Gabriela Freitas da Cruz**

***Poverty Reduction in Brazil: Changes in the Profile and in the Determinants during the Early 2000s (2016)***

*This article analyses the evolution of metropolitan poverty in Brazil between 2001 and 2013, comparing it with the poverty in rural and non-metropolitan urban areas. Therefore, we will be able to identify whether poverty is becoming more urban and metropolitan and to point out the particularities of this process. Moreover, this article explores the determinants of poverty reduction through two ways: (i) the contribution of economic growth and income redistribution; and (ii) the decomposition into its direct determinants, such as access to work and to different types of income. Given the complexity and the multidimensional aspect of poverty, three poverty lines were used as a reference: (i) the official line for the Federal Government's social programs (R\$140/month in June 2011); (ii) the line based on a basket of goods and services that varies according to housing location; and (iii) the relative line, equal to 60% of the median per capita household income. The comparison of poverty rates measured by the different lines shows a generalized reduction, which is slower in relation to relative poverty than in relation to absolute poverty. The line based on the consumer basket seems more appropriate for the study of metropolitan poverty issues, since it accounts for the higher costs of living in these areas. Using this line, we observe a process of poverty metropolitanization: in 2013, the poverty rate in metropolitan regions was higher than the rural poverty rate. Finally, the results of the decompositions show two other important aspects: the*



*greater contribution of income redistribution and the lesser role of other sources of income besides work, such as government cash transfers, to explain the poverty reduction in metropolitan regions if compared to rural and non-metropolitan urban areas.*

---

[Working Paper No.75](#)

**Edgar Aragón**

***From Microcredit to Microsavings: the Dilemma of Microfinance as a Financial Inclusion Tool (2017)***

*Microfinance has been widely discussed in the literature as a tool to increase financial inclusion for the poor. As a late comer in the microfinance world, Mexico is facing several policy dilemmas in the process of catching up with the rest of the world. They include: (i) setting up legislation which promotes the formal economy and protection for financial consumers; (ii) creating bank accounts for participants of cash-transfer social programs; (iii) dealing with innovative but disruptive business models of private actors; and (iv) making the market for mobile banking and digital money a tool that promotes financial inclusion. All of which is occurring within the context of recent anti money-laundering measurements across the financial sector. This case looks more specifically into the savings component of microfinance, identifying key actors, current trends, and policy actions. Can microsavings increase financial inclusion?*

## WP7 - Education and Social Protection to alleviate poverty

[Working Paper No.17](#)

**Laure Pasquier-Doumer, Fiorella Risso Brandon**

### ***Aspiration failure: a poverty trap for indigenous children in Peru? (2014)***

*This paper aims to highlight the mechanisms underlying the complex exclusion process of indigenous people in Peru, by analysing the role of aspirations in their investment in education. Relying on a very rich data set, the Young Lives data, we find that indigenous children do not suffer from a lack of aspiration. They do not have internalized racial schemas about their opportunities. However, aspiration is a channel of inequality persistence between indigenous and non-indigenous people, by exacerbating the effect of socioeconomic status on educational achievement, as socioeconomic status predicts the level of aspiration which in turn impacts progress in language acquisition.*

---

[Working paper No.3](#)

**Gaye Daffé, Mbaye Diène**

### ***Vulnerability and social protection: Evidence from Senegal (2017)***

*The overall objective of this research is to identify vulnerable groups of households at risk, assess their needs for social protection and actual achievements of the current system of protection for them in Senegal. Vulnerability can be defined as exposure to a risk that the individual or household faces due to lack of production of goods, assets or social protection. The availability of access to, or control of, a means of production and assets is indeed a key determinant of income and the level of the individual and household consumption. Social protection is defined as the set of all measures that societies can employ to reduce burdens faced by households and individuals in relation to a defined set of risks and needs (ILO 2001). It is the set of public and private actions undertaken to respond to poverty, vulnerability and exposure to types of risks deemed unacceptable for individuals living in a given society (Conway et al. 2002).*

---

[Working Paper No.44](#)

**João Saboia, João Hallak Neto**

***Minimum Wage and Income Distribution in Brazil from the 2000s (2015)***

*For several years Brazilian minimum wage (MW) has been going through an intense process of growth. Different authors have argued that an important part of the improvement in income distribution can be attributed to increased MW in recent past. Using income elasticities with respect to MW, this paper seeks to estimate the effects of current MW adjustment policy on improving income distribution. The results of simulations show that the MW contributed greatly in recent years through the labor market as well as through pensions and other official income transfers*

---

[Working Paper No.73](#)

**Lena Lavinas**

***Latin America Anti--Poverty Schemes Instead of Social Protection (2013)***

*no abstract*

---

[Working Paper No.14](#)

**Araceli Ortega Diaz**

***More than a decade of Conditional Cash Transfers in Latin America: New public policy initiatives for Mexico (2014)***

*This paper presents a comparative analysis between poverty reduction through the use of cash transfers programs and an alternative program of earned income tax credit (EITC). After seventeen years of implementing the Human Development program "Oportunidades" in Mexico we compare its effects with an income tax credit that fosters employment and reduce poverty, concluding it is a better strategy for tackling poverty in a sustainable way, and at lower public cost.*

---

[Working paper No.66](#)

**Valeria Pero, Gabriela Freitas da Cruz**

***Multidimensional Poverty in Brazil (2017)***

*Poverty is a condition defined by some criterion of deprivation that limits people's well-being, and therefore, it is an important and disquieting issue for development. Overall, since it deals with ethical reasons related to survival, economic literature in Brazil has been emphasizing the approach based on absolute income poverty, which is defined based on a line of indigence and poverty.<sup>4</sup> These are absolute poverty measures that make it possible to identify the number of poor people in a country. Brazil is a country that is characterized by its huge size and diversity, harboring a large number of people living in conditions of absolute poverty. This type of indicator has also been used to facilitate international comparisons.*

---

[Working paper No.57](#)

**Juan Leon Jara Almonte, Martin Benavides, Yessenia Collahua**

***Merely an illusion: children's accomplishment of educational and occupational aspirations in different poverty contexts in Peru (2015)***

*The normalization of the a priori assumption on the return of education in human capital theory has led students to strive for and expect higher educational and occupational standards than previous generations. This belief has spurred developing countries to emulate the booming demand and supply of education which occurred to developed countries decades prior. Following, this study aims to: i) to show the various educational and occupational aspirations of children over time until the end of basic education, ii) to explore possible differential effects on educational and occupational aspirations by place of residence, and iii) to determine factors associated with children's ability to meet their educational and occupational aspirations. In order to address each study objective, we use longitudinal data of the older cohort from the Young Lives Study (YLS) for Peru. Our main results reveal a general pattern of educational and occupational aspirations despite differing living contexts. As students further in their basic education, their educational and occupational aspirations increase; however, once children complete or leave basic education, their educational and occupational aspirations are reduced. Also, the multivariate analysis showed individual and family characteristics are key determinants in the accomplishment of these aspirations.*

---

**François Joseph Cabral**

***Social protection: what about young people not in employment, not in education, not in training? ()***

*The purpose of this paper is to assess the phenomenon of NEET, identify the key factors that drive the probability to belong to this category and explore targeting measures. In fact, due to low rate of youth unemployment and the precariousness of their status in the labor market over the past years, an increasing interest for the analysis of the worrying situation of this category of young people who are neither in education, employment, or training (NEET) is arising. A binomial model, based on the Senegalese household data (ESPS 2), is used to identify the key determinants of NEET status. The results show that the about 4 per 10 young people are under NEET status. The key factors which significantly affect the probability to belong to the NEET's category are the existence of a physical and mental disability for a young person, residence in rural areas for a young, the youth gender, youth education, the head of household activity. Therefore, it is important to put in place a targeting approach in order to reduce the proportion of young NEET persons among the population by setting in place high labor intensive programs.*

---

**Lena Lavinias**

***The Financialization of Social Policy: Insights from the Brazilian case ()***

*The 2000s marked a turning point in Brazil's social policy, the institutionalization of which had been profoundly altered by the creation of the Social Security System in 1988. Conditional cash transfer programs as an anti-poverty mechanism significantly extended their coverage, as did social insurance benefits. Meanwhile, the third leg of the Social Security tripod, namely the Unified Health System (SUS), still suffers from underfinancing that limits its effectiveness, aggravating Brazil's contradiction of having a public, free, and universal healthcare system that is unable to meet demand, while providing insufficient and over-targeted care. In the midst of this dynamic, social policy has served to consolidate the social-developmental model that consists of promoting the transition to a mass consumer society through growing access to the financial system. The novelty of the social-developmental model was that it applied the logic of financialization throughout the social protection system, through credit market access, expansion of private health insurance, private student loans, etc. Brazil is thus witnessing a process of accelerated financialization that also reaches the social protection system to overcome the "structural heterogeneity" barrier, which had hindered the expansion of the market society in Latin America. This study aims to analyze how this process unfolded, and how it inverts the logic of social policy: rather than protecting from risks and uncertainty, it increases people's vulnerability and commodifies various dimensions of social life.*

---

[Working paper No.56](#)

**Martín Benavides, Paloma Bellatín, Robin Cavagnoud**

***Social protection systems and domestic violence in poor urban contexts: the case of San Juan de Lurigancho***

*In Peru approximately four out of ten women has suffered from any kind of violence from their partners. In spite of the development of a social protection system in the country, according to the DHS, only 25% of women sought help. This problem of lack of access to the social protection system might be related to different factors. One can consider individual reasons, community level reasons but also institutional problems related to the supply of the public system in the country.*

*Using an ecological approach that combines different levels of analysis, the purpose of this paper is then to understand why the social protection system related to violence is not working well in local neighborhoods. Specifically we will analyze why women do not denounce the acts of violence against them. The case study will be based in San Juan de Lurigancho a neighborhood in metropolitan Lima, where according to our own research the rate of violence toward women is even bigger than national average. Our methodology is qualitative and has included ethnographic work, in depth interviews and visits to public institutions.*

---

[Working paper No.60](#)

**Araceli Ortega Díaz**

***EICT microsimulations: public policy initiatives for Mexico to tackle poverty***

*This paper estimates a Heckman correction equation to perform simulations of an earned income tax credit (EITC) program for single mothers, using an income and expenditure household survey to assess the poverty reduction. The results show that poverty decreases at least four percentage points more with this program than with the current cash transfer program “PROSPERA”, and at 20% of the cost. In addition an income tax credit program fosters women formal employment by 10.8% and increase government revenue, concluding that this could be a better strategy for tackling extreme poverty in a sustainable way, and at lower public cost.*

---

**Ignacio Pezo, Martín Benavides, Robin Cavagnoud**

***Segregación, vinculación y consecuencias sobre la vida social en contextos de pobreza. Estudio etnográfico en dos barrios de San Juan de Lurigancho (2016)***

*La concentración persistente de minorías y grupos sociales en áreas determinadas del espacio urbano no constituye un fenómeno nuevo, ni una realidad aislada. Desde su nacimiento, las ciudades se componen de barrios cultural y socialmente diferenciados en una perspectiva de largo plazo. Podemos mencionar el Aparteid en Sudáfrica, la situación de las minorías negras e hispánicas en Chicago, Detroit y Nueva York, los ghettos judíos en los países de Europa central desde la Edad Media, como algunos ejemplos de extrema polarización socioespacial. Más allá de estos casos más conocidos, la especialización social de los barrios parece ser una “regularidad” urbana a lo largo de la historia.*

## WP8 - States and political systems

[Working paper No.41](#)

**Lisa Chauvet, Flore Gubert, Marion Mercier, Sandrine Mesplé-Somps**

### ***Migrants' Home Town Associations and Local Development in Mali***

*We explore the impact of migrants' Home Town Associations (HTAs) on the provision of public goods in Mali. We combine an original dataset on all the HTAs created by Malian migrants in France from 1981 with census data on public goods in all Malian villages since 1976, and run double-difference estimations to compare villages with and without an HTA, before and after HTAs' birth. We find robust evidence that the provision of schools, health centers and, to a lesser extent, water amenities, has increased significantly faster in villages targeted by an HTA between 1987 and 2009 than in control villages.*

---

[Working Paper No.32](#)

**Anindya Bhattacharya, Anirban Kar, Alita Nandi**

### ***Localized Power Structure, Conflict and Poverty (2015)***

*This work is a contribution toward identifying the impact of "local" institutions on development-related outcomes both at the level of villages as well as the levels of households based on primary data collected by ourselves. We randomly selected 36 villages in the states of Maharashtra, Orissa and Uttar Pradesh—12 in each of these states—in India and these were the sites for our observation and data collection. At least from onwards Acemoglu et al. (2001), the role of institutions—the rules and conventions underlying socio-economic interactions within a social unit—in affecting development-related outcomes has been a favourite theme of study among economists specializing in problems of development. Apart from taking institutions in general (and considering it as an outcome of the persistence of history as in Banerjee and Iyer, 2005 and Iyer, 2010) specific components of institution that have been studied include the prevailing tradition about property rights (e.g., Goldstein and Udry, 2008), exogenously induced participation of women in local level governance (e.g., Chattopadhyay and Duflo, 2004) etc. A substantial body of such works has been in the context of India.*

---



[Working paper No.54](#)

Jean-Philippe Platteau, Giulia Camilotti, Emmanuelle Auriol

***Eradicating Women-Hurting Customs: What Role for Social Engineering? (2017)***

*Since the birth of modern development economics in the period immediately following World War II, attention has been mostly directed to the determinants of long term economic growth performance and, in a subsequent stage, to issues of income distribution and poverty reduction. The implicit assumption was that the material level of living is the critical component of individual welfare and that non-economic factors, social norms and practices in particular, change gradually in response to the enlargement of opportunities that accompanies economic growth. Regarding the latter preconceived view, pioneer development economists such as Arthur Lewis (1955), Peter Bauer and B.S. Yamey (1957), Gerald Meier and Robert Baldwin (1957), and Alfred Hirschman (1958) did not believe that there exist definite social and cultural prerequisites of development: norms, customs and religious beliefs would evolve and be reinterpreted as a function of the economic environment.*

---

[Working paper No.7](#)

Anke Hoeffler, Sylvia Bishop

***Free and Fair Elections – A New Database (2013)***

*The holding of elections has become universal but only about half of all elections have been free and fair. Electoral malpractice not only distorts the quality of representation but has implications for political, social and economic outcomes. Existing datasets either provide broad information on election quality for large panels or they provide very detailed information on electoral processes and events for a small number of elections. Our data collection effort closes this gap. We provide an assessment of elections that is closely tied to the commonly used term ‘free and fair’ and base this proxy on ten variables for a global panel. Our preliminary results suggest that there are a number of elections that are unfree but fair. Most observer organisations concentrate on the election as an event, i.e. whether the election was fair. We therefore recommend that international organisations should put more emphasis on monitoring the run up to the elections, i.e. whether the elections were free.*

---

[Working Paper No.42](#)

**Franklin Oduro**

***Assessing citizens' experiences and perceptions of health service delivery in Ghana***

*This paper analyses the perception of the corruption and of the quality of services by the poor based on a survey on health service delivery in Ghana. It evaluates the performance and easiness of access to medical care. We find that while the majority of users are generally satisfied with the quality of health delivery, improvements can be made to raise awareness as well as in the operation of the health programs.*

---

[Working Paper No.18](#)

**Giulia Camilotti**

***Interventions to stop female genital cutting and the evolution of the custom: evidence from age at cutting in Senegal (2015)***

*Legal sanctions and awareness campaigns are increasingly used to try to reduce female genital cutting (FGC). In this paper I show that these interventions against FGC, rather than leading to the abandonment of the practice, can have unintended effects. Using DHS data from Senegal, I find that girls born in the year and in a region where a condemnation for breaking the law took place are cut almost one year earlier. No effect is found on FGC rate. Using a unique dataset from the region of Kolda in Senegal, I find a decreasing trend in age at cutting after the year of the introduction of the law sanctioning FGC. In both cases, I interpret the decrease in age as the result of a process of de-ritualisation and individualization of FGC due to the push towards secrecy of the practice.*

---

[Working paper No.11](#)

**Farzana Afridi, Vegard Iversen, M.R. Sharan**

***Women Political Leaders, Corruption and Learning: Evidence from a Large Public Program in India (2014)***

*We exploit randomly assigned political quotas for women to identify the impact of women's political leadership on corruption and on the governance of India's largest poverty alleviation program to date. Using survey data, we find more program inefficiencies and leakages in village councils reserved for women heads: political and administrative inexperience make such councils more vulnerable to bureaucratic capture. This is at odds with claims of unconditional gains from women assuming political office. A panel of official audit reports enables us to explore (a) whether*

*newly elected women leaders in reserved seats initially perform worse; (b) whether they partly catch up, fully catch up or eventually outperform (male) leaders in unreserved seats and (c) the time it takes for such catch up to occur. We find that women leaders in reserved seats initially underperform but rapidly learn and quickly and fully catch up with male politicians in unreserved seats. Over the duration of their elected tenure, we find no evidence of over take. Our findings suggest short term 'costs' of affirmative action policies but also that once initial disadvantages recede, women leaders are neither more nor less effective local politicians than men.*

---

[Working paper No.27](#)

**Marine Emorine , La Hai Anh, Yoann Lamballe, Xavier Oudin**

***Using an Asset Index to analyse Governance in Vietnam (2015)***

*Using the PAPI dataset to analyse the relation between governance issues and poverty, we need to have a variable to measure the living standard of citizens, are there are no questions on income and expenditures in this survey. We construct an asset index based on the ownership of different assets by households. This paper details the methodology used to calculate the asset index, the questions raised and how they are solved, and the results, with some empirical analysis of wealth distribution based on the new asset index. The main conclusion of this paper is that the asset index provides a rightful measurement for households' wealth, which allows exploring the links between governance and poverty in Vietnam using the PAPI dataset. It considerably widens the scope of the survey by adding a key characteristic of the households that can be utilised for deeper analyses.*

---

[Working Paper No.33](#)

**Cosimo Paulucci de Calboli**

***Clientelism and Redistribution in South Africa: Evidence on Perceptions and Attitudes from a Field Survey (2015)***

*In attempting to shed light on the potential limits to redistribution in high-inequality young democracies, clientelistic practices may be at the forefront of research into the matter. Central to the question is whether politicians allocate public goods equitably and programmatically in order to maximise social welfare or whether goods are allocated in an opportunistic manner so as to alter electoral outcomes to favour politicians themselves (Gallego&Wantchekon, 2012:1). This study makes use of a survey conducted in two low-income areas – the townships of Khayelitsha and Delft – in Cape Town, South Africa. The survey yields information into the as yet unexplored perceptions on and attitudes towards the concept in South Africa. The work conducted in collecting the data and administering the survey is itself one of the contributions of the overall study. This paper attempts to illustrate one of the possible areas of research that can be furthered with the*

*use of the data that has been collected. We find evidence of a relationship between attitudes towards clientelism (and clientelistic practices) and redistributive preferences. We suggest promising avenues for further investigation into the exact nature of this relationship.*

---

[Working paper No.2](#)

**François Libois**

***Why are some Communities able to Preserve their Natural Resources while some Others Fail to Achieve it? (2013)***

*This paper presents an analytical framework to understand why some communities successfully manage their renewable natural resources and some fail to do it. We develop a two-players, two-period non-cooperative game where a community can impose some exogenous amount of sanctions. We first show that rules preventing dynamic inefficiencies may exist even though static inefficiencies still remain. Second, apparently valuable resources can yield outcomes where players get a lower ex-post utility level than what they would have got in a game with ex-ante lower value resources. Third, inequalities reduce static inefficiencies but increase dynamic inefficiencies.*

---

## WP9 - Emerging issues and Poverty Scenarios in XXIst century

[Working paper No.13](#)

**Jean-Philippe Platteau, Darwin Ugarte Ontiveros**

***Understanding and Information Failures in Insurance: Evidence from India (2014)***

*This paper is an attempt to understand the factors behind low contract renewal rates frequently observed in insurance programs in poor countries. This is done on the basis of the experience of a micro-insurance health program in India. We show that deficient information about the insurance product and the functioning of the scheme, and poor understanding of the insurance concept are the major causes of the low contract renewal rate among households which had previously enrolled into the program. A central finding is that, when a household has received a large negative payout during the preceding year, it is more inclined to opt out of the program unless it has a good understanding of what insurance means. In other words, the adverse impact of negative insurance payouts on contract renewal is conditional upon the presence of a cognitive bias which violates the expected utility theory. Moreover, trust in the insurance company has a significant positive effect, yet that effect cannot be disentangled from that of understanding ability. The policy implication of our findings is considerable since they provide a strong justification for mandatory universal health insurance.*

---

[Working paper No.55](#)

**Isabelle Bonjean, Jean-Philippe Platteau, Vincenzo Verardi**

***Innovation Adoption and Liquidity Constraints in the Presence of Grassroots Extension Agents: Evidence from the Peruvian Highlands (2016)***

*Under a program aimed at activating a market for technical innovations, cattle herders from a remote and poor area in the Peruvian Highlands were offered a range of new techniques. Diffusion has been helped by extension agents recruited from the user communities and acting as private business operators. One key remaining constraint on innovation adoption is lack of liquidity. We show that it is at work for one innovation only. Limited operation of the liquidity constraint is explained thus: (i) innovations may be cheap; (ii) they may be divisible; and (iii) the extension agents may provide seller credit to help users finance the purchase of modern inputs. Overall, our conclusion goes against the pessimistic assessment of the impact of extension work in poor areas that emerges from the current literature. It also points to the relatively egalitarian process underlying the Green Revolution as it has taken place in Asian agriculture.*

---

[Working paper No.70](#)

**Eva Medina, Sonia Chager**

***Opportunities of the demographic dividend on poverty reduction in Sub-Saharan Africa" (Short version of WP47) (2017)***

*Demographic changes in the age structure of a population can have an impact on the economic outcome. In this sense, analysing the different periods of the demographic transition in a country can help in identifying windows of opportunity. Based on this premise, the objective of this investigation has been to build a panel data model to shed light on those elements that ought to be prioritized in the present African political agendas so as to maximize the gains from a demographic dividend (also called demographic bonus or gift) and, therefore, contribute to the poverty decline.*

---

[Working paper No.25](#)

**Florence Arestoff, Baptiste Venet**

***Learning to walk before you run: financial behavior and mobile banking in Madagascar (2013)***

*In Madagascar, Orange introduced its mobile banking services in September 2010. Mobile-banking is a system that allows users to conduct a number of financial transactions through a mobile phone. The existing body of literature suggests that using m-banking services may have a positive impact on individual savings, affect money transfer behavior and/or encourage financial inclusion. In 2012, we conducted a survey of 598 randomly selected Orange clients in Antananarivo. We use the matching methodology to assess the impacts of m-banking on clients' financial behavior. The results show that using m-banking services increases the number of national remittances sent and received. Yet we find that using m-banking services has no significant impact on sums saved by users or sums of remittances sent and received. This lack of impact on savings may have to do with the characteristics of the individuals we studied as well as a lack of financial incentives.*

---

[Working paper No.43](#)

Rafael de Arce, Antonio Rafael Cavazos Elizondo, Eva Medina, Gloria Pérez Salazar, Saúl de Vicente, Delia Visan

***Defining scenarios of future poverty: A prospective assessment – Regional priorities and main concerns in fighting against poverty (2016)***

*This brief adopts a forward-looking analysis of potential new scenarios of poverty in East Asia, North Africa, South Asia, Latin America and Sub-Saharan countries. It aims to provide the stakeholders with policies and poverty reduction strategies, including the Sustainable Development Goals (SDGs) and their implications for public engagement. Specifically, the main objective is to answer this question: which are the major trends conditioning poverty reduction towards 2030? The definition of Strategic scenarios could help policy-makers to anticipate threats, by measuring its likelihood and eventual impacts, and to “rehearse the future”. Policy implications depend on the regions of the world where these issues are identified. Therefore, policy makers should address the issue taking appropriate measures according to each geographical area.*

---

[Working paper No.47](#)

Eva Medina, Sonia Chager

***Opportunities of the demographic dividend on poverty reduction in Sub-Saharan Africa (2016)***

*The main objective of the present investigation has been to build a simulation model, with panel data, so as to design future scenarios based on different policy actions towards poverty reduction in Africa. The analysis has been based on the premise that demographic changes in the age structure of a population can have an impact on the economic outcome. In this sense, analysing the different periods of the demographic transition in a country can help in understanding, anticipating, and identifying plausible scenarios that can either be threatening situations or windows of opportunity. Hence, in order to obtain a desirable future for the Sub-Saharan region in which the living conditions are substantially improved, a precise course of action that is adapted to each country’s characteristics and necessities is of the essence.*

---

Kirsten Sehnbruch, Nurjk Agloni, Walter Imilan, Claudia Sanhueza

***The Social Policy Responses of the Chilean State to the Earthquake and Tsunami of 2010 (2017)***

*This paper examines the capacity of the Chilean state to respond to the social impact of the 2010 earthquake and tsunami. Decades of neoliberal policy have left Chile with a skeletal state, which administers social policy through targeting and a significant extent of outsourcing through public-private partnerships, which lack coordination. The reconstruction effort of the Chilean state largely responded to the emergency through these same principles. While official reports on the reconstruction effort show a state that is complying with its specified goals, evidence from qualitative fieldwork undertaken in the city of Constitución illustrates the extent to which this method proved to be highly inadequate in the context of a natural disaster. We conclude by arguing that Chile should establish a social policy structure for natural disasters that allows for a rapid response to a social emergency based on universal or near universal allocation criteria.*