

DIALOGUE

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

Number 23

July 2005

Editorial

On the eve of the summit on the Millennium Development Goals organized by the United Nations in New York in September 2005, the recent publication of several international reports (Sachs, Landau, Commission for Africa) has revived debates on development aid. This issue of Dialogue presents a critique of the prevailing doctrine on aid selectivity, which is not, in fact, rigorously applied by any donors but whose strict application would leave entire populations to their own devices. The authors propose an alternative approach in terms of equity, taking into account the structural handicaps to growth (highlighted in the Sachs report) rather than the quality of governance. This approach aims to place the principles of equality of opportunities promoted by the World Bank's World Development Report 2006 in an international context.

DIAL researchers have been extremely active during the past six months with a total of 50 scientific communications. Among the major events was the two-day conference on Development and Transition Economics organized by the *Association Française de Sciences Economiques* in Clermont-Ferrand on 19-20 May (CERDI), at which the team presented 12 papers. During the round table on the contribution of the new lessons of economic theory to the defining of cooperation policies, P. Jacquet, Director of Strategy and Chief Economist at the AFD, touched on three subjects: restoring the role of institutions; taking into account the multi-dimensional nature of poverty; and developing quantitative methods, especially applied to project assessment. These three themes are among the priorities of DIAL's research programme.

Two public conferences were organized in Madagascar by INSTAT and the IRD, as part of the long-term partnership between DIAL and INSTAT which began ten years ago with the MADIO project. The first presented the results on governance, democracy and poverty reduction taken from a series of surveys carried out jointly in Antananarivo in 2003 and 2004. The second, in collaboration with INSERM, focused on the results of the Health, Inequalities and Social Ruptures survey (SIRS) also carried out in the Madagascan capital with DIAL's support. All the papers and press articles can be found on our website.



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

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

Publisher :
Jean-Pierre Cling

Design:
www.iAntal.com

Print:
ATELIERS J. HIVER
N° ISSN : 1254-7182

GIE DIAL funded by
Agence Française de
Développement and
Institut de Recherche pour
le Développement.

UR DIAL of Institut de
Recherche pour le
Développement

A CRITIQUE OF THE “SELECTIVITY PRINCIPLE” IN AID ALLOCATION

The objective of the “selectivity principle” is to guide aid allocation between countries and to increase aid effectiveness on development for a given amount of money. Several factors contribute to explain why this new principle came to the fore: the MDG imperatives; the failure of structural adjustment policies and of “conditionality principles” in many poor countries, and the persistence of tight budgetary constraints on the donor side.

The selectivity principle consists mainly in giving more aid to countries that make policy and institutional reforms, in order to increase their “governance”. The basic idea is that efforts of governance drastically increase aid productivity, this very productivity being insignificant or even negative in badly governed countries (World Bank, 1998; Burnside and Dollar, 2000 & 2004). Starting from that, the selectivity principle combines an eligibility criterion based on need with an efficiency criterion based on “governance”. In line with the MDG imperative of reducing poverty, the need for aid is measured by a poverty indicator, while “governance” is measured by a synthetic score evaluating the quality of the macro-economic environment, of policies or of how “institutions work” (Collier and Dollar, 2001 & 2002).

As the word itself indicates, selectivity means selecting beneficiary countries among those who have “big needs” and “good governance” (or who score high for a weighted average of the two), in order to maximise the efficiency of the marginal dollar of aid in reducing, for instance, worldwide poverty. Among donors, the World Bank and the US Millennium Challenge Account already put this principle into practice rather formally, and many donors contemplate giving more weight to “good governance” in their allocation procedures. The formula of IDA (financial arm of the World Bank for the poorest countries), that calculates aid allocation per capita from a combination of the GNP per capita and the Country Policy and Institutional Assessment (CPIA) is the most transparent. However, it is (fortunately?) not translated into practice too strictly (see also Kanbur, 2004).

The selectivity principle raises two major problems: first, one might wonder whether it

will make aid more *efficient*; second, one can also question whether it will make aid more *equitable*.

Does selectivity “work”?

It is far from certain that selectivity will drastically increase both aid efficiency for poverty reduction and governments’ incentives to improve institutions and policies.

1. “Governance” observation is incomplete.

Selectivity should hopefully bring more impartiality in the allocation of aid, by relying on some objective observation rather than on ideologically biased evaluations. Unfortunately the usual measures of “governance” are highly incomplete in that respect, whether one takes the Burnside and Dollar approach of “good policies”, the CPIA, or even the Kaufman *et al.* multidimensional measurement of institutions quality. For instance, available governance measurements are not able to explain a significant part of inequality differences between countries. The pre-colonial level of development and the antiquity of State institutions do better (Cogneau and Guénard, 2003). One may think that selectivity based on such incomplete governance dimensions tend to under-estimate the part played by inequality reduction in poverty reduction, and then neglect the redistribution efforts implemented by governments in order to reduce poverty.

2. Evidence is small. Econometric works trying to test whether aid is more efficient in reducing poverty in countries where “governance is high” are all handicapped by robustness and endogeneity problems which are hard to overcome with the available data. A number of econometric works contradict the basic selectivity result of aid efficiency depending crucially on the quality of policies or institutions (See, e.g., Hansen and Tarp, 2001; Guillaumont and Chauvet, 2001; Roodman, 2003; Clemens, Radelet and Bhavani, 2004). This means that it is difficult to find convincing evidence that measured governance indeed increases aid efficiency, while it is the fundamental premise on which selectivity is built. It is indeed difficult to pretend that aid given to a tyrannical and corrupt government will be properly used in

order to reduce poverty. Kanbur (op. cit., 2004) nonetheless cites the case of Bangladesh that is ranked near the top of corruption ratings (like Transparency International's) and nevertheless achieved one of the most impressive improvements of social indicators in the last decade. Lastly, even if one admits that "good governance" actually contributes to poverty reduction and raises aid efficiency, the incentives provided by a more "selective" aid system warrant more careful study. In particular, there is no definitive theoretical argument, and even less empirical evidence, which prove that aid encourages policy effort (whether pro-poor or not). Aid may facilitate reforms with high short-term political costs, but it may also serve to avoid or postpone reforms. Both positive and negative arguments can be found in the literature (Compare e.g. Knack, 2000 ; Llavador and Roemer, 2001). More generally, it has not yet been proved that a strategy of threats and rewards (through a more selective aid system) will work better than "conditionality" in encouraging countries to undertake more reforms.

Is selectivity "fair"?

The selectivity principle may also seem unfair from the distributive justice standpoint, in particular as regards "equality of opportunity". The consensual vision of world inequalities is however in line with this latter principle: almost nobody would support the idea that the place of birth can make a morally defensible basis for legitimate inequalities.

1. Selecting on governance is not selecting on reform efforts. All governance measurements include many elements which have nothing to do with "efforts" effectively produced by governments and rather reflect particular circumstances either linked to temporary fortune or to structural factors. The argument is clear for the Burnside and Dollar index which is based on three basic variables of macro-economic performance. Acemoğlu and co-authors have already argued that macro-economic performance plays no role in growth once institutional features are controlled for (Acemoğlu *et al.*, 2003; see also Rodrik, Subramanian and Trebbi, 2004). The CPIA is correlated with structural factors like tropical latitude and with circumstantial factors like past growth experience. The same is true

with other policy or institutional rankings which can be traced back to geographical or historical deep roots, whatever the theoretical strand one refers to, e.g., the "legal system" thesis (La Porta *et al.*, 1999), the type of colonisation thesis (Acemoğlu, Johnson and Robinson, 2001 & 2002; Banerjee and Iyer, 2002), or the "geographical" thesis (Gallup and Sachs with Mellinger, 1998). Apart from the imperfection of the rating process itself, this explains why all these indicators exhibit a great deal of inertia. The World Bank researchers who work on "governance" measurement acknowledge this latter aspect by pointing to the difference between a static measurement of "governance" and a dynamic one of reform efforts (Kaufman, Kraay and Mastruzzi, 2003). Up to now, however, the selectivity approach relies on governance levels rather than on governance innovations or improvements.

2. Selectivity leaves great inequality in poverty risk, between inhabitants of countries with widely varying structural disadvantages. It may even reinforce this inequality between people of the developing world, by giving more aid to countries where both aid productivity and poverty reduction prospects are higher. For example, in Collier and Dollar's illustrative allocation, the Solomon Islands and the Central African Republic receive the same proportion of aid-to-GDP (4.8%). But with the growth equation they estimate and use, the per capita annual growth difference is near 5 points (in favor of the Solomon Islands), even if the policies (governance) of both countries are just as good. So a poor Centrafrican has far less chance of escaping from poverty by 2015 than a poor Solomon islander. Should Centrafricans be considered accountable for geographical and historical factors which weigh on their country of birth prospects, and which are obviously beyond the reach of their collective responsibility? Moreover, a purist application of the selectivity principle would lead to give all aid to large highly performing countries where poverty is pervasive like India or China at this moment. Collier and Dollar are thus obliged to introduce an *ad hoc* limitation (based on population) in their optimal allocation, which prevents allocating all aid to India. This latter problem clearly illustrates how uneasy the application of the selectivity

principle may be, from the standpoint of equity.

3. There is still a trade-off between efficiency and equity in aid allocation, even when poverty reduction is considered. In a recent paper (Cogneau and Naudet, 2004), we build and implement a normative procedure to allocate international aid based on “equality of opportunity” concerning the risk of poverty, as an alternative to Collier and Dollar’s procedure based on “selectivity”.

Our proposed allocations, like those of Collier and Dollar, differ from current aid allocation by giving more to the poorest countries. Apart from this agreement, our equality of opportunity principle takes into account structural disadvantages to growth rather than quality of “governance”.

Our kind of allocation shares out poverty risks much more fairly among the world’s population, while reducing global poverty almost as effectively as Collier and Dollar’s one (see table below). Besides, it does not raise the problem mentioned earlier about restricting aid allocation to large and poor countries with high growth performances and prospects.

To conclude, selectivity on the basis of “governance” is not the be all and end all in the quest for both an efficient and fair aid allocation between countries. Other dimensions should at least be taken into account, like diverse structural handicaps which weigh on the recipient countries’ growth. The latter dimensions are, in fact, always present, if only implicitly, in the debate around foreign aid for development.

**Denis Cogneau, IRD-Paris, DIAL
Jean-David Naudet, AFD**

Table 1: Projection of poverty and poverty risk inequalities between 1996 and 2015

| | 1996 | 2015 projections | | |
|------------------------------------|------|------------------|------|----------|
| | | EOp | C&D | Zero Aid |
| Poverty level* (%): | | | | |
| All recipient countries in 1996 | 61.5 | 21.3 | 20.6 | 27.4 |
| Sub-Saharan Africa | 71.6 | 41.8 | 46.8 | 76.9 |
| North Africa and Middle East | 34.7 | 15.7 | 15.7 | 15.7 |
| South Asia | 84.9 | 22.5 | 16.1 | 22.5 |
| East Asia and Pacific | 57.1 | 11.8 | 11.4 | 11.8 |
| Latin America | 42.6 | 26.5 | 30.7 | 33.9 |
| Eastern Europe and Central Asia | 27.7 | 17.4 | 19.7 | 20.9 |
| Gini index of poverty risk: | | | | |
| Between countries | 0.25 | 0.29 | 0.38 | 0.35 |
| Between people* | 0.20 | 0.28 | 0.35 | 0.34 |

Source: Cogneau and Naudet computations, 2004, from Collier and Dollar data (2001).

Reading: Starting from 1996 initial poverty levels, with growth prospects based on Collier & Dollar’s continental dummies and using a poverty/growth elasticity of 2, the rate of \$2 per day poverty would reach 41.8 % in sub-Saharan Africa if aid was allocated according to EOp (Equality of Opportunity), 46.8% according to C&D (Collier & Dollar) and 76.9% without aid. The Gini index of inequality between poverty risks to which people living in recipient countries are exposed in 2015 would respectively reach 0.28, 0.35 and 0.34 under those three allocations.

*: Weighted by the population; for 2015: *World Development Indicators 2004* projections, World Bank.

Bibliographical references

Acemoğlu D., S. Johnson and J.A. Robinson (2001), “The Colonial Origins of Comparative Development: An Empirical Investigation”, *American Economic Review*, 91(5), 1369-1401.

Acemoğlu D., S. Johnson and J.A. Robinson (2002), “Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution”, *Quarterly Journal of Economics*, 117(4), 1231-1294.

Acemoğlu D., S. Johnson, J.A. Robinson and Y. Tchaicharoen (2003), “Institutional causes, macroeconomic symptoms: volatility, crises and growth”, *Journal of Monetary Economics*, 50(1), 49-123.

Banerjee A. and L. Iyer (2002), “History, Institutions and Economic Performance: The Legacy of Colonial Land Tenure Systems in India”, MIT, Working Paper 02-27.

Burnside C. and D. Dollar (2000), “Aid, Policies and Growth”, *American Economic Review*, 90(4), 847-68.

Burnside C. and D. Dollar (2004), “Aid, Policies, and Growth: Revisiting the Evidence”, Policy Research Paper N°3251, World Bank.

Clemens M. S. Radelet and R. Bhavani (2004), “Counting Chicken When They Hatch: the Short-Term Effect of Aid on Growth”, Working Paper N°44, Center for Global Development.

Cogneau D. and Ch. Guénard (2003), “Colonisation, Institutions and Inequality – A Note on Some Suggestive Evidence”, Working Paper N°DT/2003/05, DIAL.

Cogneau D. and J.-D. Naudet (2004), “Who Deserves Aid? Equality of opportunity, international aid and poverty reduction”, Working Paper N°DT/2004/10, DIAL, also in French : AFD Notes et Documents N°7.

Collier P. and D. Dollar (2001), “Can the World Cut Poverty in Half? How Policy Reform and Effective Aid Can Meet

International Development Goals”, *World Development*, 29, 1787-1802.

Collier P. and D. Dollar (2002), “Aid Allocation and Poverty Reduction”, *European Economic Review*, 45, 1470-1500.

Gallup, J., J. Sachs with A. Mellinger (1998), “Geography and Economic Development”, presented at the Annual Bank Conference on Development Economics, World Bank, April.

Guillaumont P. and L. Chauvet (2001), “Aid and Performance: A Reassessment”, *Journal of Development Studies*, 37, 66-92.

Hansen H. and F. Tarp (2001), “Aid and Growth regressions”, *Journal of Development Economics*, 64, 547-570.

Kaufman D., A. Kraay and M. Mastruzzi (2003), “Governance Matters III: Governance Indicators for 1996-2002”, mimeo, World Bank.

Knack S. (2000), “Aid Dependence and the Quality of Governance: A Cross-Country Empirical Analysis”, mimeo, World Bank.

La Porta R., F. Lopez-de-Silanes, A. Shleifer and R. Vishny (1999), “The Quality of Government”, *Journal of Law, Economics and Organization*, 15(1), 222-279

Llavorador H. G. and Roemer J. E (2001), “An Equal-opportunity Approach to the Allocation of International Aid”, *Journal of Development Economics*, 64, 147-171.

Rodrik D., A. Subramanian and F. Trebbi (2004), “Institutions Rule: The Primacy of Institutions Over Geography and Integration in Economic Development”, *Journal of Economic Growth*, 9(2), 131-165.

Roodman D. (2003), “The Anarchy of Numbers: Aid, Development, and Cross-country Empirics”, Working Paper N°32, Center for Global Development.

World Bank (1998), *Assessing Aid: What Works, What Doesn't and Why*. World Bank Policy Research Report, Oxford University Press, Oxford.

COMMUNICATIONS 1st SEMESTER 2005

Association Française de Sciences Economiques. Conference on « Development and Transition Economics » (Clermont-Ferrand, 19-20 May). Communications by:

- Lisa Chauvet and Patrick Guillaumont « *Instabilité et efficacité de l'aide* ».
- Jean-Pierre Cling, Mireille Razafindrakoto and François Roubaud « *Export Processing Zones in Madagascar: A Success Story Under Threat?* ».
- Denis Cogneau and Jérémie Gignoux « *Inégalités de rémunérations et mobilité scolaire au Brésil sur deux décennies* ».
- Denis Cogneau and Charlotte Guénard « *Colonization, Institutions and Inequality. A Note on Some Suggestive Evidence* ».
- Denis Cogneau, Charlotte Guénard, Sandrine Mesplé-Somps, Gilles Spielvogel and Constance Torelli « *Institutions et développement aux frontières de la Côte d'Ivoire* ».
- Denis Cogneau and Jean-David Naudet « *Who deserves aid? Equality of opportunity, international aid and poverty reduction* ».
- Flore Gubert and Anne-Sophie Robilliard « *Décisions de scolarisation en milieu rural à Madagascar. Une analyse sur données de panel* ».
- Javier Herrera, Mireille Razafindrakoto and François Roubaud « *Déterminants du bien-être subjectif au Pérou et à Madagascar : une approche comparative* ».
- Sandrine Mesplé-Somps « *Foreign Transfers, Public Expenditure, Competitiveness and Welfare in a Small Open Economy* ».
- Christophe Nordman and François Roubaud « *Reassessing the Gender Wage Gap: Does Labour Force Attachment Really Matter? Evidence from Matched Labour Force and Biographical Surveys in Madagascar* ».
- Laure Pasquier-Doumer « *La transmission des inégalités au Pérou : un modèle de choix simultané d'éducation supérieure et d'offre de travail* ».
- Laure Pasquier-Doumer and Gerardo David Rosas Shady « *Inégalités des chances sur le marché du travail : effets de l'origine sociale sur la mobilité occupationnelle à Lima* ».

AERC. Biannual Research Workshop (Plenary session). Communication by Jean-Paul Azam and Flore Gubert « *Migrant Remittances and Economic Development in Africa: A Review of Evidence* ». (Nairobi, Kenya, 29 May – 2 June).

Afrobarometer Network. Planning Workshop for Afrobarometer Round 3. Communication by Mireille Razafindrakoto and François Roubaud « *Poverty, Democracy and the Role of the State: Attitudes and Perceptions of the Poor in West African Countries and Madagascar* ». (Accra, Ghana, 7-11 February).

2nd Annual Minnesota International Economic Development Conference. Communications by Philippe De Vreyer, Javier Herrera and Sandrine Mesplé-Somps « *Consumption Growth and Spatial Poverty Traps: an Analysis of the Effect of Social Services and Community Infrastructures on Living Standards in Rural Peru* », from Christophe Nordman and François Roubaud « *Reassessing the Gender Wage Gap: Does Labour Force Attachment Really Matter? Evidence from Matched Labour Force and Biographical Surveys in Madagascar* » and from Philippe De Vreyer and Gilles Spielvogel « *Spatial Externalities between Brazilian Municipios and their Neighbours* » (Minneapolis, USA, 29-30 April).

World Bank and IPEA. 3rd Urban Research Symposium. Communication by Philippe De Vreyer and Gilles Spielvogel « *Spatial externalities between Brazilian Municipios and their Neighbours* ». (Brasilia, Brazil, 4-6 April).

C3ED. Conference on « Children and development: child labour and street children ». Communication by Flore Gubert and Anne-Sophie Robilliard « *Décisions de scolarisation en milieu rural à Madagascar. Une analyse sur données de panel* ». (Saint-Quentin-en-Yvelines, France, 31 March).

Center for Global Development. Massachusetts Avenue Development Seminar. Communication by Lisa Chauvet and Paul Collier « *Policy Turnarounds in Failing States* ». (Washington, USA, 11 May).

OECD Development Centre. Expert workshop on Development Policy Coherency. Communication by Denis Cogneau and Sylvie Lambert, « *Aide et cohérence des politiques des pays du Nord* ». (Paris, 9 May).

CERDI. Seminar on development economics. Communications by Denis Cogneau and Jean-David Naudet, « *Qui mérite l'aide ? Egalité des chances, aide internationale et réduction de la pauvreté* » and by Marcel Fafchamps and Flore Gubert « *The formation of risk-sharing networks* ». (Clermont-Ferrand, 10 January et 13 April).

Centre d'Information Technique et Economique (CITE). Conference-debate organized by the CITE, INSERM, INSTAT and IRD. Communication by Pierre Chauvin, Isabelle Parizot, Mireille Razafindrakoto, François Roubaud and Jean-Michel Wachsberger « *L'intégration sociale et la santé au défi de l'urbanisation et de la mondialisation. Premiers résultats de l'enquête SIRS : Santé, Inégalités et Ruptures Sociales à Antananarivo* ». (Antananarivo, Madagascar, 4 May).

UN Economic Commission for Africa (UNICA). Seminar on the dismantling of the Multifibre Agreement and its impact on the economies of Arab Maghreb Union countries. Communication by Jean-Pierre Cling, Mohamed Ali Marouani and Jean-Raphaël Chaponnière « *Les conséquences pour les PED de la suppression des quotas dans le textile-habillement : le cas de la Tunisie* ». (Tunis, Tunisia, 14-15 February).

Andean Community – OECD-Paris21, METAGORA. Communication by Javier Herrera and François Roubaud « *Marco conceptual para el análisis de la Gobernabilidad, Democracia y Participación Ciudadana en la Comunidad Andina* ». (La Paz, Bolivia, 30 March).

European Public Choice Society. Annual Conference. Communication by Lisa Chauvet « *Can Foreign Aid Dampen External Political Shocks* ». (Durham, England, 31 March – 3 April).

European Society for Population Economics. 19th annual conference. Communication by Christophe Nordman and François Roubaud « *Reassessing the Gender Wage Gap: Does Labour Force Attachment*

Really Matter? Evidence from Matched Labour Force and Biographical Surveys in Madagascar ». (Paris, 16-18 June).

Paris-Jourdan Research Federation, research unit on spatial analysis of economic phenomena (ASPE). Seminar on spatial and urban economics. Communication by Gilles Spielvogel « *Patterns of specialization and the internal geography of regions* ». (Paris, 12 January).

Institut National de la Statistique (INSTAT), Institut de Recherche pour le Développement (IRD). Instat-Point-Information. Communication by Mireille Razafindrakoto and François Roubaud « *Gouvernance, Démocratie et Lutte contre la pauvreté : Le point de vue de la population d'Antananarivo. Enquêtes 1-2-3, 2003 et 2004, Premiers résultats* ». (Antananarivo, Madagascar, 6 May).

Institute for Security Studies, Seminar: « *France-South Africa: what partnerships for peace and development* ». Communication by Jean-Pierre Cling « *Trade and Poverty Reduction Strategies* » (Pretoria, South Africa, 20-21 June).

Measuring Democracy, Human Rights and Governance (METAGORA/OECD). Meeting of the METAGORA Task Team on Pilot Surveys. Communication by Javier Herrera, Mireille Razafindrakoto and François Roubaud « *Measuring Governance and Democracy through Household Surveys: lessons from the 1-2-3 Surveys in Africa and Latin America* ». (Oaxaca, Mexico, 20-22 April).

Observatoire Français des Conjonctures Economiques. Seminar on the economics of globalisation. Communication by Lisa Chauvet and Paul Collier « *Development Effectiveness in Fragile States: Spillovers and Turnarounds* ». (Paris, 22 February).

OECD. International conference : « *Migrations, money transfers and economic development in countries of origin* ». Communication de Flore Gubert « *Les envois de fonds des migrants et leur impact sur le développement des économies d'origine. Le cas de l'Afrique* ». (Marrakech, Morocco, 23-25 February).

OECD - Paris21, METAGORA Forum. Communication by Javier Herrera, Mireille

Razafindrakoto and François Roubaud « *Measuring Poverty, Participatory Democracy and Governance issues through Official Household Surveys in Francophone Africa and the Andean Community* ». (Paris, 24-25 May).

Pew Project. Conference « Social Dynamics and the Microeconomics of Poverty. Communication by Marcel Fafchamps and Flore Gubert « *The formation of risk-sharing networks* ». (Bellagio, Italy, 30 April).

Pôle de Dakar-AFRISTAT. Sub-regional training seminar. « Dynamics and constraints of sectoral education strategies in West African economies ». Communication and workshops by Mathias Kuepie and Christophe Nordman « *L'efficacité externe de l'éducation : Utilisation et résultats des données des enquêtes 1-2-3 en Afrique de l'Ouest* ». (Bamako, Mali, 11-15 April).

Sciences Po (IEP Paris). World Economy Group (GEM) research seminar. Communication by Anne-Sophie Robilliard « *Social Impact of a WTO Agreement in Indonesia* ». (Paris, 11 March).

Senior Level Forum on Development Effectiveness in Fragile States. Communication by Lisa Chauvet and Paul Collier « *Development Effectiveness in Fragile States: Spillovers and Turnarounds* ». (London, England, 13-14 January).

SISERA/CRDI, the Secretariat for Institutional Support for Economic Research in Africa. Mohamed Ali Marouani organized and chaired the summary round table at the conference « African Economic Research Institutes and Development Policies: Défis Challenges and Opportunities ». Communication by Mireille Razafindrakoto and François Roubaud « *La recherche économique au service du débat démocratique en Afrique : l'exemple du projet MADIO à Madagascar* ». Jean-Pierre Cling, discussor for Haron Bhorat « *Le rôle des institutions de recherche appliquée : Une étude de cas sud-africaine* ». (Dakar, 28-29 January).

Spring Meeting of Young Economists. 10th edition. Communication by Philippe De Vreyer and Gilles Spielvogel « *Spatial externalities between Brazilian Municipios and their Neighbours* ». (Geneva, Switzerland, 22-24 April).

United Nations Development Programme (UNDP) - Indian Council on Social Science Research (ICSSR). Technical Workshop on « Governance Indicators for Pro-Poor and Gender-Sensitive Policy Reform ». Communication by Javier Herrera, Mireille Razafindrakoto and François Roubaud « *Using Household Surveys as a tool for monitoring Poverty, Governance and Democracy in Africa and the Andean Region* ». (New Delhi, India, 20-22 April).

Université de Lausanne. Conference on « Africa and Poverty ». Communication by Jean-Pierre Cling, Philippe De Vreyer, Mireille Razafindrakoto and François Roubaud, « *Croissance, Inégalités et Lutte contre la Pauvreté* ». (Lausanne, Switzerland, 31 May).

Université Libre de Bruxelles. Conference organized by The Global Economic Modeling Network (ECOMOD) and the Middle East Economic Association (MEEA) on « Middle East and North African Economies: past perspectives and future challenges ». Communication by Christophe Nordman and Christophe Muller « *Wage and Human Capital in Exporting Firms in Morocco* ». (Brussels, Belgium, 2-3 June).

Université de Nantes. Seminar of the Nantes Economic Laboratory (LEN). Communication by Christophe Nordman and François Roubaud « *Reassessing the Gender Wage Gap: Does Labour Force Attachment Really Matter? Evidence from Matched Labour Force and Biographical Surveys in Madagascar* ». (Nantes, 12 May).

Université Paris-Dauphine. Study day « The contemporary challenges of micro-finance ». Communication by Flore Gubert and François Roubaud « *Micro-finance et secteur informel à Madagascar. Une analyse sur données de panel* ». (Paris, 25 May).

WIDER. Jubilee Conference « Thinking Ahead: the Future of Development Economics ». Communication by Lisa Chauvet « *Can Foreign Aid Dampen External Political Shocks* ». (Helsinki, Finland, 17-18 June).

Yale Center for the Study of Globalization. Conference « Badly Governed and Collapsed States ». Communication by Lisa Chauvet and Paul Collier. « *Alternatives to Godot: Turnarounds in Failing States* ». (New Haven, USA, 13-14 May).