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## CRED Objectives

The CRED (Centre de Recherche en Economie de Développement, or Centre for Research in the Economics of Development) was created in 1994 with the objective of encouraging collective effort in development economics research within the department of economics, University of Namur (Belgium). Its activities have several specific features that reflect its underlying objectives:

- The focus is on institutional issues of development, with special attention to the rural context. The role of informal institutions in development receives primary emphasis.
- Many researches are based on first-hand data collected by the researchers themselves. The fields are varied as researches are conducted in a number of countries from Africa (both North Africa and Sub-Saharan Africa), Asia and Latin America.
- Besides applied economic research, theoretical contributions are found in CRED's research output.
- CRED organizes weekly research workshops to encourage discussion of scientific works in progress and promote interactions between senior and younger researchers and PhD students.
- CRED is interested in action-oriented research that is susceptible to have an impact on development policy and on initiatives and actions by individuals and groups at the grassroots level. Workshops are often organized in the countries studied with a view to disseminating and discussing results with the people concerned and the officials in charge of the relevant policy aspects.
- Academic members of CRED are involved in development economics teaching at the undergraduate, graduate and PhD levels. Specialization in development economics is offered at the graduate level at the University of Namur.
- CRED encourages international collaboration with research institutes, international organizations and Non-Governmental Organizations in both developed and developing countries.

CRED enjoys the financial support of the University of Namur which has rated it as one of its 'centres of excellence' in research, and therefore provides it with a core funding. Other important financing sources are: the Programme d'Action de Recherche Concertée (ARC) from the French-speaking Community of Belgium, the Point d'Appui Interuniversitaire (PAI) from the Belgian Federal government, the Direction Générale pour la Coopération au Développement (DGCD), also from the Belgian Federal government, the Agence Française de Développement (AFD), and foreign foundations. The contributions of all these funding organizations are gratefully acknowledged.

# Members

## 1. Academics

### ALDASHEV Gani



Associate professor in economics. I am mainly working on political economics and public finance, though some of my research projects extend into development, international trade, and managerial economics.

### BALAND Jean-Marie

Professor of economics. My latest research interests are the following:

- The impact and the sustainability of micro-credit organizations (mainly in India).
- The economic impact of electoral corruption.
- The microeconomic determinants of the deforestation in the Himalaya.
- The economic analysis of child labour.

### GUIRKINGER Catherine



Associate professor in economics. My main research interests include the performance of rural factor markets, the roles of informal markets, the economics of risk and the mechanisms of poverty traps.

### PLATTEAU Jean-Philippe



Professor of economics. Most of my work has been concerned with the understanding of the role of institutions in economic development, and the processes of institutional change. The influence of non economic factors and various frontier issues at the interface between economics and sociology are a central focus of many of my research projects.

### REDING Paul



Professor of economics. My research interests lie in monetary policy and international finance, with special focus on emerging markets.



## 2. Researchers

### CHAARA Imane

*Supervisor: Jean-Philippe Platteau*



My research focuses on the role of the formalization of rules and institutions in economic development. The analysis is concerned with the efficiency of formal institutions implemented in a context where informal rules (customary laws, current practices...) are largely widespread. The aim is to improve the understanding of the interaction between formal and informal institutions. Special attention is paid to the role of culture, norms and normative values.

### DAGNELIE Olivier

*Supervisor: Jean-Marie Baland*



I am mainly interested in public and development economics, particularly in collective action, cooperation, inequality, social capital, and informal groups. My research work is both theoretical and empirical with papers on the influence of inequality on collective action and on Roscas (ROTating Savings and Credit ASSociations) supported by household survey data from Benin.

### DE LUCA Giacomo Davide

*Supervisor: Jean-Marie Baland*

My key fields of interests are the political economy of electoral systems, the impact of infrastructure development of deforestation, the impact of different tenure arrangement on development and deforestation, and, conflicts and property rights.

### DEMONT Timothée



I'm starting a Phd thesis that will be articulated around the application of financial economics to the field of development economics.

### DUPREZ Cedric

*Supervisor: Jean-Marie Baland*



My research deals with the impact of some aid instruments (labelling programmes and transfers in kind in particular) on the beneficiaries from a theoretical perspective.

### ESTEVAN Fernanda

*Supervisor: Jean-Marie Baland.*

My research is concerned with the study of the impact of absent markets such as insurance and credit markets on parent's decisions concerning education, health investment, and fertility on developing countries. Keywords: household economics, education, imperfect markets, fertility, child labor, old-age security motive.

### GOETGHEBUER Tatiana

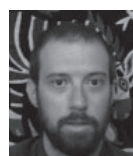
*Supervisor: Jean-Philippe Platteau.*



My main fields of interest are the following: access to land (inheritance, land markets), migration, gender, education, influence of culture and beliefs. The title of my PhD dissertation is "The determinants of access to land, mainly through inheritance, in a context of high land pressure and migration" (based on first-hand data collected in Peru, 2001; Kenya, 2003 and Mali, 2006).

### LEMAY Philippe

*Supervisors: Jean-Marie Baland, Jean-Philippe Platteau*



My research is based on field evidence collected in Benin and focus mainly on informal insurance groups, roscas and intrahousehold consumption decisions. My PhD thesis has the following title: "Informal Groups and Intrahousehold Consumptions Decisions in Benin".



#### **SEKERIS Petros G.**

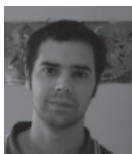
*Supervisor: Jean-Philippe Platteau*



I use game theoretical models to analyze problems linked to power, conflict and political stability. I am equally interested in interactions between individuals subject to social esteem, and in the role of power in international relations.

#### **SOMVILLE Vincent**

*Supervisor: Jean-Philippe Platteau*



My main research interests are: aid effectiveness, community-based development, decentralisation, political economy models in the specific context of developing countries.

#### **TENIKUE Michel**

*Supervisor: Jean-Marie Baland*



My research interests are: the micro-impact of development projects, within-household discrimination in education, and applied microeconometrics.

#### **TRITTEN Christian**

Lecturer in micro-economics and development economics. My main research interests are household behaviour modeling and contract theory.

#### **VANDEWALLE Lore**

*Supervisor: Jean-Marie Baland.*



My doctoral thesis is entitled "Child labour: The relationship between birth-order and the propensity to go to school and work".

### **3. Post-Docs**

#### **VERARDI Vincenzo**

My main research interests focus on the effects of electoral systems on economic performance and in particular on income inequality, poverty and corruption. At the same time I am very interested in the econometric techniques that are well adapted for fuzzy data such as those that can often be found in developing countries. Finally I am interested in the economics of superstars.

#### **WAHHAJ Zaki**

I am interested in the problem of engendering cooperation in a group, when such behaviour can lead to social gains, but is constrained by the lack of commitment and informational asymmetries; and in the formal and informal institutions that may arise to deal with such problems. More specifically, my current research work is focused on decision-making within the household, mutual insurance within a village, and micro-credit.



## 4. External Collaborators

### AZAM Jean-Paul



Professor of economics at the University of Toulouse I. My research interests may be partitioned in two categories: (1°) the economics of conflict and redistribution, and (2°) the study of african economies.

### GASPART Frédéric

Professor of economics at the Université Catholique de Louvain. I obtained my Phd at the university of Namur. My research focuses on social choice theory, on institutional and applied econometrics, on collective action problems, and on institutions.

### MORALES Juan Antonio



(Universidad Catolica La Paz). Professor of economics and econometrics at the Universidad Católica de Bolivia. I have an extended record of publications on stabilization and structural adjustment in Latin America. Until recently, I was president of the Central Bank of Bolivia.

### PEZZINI Silvia

I am actually working at the Central Bank of England. My research interests are development, conflict, experimental economics, labour and family economics, political economics, and public economics.





# Partner Institutions

## 1. In Developed Countries

- Amsterdam Free University
- Boston University
- Center for Operations Research and Econometrics (CORE)
- FAO, Department of Fisheries, Poverty Project (Italy)
- Harvard University
- London School of Economics
- Oxford University
- Santa Fé Institute
- Université de Paris I
- Université de Toulouse I
- University of Aberdeen
- University of British Columbia (UBC)
- University of California at Berkeley
- University of Oslo
- University of Stanford

## 2. In Developing Countries

- Centre for Development Studies, Trivandrum (**India**)
- Centro Bartolomeo de las Casas, Cusco (**Peru**)
- CIRES, Université de Côte d'Ivoire (**Ivory Coast**)
- CREA, Université du Sénégal (**Senegal**)
- Delhi School of Economics (**India**)
- Indian Statistical Institute (**India**)
- Institute of Development Studies, University of Nairobi (**Kenya**)
- Intermediate Technology Development Group (ITDG), Sicuani (**Peru**)
- Universidad Calotlica, La Paz (**Bolivia**)
- Universidad Catolica, Lima (**Peru**)
- Universidad de Los Andes (**Colombia**)
- Universidad Managua (**Nicaragua**)
- Université Monde Bukari, Bamako (**Mali**)





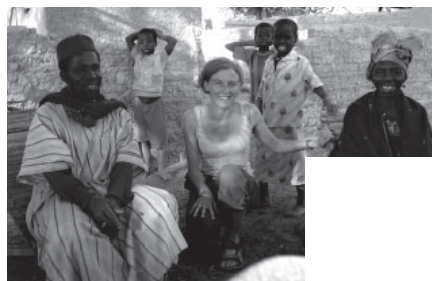
## Networks

- Bureau for Research in Economic Analysis of Development (BREAD).
- CEPR network – Development Economics Program.
- European Development Network (EUDN – Chairman: J-P. Platteau).
- Mac Arthur Network ‘Inequalities and Inefficiency’.
- PEW Foundation Network.
- South Asian Network for Development and Environmental Economics (SANDEE).



## Selected Publications

- Baland, J-M., and D. Ray, 1991, "Why Does Asset Inequality Affect Unemployment? A Study of the Demand Composition Problem", *Journal of Development Economics*, Vol. 35, pp. 69-92.
- Platteau, J-P., 1991, "Traditional Systems of Social Security and Hunger Insurance: Past Achievements and Modern Challenges", in E. Ahmad, J. Drèze, J. Hills and A.K. Sen (eds.), *Social Security in Developing Countries*, Clarendon Press, Oxford, pp. 112-170.
- Baland, J-M., 1993, "The Economics of Price Scissors: A Defence of Preobrazhensky", *European Economic Review*, Vol. 37, 1993, pp. 37-60.
- Platteau, J-P., 1994, "Behind the Market Stage Where Real Societies Exist – Part I: The Role of Public and Private Order Institutions", *Journal of Development Studies*, Vol. 30, N° 3, pp. 533-577; Part II: The Role of Moral Norms", Vol. 30, N° 4, pp. 386-422.
- Baland, J-M., and A. Kotwal, 1998: "The Political Economy of Under-Investment in Agriculture", *Journal of Development Economics*, Vol. 55, pp. 233-47.
- Platteau, J-P., and C. André, 1998, "Land Relations Under Unbearable Stress: Rwanda Caught in the Malthusian Trap", *Journal of Economic Behavior and Organization*, Vol. 34, N° 1, pp. 1-47.
- Baland, J-M., Drèze, J., and L. Leruth, 1999: "Daily Wages and Piece Rates in Agrarian Economies", *Journal of Development Economics*, Vol. 59, pp. 445-61.
- Baland, J-M., and P. Francois, 1999: "Investment Coordination and Demand Complementarities", *Economic Theory*, Vol. 13 No. 2, pp. 495-505.
- Baland, J-M. and J.-P. Platteau, 1996 (reprinted as paperback in 2000), *Halting Degradation of Natural Resources: Is there a Role for Rural Communities*, Oxford: Clarendon Press.
- Baland, J-M. and J. A. Robinson, 2000: "Is Child Labour Inefficient?", *Journal of Political Economy*, Vol. 108, N° 4, pp. 663-79 (lead article).
- Platteau, J-P., 2000, *Institutions, Social Norms and Economic Development*, London: Harwood Academic Publishers.
- Anderson, S. and J.-M. Baland, 2002: 'The Economics of Roscas and Intra-Household Resource Allocation', *Quarterly Journal of Economics*, Vol. 117, N° 3, August 2002, pp. 963-95.
- Brasselle, A.S., Gaspart, F, and J.P. Platteau, 2002, "Land Tenure Security and Investment Incentives: Puzzling Evidence from Burkina Faso", *Journal of Development Economics*, Vol. 67, pp. 373-418.
- Baland, J-M. and J-P. Platteau, 2003: "Economics of Common Property Management Regimes", K. G. Mahler and J. Vincent, eds, *Handbook of Environmental Economics*, Elsevier, North Holland, Chapter 4, pp. 129-90.
- Platteau, J-P., 2006, "Solidarity Norms and Institutions in Agrarian Societies: Static and Dynamic Considerations", in S. Kolm, J. Mercier-Ythier, and G. Varet (eds.), *Handbook on Gift-Giving, Reciprocity and Altruism*, Amsterdam: North-Holland and Elsevier, Vol. 1, pp. 820-886.
- Platteau, J-P., and E. Seki, forthcoming, "Heterogeneity, Social Esteem and the Feasibility of Collective Action", *Journal of Development Economics*.





# A Guide to Current Research

## 1. Aid, Governance and Participatory Development

**Abraham, A. and J-P. Platteau, 2002, "Participatory Development in the Presence of Endogenous Community Imperfections", *Journal of Development Studies*, Vol. 39, N° 2, pp. 104-136.**

Community imperfections in terms of insurance provision, rule enforcement, and enforcement of property rights in land tend to increase as economic opportunities and aspirations are enlarged, land becomes more scarce, and people's values change, especially among the educated youth. Hence the critical importance of institutional support to rural communities in any approach to decentralized development. A serious problem nevertheless arises from the fact that institutional support is costly in resources that are extremely scarce and is bound to take a lot of time. It is therefore tempting for big donor agencies to bypass that process by channeling resources through local leaders or dubious intermediaries, which immediately creates the risk that these resources are 'hijacked' by unaccountable elites.

**Aldashev, G. and T. Verdier, 2006, "NGO Competition and Markets for Development Donations".**

Is competition for donations between development NGOs good for welfare? We address this question in a monopolistic competition model à la Salop (1979). NGOs –defined by the non-distribution constraint– compete for donations from donors by exerting fund-raising efforts. If the market size is fixed, the free-entry equilibrium number of NGOs is usually larger than the optimal number. However, if the market size is endogenous and NGOs both compete and co-operate in attracting new donors, the free-entry equilibrium number of NGOs is generally smaller than the optimal number. If NGOs can divert a part of funds for private use, for a certain range of outside option of NGO entrepreneurs, multiple equilibria (with high diversion and no diversion of funds) exist.

**Baland, J-M., Robinson, J. and K. Moene, 2006, "Governance", In preparation for the *Handbook of Development Economics*, North Holland.**

**Berlage L., Cassimon, D., Drèze, J. and P. Reding, 2003, "Prospective Aid and Indebtedness Relief", *World Development*, Vol. 31, N° 10, pp.1635-1654.**

Primary needs of human development are not met in poor developing countries. Although ambitious goals have been set by the international community to meet specific human development targets by 2015, Official Development Assistance is lagging and excessive external debt continues to drain much needed resources from poor countries despite the recent HIPC (Highly Indebted Poor Countries) Initiative. This paper outlines a 15-year program for implementing the 2015 human development goals while resolving fully the debt overhang problem for a set of 49 poor countries. The proposal requires additional contributions from 23 rich countries amounting to 0.1 of 1% of their GNP over each of the 15 years. Although only a small part of the effort would take the form of debt cancellation, the outstanding debt of the 49 poor countries would be totally extinct after 15 years. The program, to be implemented in a multilateral framework in which all interested parties have an effective voice, relies on several basic premises: a long term commitment by donors; a fair burden sharing among creditors; a fair distribution of newly available resources among poor countries, heavily indebted or not; a targeting of these resources to human development programs; a conditionality guaranteeing reasonable aid effectiveness.

**Bourguignon, F., Platteau, J-P. and J. Rigolini, 2006, "Corruption Under Donor Competition", *Work in progress*.**

Using a principal-agent framework, the paper attempts to determine the impact, in aid development programmes, of (1°) governance (the elite's degree of accountability to the targeted beneficiaries) and (2°) the extent of donor competition on the aid benefits captured by the elite.

**Bouton, L., Gassner, M. and V. Verardi, 2005, "The Tragedy of the Commons or the Curse of Federalism", *Luxembourg Income Study Working Papers*, Maxwell**



**School of Citizenship and Public Affairs, Syracuse University N.420.**

It has been suggested that fiscal federalism is a good way to induce decentralized entities to behave parsimoniously, but this has been largely criticized in the literature, in particular because of the Common-Pool problem. In this paper, we present an extra facet of the latter problem. We present a simple theoretical model confirmed by empirical evidence suggesting that vertical imbalance induces governments to substitute redistributive spending for non-distributive expenditures. This drives fiscal policies to be less efficient in reducing income inequality.

**Gaspart, F. and J-P. Platteau, 2006, "Effects of Growing Aid Flows in Absence of Donor Competition and Presence of Elite Capture", Working Paper.**

Largely as a response to critiques of top-down development and of a growing awareness of the low effectiveness of aid absorption in poor countries, massive injections of aid money in Community-Driven Development have been made. The paper argues that, in the presence of elite capture but without donor competition (donor agencies are local monopolists), cheap aid money tends to produce perverse effects because it gives rise to a lot of rent-seeking activity. With the help of a three-agent game-theoretical model, we show that, rather paradoxically, a lower cost of access to aid money for donor agencies has the effect of diminishing the relative share accruing to the poor. The same conclusion holds true when the transaction costs of establishing partnership links with target communities are low, which tends to occur in easily accessible areas.

**Gaspart, F. and J-P. Platteau, 2003, "The Risk of Resource Misappropriation in Community-Based Development Projects", *World Development*, Vol. 31, N° 10, pp. 1687-1703.**

Community-Driven Development (CDD) is being currently proposed as the main avenue to fighting poverty and circumventing the shortcomings of state-directed aid resources. One of the main difficulties in CDD programmes lies in their vulnerability to capture by local elites. The paper discusses the possibility of mitigating this problem through a so-called leader-disciplining mechanism (LDM) that relies on a sequential disbursement procedure supported by a fraud detection mechanism. On the basis of the LDM framework, it is argued in particular that too quick and massive a rush on CDD may prove self-defeating in the sense that the share of aid resources actually reaching the poor will be low if donor agencies are impatient to achieve results.

**Platteau, J.P., forthcoming, "Pitfalls of Community Participation", in *World Public Sector Report 2007*, United Nations, New York.**

This piece discusses and illustrates three main problems that have the effect of mitigating the effectiveness of participatory development, namely: problems of information distortion (when the objectives are set by the communities themselves, in the presence of diverging objectives within communities, and in the presence of heterogeneous communities with similar objectives); problems of embezzlement of external resources by local elites; and problems of technical complexity of development projects.

**Platteau, J-P, 2004, "Monitoring Elite Capture in Community-Driven Development", *Development and Change*, Vol. 35, N° 2, pp. 223-246.**

The purpose of this paper is to argue that, when the so-called 'elite capture' problem is serious, mechanisms of fraud detection are necessary, yet they are not enough. Coordination mechanisms, at the level of aid agencies and/or at the level of the ultimate purveyors of funds for Community-Driven Development, must exist to tame or mitigate the opportunism of local leaders. One important conclusion is that no effective control of the elite capture problem is possible if failures encountered by aid agencies are punished while successes are rewarded. Taking this conclusion into account would involve a radical change of perspective in development aid circles. We then examine the feasibility of a leader-disciplining mechanism using sequential and conditional disbursement of aid funds in the context of decentralized bilateral relationships. In the light of the inherent limitations of such a solution, more sophisticated, multilateral control mechanisms are discussed.

**Platteau, J-P, and A. Abraham, 2004, "Participatory Development: Where Culture Creeps In", in V. Rao, and M. Walton (eds), *Culture and Public Action*, Stanford-California: Stanford University Press, pp. 210-233.**

First, we unfold the logic of traditional village societies by looking at various interdependent aspects of their functioning, starting from the simple fact that relationships among community members are highly personalized. The critical role of other-regarding and redistributive norms, as well as the presence of a strong authority pattern in tribal societies are emphasized. Attention is then devoted to examining the problems that unavoidably arise when external values and objectives, the fulfilment of which is a condition of success of the new participatory





approach, come into conflict with the local culture and socio-economic structure. A distinction is made between rather traditional tribal communities and those that have gone through significant processes of socio-economic differentiation. The experience of participatory development in Asia and Latin America becomes highly relevant for Africa when it comes to address the case of the latter rural societies. Lastly, we draw attention to two important dilemma of participatory development. The first dilemma arises from a conflict between the need for sustained institutional support to communities, on the one hand, and the particular stakes of donor agencies, on the other hand. The second dilemma can be stated thus: for a participatory development to be successful, the active intervention of an effective state is required whereas the need for participatory development is greater when or where the state is actually weaker.

**Reding, P. and J.A. Morales, 2004, "Currency Substitution and Network Externalities", Working Paper.**

The paper presents a simple model of currency substitution with network effects among agents with heterogeneous transaction costs. The strength of network effects increases with size, defined as the number of agents whose foreign currency balances are above a given threshold. The network's size is endogenously determined. Its dynamics and the possibility of multiple equilibria generate patterns of currency substitution which exhibit persistence and hysteresis. This model fits well the stylized fact that temporary changes in inflation have permanent effects on the degree of currency substitution, as in Bolivia, our case study, where dollarisation has stayed high after stabilization.

**Somville V., 2006, "The Non-effectiveness of Aid in Community-Based Development: Why Would a Community Reveal its Preferences?", Work in progress.**

A traditional argument in favour of community-based development states that local communities will use the private information that they own to implement local projects more adapted to their needs and preferences. We show that this argument overlooks the fact that, since most local communities lack the means to finance their development projects, they need to rely on an external agent, and so they will not reveal their true preferences in order to suit the objectives of the aid agency and attract the funds available. We discuss the conditions under which the aid agency might mitigate this problem by concealing its objectives.

**Verardi, V., 2005, "Electoral Systems and Income Inequality", *Economics Letters*, Vol. 86 No. 1, p. 7-12.**

The goal of this paper is to determine if electoral systems and inequality are linked. Using high quality data (LIS database) and simple panel methods, we show that when the degree of proportionality of a system increases, inequality decreases.

**Verardi, V., 2005, "Electoral Systems, Income Inequality and Poverty", *Luxembourg Income Study Working Papers N.404, Maxwell School of Citizenship and Public Affairs, Syracuse University.***

In this article we use the high-quality data coming from the Luxembourg Income Study Project, in a panel framework, to test for the effects of electoral systems on both poverty and income inequality. We find that when the degree of proportionality of an electoral system increases, inequality and poverty decrease. We also find that in presidential regimes, the levels of poverty and inequality are higher than in parliamentary regimes.

**Verardi, V., 2004, "Electoral Systems and Corruption", *Latin American Journal of Economic Development*, No. 3, p. 117-150.**

Recently, many scholars have tried to explain how electoral systems are linked to corruption. Several theories emerged but still no consensus has been reached. With a dataset of about 50 democratic countries considered over 10 years we try to understand which of the effects highlighted in the theoretical literature dominates. The results tend to show that larger voting districts (characterized by lower barriers to entry) are associated with less corruption, whereas closed lists tend to be associated with more. The latter effect is nevertheless not robust. In aggregate, we find that majoritarian systems tend to be associated to higher levels of corruption than proportional representations. An additional finding is that presidential regimes tend to be associated with more corruption than parliamentary ones.



## 2. Power, Conflicts and Agrarian Relations

**Baland, J-M. and J. Robinson, 2006, "How Does Vote Buying Shape the Economy?", *Forthcoming in Vote Buying: Who, What, When, and How?*, edited by Frederic Charles Schaffer and Andreas Schedler, chapter 8, MIT Press.**

In this chapter we have developed some general ideas about how vote buying which suggest, along with the evidence from Chile, that electoral corruption has pervasive, first-order effects both on the way the economy is organized and the efficiency of public policy. In our view, there is little to sustain the type of optimism expressed by Buchanan and Tullock about the prospect that votes can be bought and sold. From this point of view the introduction of political institutions which stop corruption and vote buying, such as the Australian ballot, appear to be as significant a step in the process of political development as the construction of electoral democracy itself. Indeed, as our Chilean evidence suggested, the Australian ballot has dramatic political ramifications.

**Baland, J-M. and J. Robinson, 2006, "Land and Power: Theory and Evidence from Chile", *Working Paper, revised and resubmitted to the American Economic Review*.**

We study the connection between employment and political control. Many employment relationships concede rents to workers. For example, when worker effort is crucial for production, but only imperfectly observed. We show that, depending on the political institutions, the presence of such rents allows employers to use the threat of withdrawing them to control their workers' political behavior. We thus demonstrate that employment does not simply generate income, it also gives power to control the behavior of others. The analysis focuses on the salient example of political control, where landlords coerce the votes of their workers in the absence of a secret ballot. The model we develop generates predictions about electoral outcomes which can be tested by investigating the impact of the introduction of an effective secret ballot. Such an institutional reform reduces landlords' control, and in consequence, we should observe changes in voting behavior, since workers whose votes were previously controlled and sold can now vote freely. We test the predictions of the model by examining in detail the effects of the introduction of the secret ballot in Chile in 1958. We show that, consistent with our theory, the political reforms led to large changes in voting behavior. Before the reforms, localities with more pervasive patron-client relationships tend to exhibit a much

stronger support for the right-wing parties, traditionally associated with the landed oligarchy. After the reform however, this difference across localities completely disappeared.

**Baland, J-M. and J. Robinson, 2006, "The Political Value of Land: Inquilinos, Hacendados and Land Prices in Chile", *Working Paper*.**

In this paper we investigate the economic consequences of electoral corruption in agrarian economies. While providing workers with employment, landlords also impose some degree of political control. When voting is not secret, it takes the form of vote control. As votes are used by the landlords to accumulate political rents, vote control increases the demand for labour and for land. The introduction of secret ballot should lead to a fall in the price of land in those areas where patron-client relationships and vote control were the strongest. We test the predictions of the model by examining in detail the evolution of land prices in Chile in 1958, for which we found original data. A characteristic of rural Chile is the inquilinaje, by which a worker, the inquilino, enters into a long term, often hereditary, employment relationship with a landlord, and lives on his landlord's estate. We show that the introduction of the secret ballot in 1958 had implications for land prices which are perfectly consistent with the predictions of our model. Political rents represented 25% of the value of the land in Chile prior to 1958.

**De Luca, G., 2006, "Strategic Registration of Voters: An Analysis of the 1958 Electoral Reform in Chile", *Working Paper*.**

We assess the impact of the power structure in economic relations on the voluntary process of electoral registration in Chile during the 1950s and 1960s. In particular, we examine how the 1958 electoral reform, which introduced an effective secret ballot, changed the incentive structure of the potential voters. We find that a sufficient number of politically-oriented voters deem it always profitable to register and vote for their preferred party only in heterogeneous electoral districts, i.e. those comprising workers who depend upon different landowners and self-employed farmers.

**Grandjean, G. and P. Sekeris, 2006, "Political Bias and War: An Extension", *Work in progress*.**

The aim of this paper is to endogenize the probability of overwhelming an opponent in the framework developed





by Jackson and Morelli (2006). For this purpose, we use a Contest Success Function and try to determine to what extent the peace outcome is achievable in the absence of an exogenous enforcing device.

**Platteau, J-P. and P. Sekeris, 2006, "Endogenous Patronage, or Gift Exchange with Asymmetric Agents", Working Paper.**

The paper seeks to establish the conditions under which it is possible that two asymmetric agents who pay attention to social esteem and social shame can exchange gifts in the sense that the more productive agent makes a transfer to the less productive one. In return for this transfer, the latter grants social esteem or prestige to the former. Instead of social esteem and shame, the model can be interpreted in terms of political power and allegiance. A special feature of the model is that the amount of transfer from the patron to the client is endogenous.

**Sekeris, P., 2006, "Compelling in the Shadow of Holding Power", Working Paper.**

Power, defined as the ability to sustain a mutually damaging situation longer than the opponent (s), determines both the outcome of the game and the way this outcome is reached. In our model, inspired from the Theory of Moves (Brams, 1994), two agents, each facing two choices at their respective decision nodes, play a sequential game over an infinite time horizon. We show that the power-wielder, the player who is most able to incur losses, imposes on his opponent the strategy that he wants him to adopt. As for the latter, he finds himself forced to choose between complying and being punished. These equilibrium strategies are proved to be subgame perfect and unique. In most game configurations, the power-wielder can even decide the identity of the endogenously determined first mover. To make the link with a widely analyzed real world conflict situation, we apply our model to the Cuban Missile Crisis.

**Sekeris, P., 2006, "Preference Falsification, Wealth Extraction and Patronage in an Autocratic Regime", Working Paper.**

Whereas most of the literature concerned with the extractive ability of autocratic rulers focuses on the coercive ability of the leader, or on the free rider problem among would-be rebels who fail to credibly threaten a rapacious ruler, we propose the alternative explanation of preference falsification. Any subject has the choice whether or not to join a rebellion, but, even in the face of a greedy ruler, some agents may publicly express preferences diverging from

their true one. By grafting a preference falsification mechanism on a standard elite capture model, we show that a ruler has a higher extractive capacity than usually thought, and that this ability needs not be necessarily accounted in terms of a highly coercive regime. Moreover, the paper provides some important clues about the formation of the leader's clientele, both with regard to the size of the clientele, as well as to its composition. While the conclusion regarding the inappropriateness of external aid in favour of autocratic regimes leaves no ambiguity, we show that the democratic transition will only succeed when it is the consequence of the transformation of the subjects' preferences, i.e. when the agents defend their beliefs more fiercely, when they do not criticize the others' beliefs too much, and when they attach greater importance to the future.

**Verardi, V., 2003, "Electoral Systems, Racial Tensions and Decentralization", Acta Nova, Vol. 2, No. 3, p. 367-386.**

In many countries, the accommodation of ethnic, linguistic and religious diversities is a major challenge. The scope of this paper is to attempt to understand which political arrangements might facilitate inter-ethnic cohabitation. It is indeed extremely important to understand which electoral system could be seen as the most efficient in reducing racial tensions both in the short and in the long run. The core of the work is the study of the effect that electoral systems have on racial tensions but also their interactive effects with decentralization. Using the best available data (coming from the International Country Risk Guide) and the techniques we believe to be the most appropriate (Interval Censored Regression) we find interesting results: first, majoritarian systems seem to be positively related to high levels of ethnic tensions while proportional representations seem particularly appropriate for reducing such tensions. Second, we find that presidentialism is associated to lower levels of racial tensions. Finally we find that decentralization is more efficient under parliamentarism than under presidentialism for allowing a better ethnic cohabitation.



### 3. Institutions, Social Norms and Development

**Aldashev, G., Chaara, I., and J-P. Platteau, "When Are Formal Rules Superior to Informal Rules?", *Work in progress*.**

This question is addressed with special attention to land tenure rules in conditions of rising land pressure. The study focuses on situations in which formal rules try to modify the established order, characterized by informal arrangements. The success of formal rules is observed if agents' beliefs and expectations are modified allowing the convergence of agents' behaviours to a new equilibrium which corresponds to the formal rule. The central question is the following: how is it that rational agents, motivated by their expectations with respect to others' behaviours and able to adapt these expectations through past experiences, can spontaneously converge to a new equilibrium consequently to an exogenous shock (for instance public intervention). Special attention is given to normative values. Normative values define what is fair and appropriate. In a first step, it is essential to identify specific characteristics and implications of both formal and informal rules.

**Chaara, I. (under the supervision of J-P. Platteau), "Confrontation Between Formal Law and Current Practices: Evidence from Morocco", *Work in progress*.**

The project focuses on a new code of family laws which was implemented in February 2004 in Morocco. The study investigates the determinants of the acceptance or the rejection of the new law, taking into account agents' personal and environmental characteristics. A survey will be carried out in 2007 in order to collect original data reflecting attitude toward the law. The main purpose is to identify people's motivations in a context dominated by current practices and traditions which have become internalised norms. The aim is to determine people's incentives to follow, or to deviate from, the law while taking into account their expectations, their beliefs and the prevailing social norms. Special attention is paid to the role of religion and civil society. Furthermore, as the most revolutionary change concerns women's status and rights, the analysis stresses on the enforcement of these new rights.

**Gassner, M., Ugarte, D. and V. Verardi. 2006, "Human Development and Electoral Systems", *Journal of Human Development* (forthcoming).**

The aim of this paper is to test if electoral systems and human development are linked. Using high quality data and very simple panel data econometric techniques we show that electoral systems play a critical role in explaining the difference in the

level of human development between countries. We find that proportional systems have higher levels of human development than majoritarian systems, thanks to more redistributive fiscal policies. We also find that when the degree of proportionality increases, human development increases.

**Kazianga, H. and Z. Wahhaj, 2006, "Gender, Social Norms and Household Production in Burkina Faso", *Working Paper*.**

Using a survey of agricultural households in Burkina Faso, we provide evidence that plots owned by the head of the household is farmed much more intensively than plots, with similar characteristics and planted to the same crops, owned by other household members (of both genders). As in previous studies, this evidence is inconsistent with the assumption of Pareto efficiency in household decisions, but additionally suggests that status within the household rather than gender per se may be the most important factor in determining the allocation of productive resources within the household. We argue that the higher yields achieved by the household head may be explained in terms of social norms that require him to spend the earnings from some farms under his control exclusively on household public goods, as has been observed in the anthropological literature on this region.

**Platteau, J.P., forthcoming, "The Causes of Institutional Inefficiency: A Development Perspective", in Brousseau, E., and Glachant (eds.), *New Institutional Economics. A Textbook*, Cambridge University Press.**

The purpose of this contribution is to probe into the issue of inefficient institutions. Towards that end, we look at the different strands that form the so-called New Institutional Economics (NIE), and raise the question for each of them as to whether institutions can be inefficient and, if yes, for what reasons. Four economic approaches are reviewed which regard and depict institutions as the outcome of individual interactions. These are the transaction-cost approach, the principal-agent approach, the equilibrium-of-the-game approach, and the evolutionary approach.

**Platteau, J-P., 2006, "Does Religion Matter for Development? Insights from Europe and the Lands of Islam", *Working Paper*.**

Is Islam an obstacle to modernisation, or is causality running in the reverse way? If the latter is true, the rise of fun-



damentalist interpretations of the Islamic creed is better viewed as the result of a profound economic, social and political crisis undergone by the lands of Islam. This paper critically reviews the thesis advanced by Bernard Lewis according to whom certain specific features of the Islamic world – the lack of separation between religion and politics – creates particular difficulties on the way to modern economic growth and political development. The view is put forward that the differences between Islam and Christianity, for example, ought not to be exaggerated and that, as often in history, it is politics that tends to run the show. Religious authorities, to the extent that they exist, can be mobilized in varying directions and, in particular, different clerics can provide support to antagonistic political actors.

**Platteau, J-P, “Is Culture an Obstacle to Development in SubSaharan Africa?”, *Work in progress*.**

For reasons that can be ultimately traced back to ecological constraints, societies of SubSaharan Africa are organized around tribes or lineage groups. One important direct implication of this mode of social organization is that relationships among members are strongly personalized. A number of consequences can be logically derived from this basic setup, in particular: (i) existence of moral norms confined to kin and kith (limited morality”); (ii) prevalence of sharing

norms conceivable as redistributive taxation; (iii) perceived importance of consensus-based collective decision-making. These core features of tribal societies, whether in Africa or in other areas of the world (typically mountainous and remote areas) give rise to social structures characterized by strong internal cohesion supported by a mix of shared beliefs and values stressing collective good, on the one hand, and repressive mechanisms operating in either a decentralized or a centralized manner, on the other hand.

In this paper, I intend not only to discuss and explain the above features but also to examine whether and how they can evolve so as to give room to cultural traits more conducive to growth and development. Special emphasis will be laid on the role of religion as a way to overcome limited morality; of geographic and economic mobility as a way to contain redistributive taxation and consensus-based decision-making processes; and of increasing land scarcity as a way to break extended social units (kin-based households) through individualized land tenure rights. In the process of change, it is unavoidable that some favourable properties of the “old system” get lost. These losses can be seen as the price to be paid for embarking upon the path of modernizing growth. As will be shown in the concluding part, however, they can be somewhat mitigated (yet never cancelled) through certain types of adaptive transformations, possibly supported by an enlightened state.

## 4. Household Behaviour, Marriage and Inheritance

**Gaspart, F. and J-P. Platteau, forthcoming, “The Perverse Effects of High Brideprices”, *World Development*.**

Marriage payments are conventionally explained by economists as resulting from the operation of market forces. Characteristically, this type of explanation rests on the assumption that the individuals concerned do not behave strategically. When strategic behaviour is posited, parents are able to anticipate the perverse effects of high brideprices on their daughter’s happiness and on the probability of break-up of her marriage. As a result, brideprices may be set at levels lower than those justified by the brides’ relative scarcity in the marriage market. Using both quantitative and qualitative evidence, such a strategic approach is tested on the basis of original data collected in the Senegal river valley.

**Gaspart, F. and J-P. Platteau, 2005, “Strategic Behaviour and Marriage Payments: Theory and Evidence from Senegal”, *Working Paper*.**

This paper proposes an original theory of marriage payments based on insights gained from first-hand information collected in the Senegal River valley. This theory postulates that decisions about the brideprice, which are made by the bride’s father, take into account the likely effects of the amount set on the risk of ill-treatment of the wife and the risk of marriage failure. Based on a sequential game with three players (the bride’s father, the husband and the wife), it leads to a number of important predictions that are tested against Senegalese data relating to brideprices and various characteristics of women. Towards that end, an econometric procedure is used that carefully controls for several endogeneity biases. The empirical results confirm that parents behave strategically by keeping brideprices





down so as to reduce the risk of marriage failure for their daughters. Other interesting effects on marriage payments and the probability of separation are also highlighted.

**Goetghebuer, T. and J-P. Platteau, 2006, "Land Inheritance and Migration: The Strategic Bequest Motive Put to Test", Working Paper.**

This paper aims at directly testing the strategic bequest theory on the basis of data collected in a region of the Peruvian Highlands characterized by high land pressure and substantial migration flows. Toward this purpose, an inheritance function is estimated that allows for the role of caring behaviour vis-à-vis parents as well as personal and family characteristics susceptible of influencing the inheritance pattern. We find that the strategic bequest motive is indeed present in our study area, yet it provides only a partial explanation of differential treatment meted out to potential heirs. Moreover, in general children rather than parents appear to be responsible for the allocation of comparatively low shares of family land.

**Goetghebuer, T. and J.P. Platteau, 2005, "Community Ties and Land Inheritance in the Context of Rising Outside Opportunities: Evidence from the Peruvian Highlands", in Barrett, C. (ed), *The Social Economics of Poverty: Identities, Groups, Communities and Networks*, London & New York: Routledge, pp. 361-401.**

This is an attempt to determine the factors that influence the decision of parents to divide their land equally or unequally among their children in a context characterized by acute poverty but important outside opportunities that can be seized through permanent migration.

**Goetghebuer, T. (under the guidance of J-P. Platteau), "The Timing of Inheritance: Evidence from the Peruvian Highlands", Work in progress.**

The question addressed here is the rationale behind the decision of the parents to bequeath their land during their lifetime or upon the death of one or the two of them. In other words, what are the determinants of inter vivos or post-mortem inheritance of land? When (part of) the family land is distributed during the lifetime, is it because of a decision initiated by the parents or of intense pressures exerted by the potential heirs? And what are the reasons behind such pressures? The study is based on data collected in three rural communities located in the Peruvian Highlands during the year 2002.

**Goetghebuer, T. (under the guidance of J-P. Platteau), "Strategic Behavior Between Parents and Migrant Children Regarding Land Bequests in the Peruvian Highlands", Work in progress.**

**Goetghebuer, T., Platteau, J.P., Kimuyu, P. and J. Mariara, "Evolution of Land Access Rules in Conditions of Acute Land Scarcity: Evidence from Kisii District (Kenya), Work in progress.**

The issue at stake is the way and extent to which land pressure transforms customary rules of access to land, especially for women. Inheritance rules and their evolution over three generations are the primary focus of this study for which original data have been collected in the Kisii district of Kenya during the year 2003.

**Goetghebuer, T. and J-P. Platteau, "The Break-Up of Customary Family Structures in the Niger Office (Mali)", Work in progress.**

The study explores the processes of transformation of traditional family structures in conditions of strong pressure on good quality land. The central objective, after documenting ongoing changes in these structures, is to understand the most important factors that drive them. Analysis is based on original data collected in the Niger Office area in 2006.

**Kazianga, H. and Z. Wahhaj, 2006, "Gender, Social Norms and Household Production in Burkina Faso", Working Paper.**

**LeMay, P., 2006, "Are Household Expenditure Decisions Cooperative? Evidence from Benin", mimeo.**

In this paper, we present an empirical analysis of the relationship between household expenditures and the intra-household distribution of income. Drawing on an original dataset from Benin, we provide results that reject the cooperative model of household consumption and suggest that a non-cooperative model is best suited for describing the interactions among household members. We also present mitigated evidence supporting the widespread belief that African women spend additional income in a manner regarded as socially desirable compared to men.

**Platteau, J-P., forthcoming, "Land Inheritance Patterns", in *Oxford Encyclopedia of Economic History*, Oxford University Press.**



**Wahhaj, Z., 2006, "A Theory of the Household with Limited Commitment and Public Goods", Working Paper.**

The concept of 'limited commitment' — a term used to describe a situation where individuals cannot fully commit to promises made in the past — is increasingly being discussed in the literature as a possible explanation for the growing evidence of inefficiency in consumption allocation within households. The literature on limited commitment has, for the most part, worked with the assumption that all consumption is private. However, an important feature of

the household is that many consumption goods are 'public' to household members. This paper addresses the question whether public goods make any important differences in a model of limited commitment, a question that has not been considered in the literature thus far. I show that if public goods are present, an adverse shock that lowers aggregate household income can cause private consumption of individual members to increase. By contrast, in an environment where there are no public goods, such a shock will necessarily lower private consumption by all individuals.

## 5. Education and Child Labour

**Baland, J-M. and C. Duprez, 2006, "Made in Dignity: the Impact of Social Labels", Work in progress.**

In this paper, we analyze the impact of social labelling on child labour, with the help of a simple model of North-South trade. We show that the impact of social labelling on child labour, prices and welfare is either negligible, or ambiguous when (i) adult and child labour can freely reallocate themselves between sectors in the economy, and (ii) access to the label is not restricted, so that all enterprises relying exclusively on adult labour obtain the label. Similarly, a tax policy that targets imported goods made with child labour has no or little impact.

**Baland, J-M., Estevan, F. and P. Pestieau, 2006, "Old Age Security, Education and Uncertain Altruism", Work in progress.**

We develop a model aimed at understanding the educational decisions made by parents motivated by filial transfers, when the degree of altruism of their children is uncertain.

**Estevan, F. and J-M. Baland, 2005, "Mortality Risks, Education and Child Labour", CORE Discussion Paper 2005/49, under revision for Journal of Development Economics.**

In this paper, we investigate the impact of young adult mortality on child labour and educational decisions. We argue that mortality risks are a major source of risk in the returns to education in developing countries. We show that, in the absence of appropriate insurance mechanisms, the level of child labour is inefficient, but it can be either too high or too low. It is too high when parents are not very altruistic, or anticipate positive

transfers from their children in the future. Uncertain returns to education, endogenous mortality or imperfect capital markets unambiguously increase child labour. We also show that a cash transfer conditional on child's schooling can always restore efficiency regarding child labour.

**Paquot, H., Goetghebuer, T., and J-P. Platteau, "The Impact of Hosting Conditions on the School Performance of Young Migrants: Evidence from the City of Cusco", Work in progress.**

Based on a sample of young rural migrants into the city of Cusco (Peru), this study highlights the determinants of school performance and pays special attention to the role of hosting conditions. By hosting conditions, we mean the manner in which migrant schoolchildren are being accommodated in the city in which they carry out their study curriculum: being on their own, working as servants in a hosting family, being accommodated by relatives, etc. The data have been collected in 2004.

**Tenikue M., 2006, "Determinants of School Enrolment and Attainment: a Sequential Analysis Approach", Work in progress.**

We depart from the standard way of studying school enrolment by integrating the fact that some children can be enrolled only in primary school or only in secondary school. We built up a sequential model relying on three sample-separating questions. Are you enrolled in primary school? Have you completed primary school? Are you registered in secondary school? These questions lead to a three-step sequential probit model of school enrolment. We estimate the model with a Maximum Simulated Likelihood method.



**Tenikue M. and B. Verheyden, 2006, "Birth Order, Child Labour and Schooling: Evidence from Cameroon", Work in progress.**

This paper examines the determinants of child labour and school attendance with a special emphasis on birth order and sibling age structure. The analysis is based on the 2001 Cameroon Household Survey. Preliminary results indicate that earlier-born children are more (less) likely to work (attend school) and the opposite is observed for

later-born children. We investigate further the effect of having elder (19-34 years) and younger (6-9 years) siblings in the household. We find that having elder sisters increases (decreases) the probability to attend school (work) while having younger brothers increases (decreases) the probability to work (attend school). We interpret this result as follows: the presence of younger brothers in the household strengthens teenager's rivalry while that of elder sisters relaxes it a little bit.

## 6. Credit, Microfinance and Insurance

**Anderson, S., Baland, J-M. and Karl Ove Moene, 2005, "Enforcement and Organizational Design in Informal Saving Groups", Working Paper.**

Informal groups cannot rely on external enforcement to insure that members abide by their obligations. It is generally assumed that these problems are solved by 'social sanctions' and reputational effects. The present paper focuses on roscas, one of the most commonly found informal financial institutions in the developing world. We first show that, in the absence of an external (social) sanctioning mechanism, roscas are never sustainable, even if the defecting member is excluded from all future roscas. We then argue that the organizational structure of the rosca itself can be designed so as to address enforcement issues. The implications of our analysis are tested against first-hand evidence from rosca groups in a Kenyan slum.

**Baland, J-M. and R. Somanathan, 2006, "Microcredit, Social Sanctions and Enforcement", Work in progress.**

Social sanctions are often thought as critical to the performance of microcredit groups. In this paper, we analyze the role of such sanctions under imperfect commitment mechanisms by members of the group. The results so far tend to show that weak social sanctions, associated with formal sanction by the bank, are the most useful to deter moral hazard in credit.

**Baland, J-M., Somanathan, R. and M. Tenikue, 2006, "The Impact of Microcredit Groups in Jarkhand", Work in progress.**

On the basis of an original panel data set, this research aims to evaluate the social and economic impact of participating in micro-credit groups in Jarkhand state (India).

**Boucher, S. and C. Guirking, 2006, "Risk, Wealth and Sectoral Choice in Rural Credit Markets", Forthcoming in American Journal of Agricultural Economics.**

In this paper, we develop a model which suggests a re-evaluation of the role of the informal credit sector in developing countries. The informational advantage of informal lenders is portrayed as the ability to monitor borrowers. Monitoring reduces the incentive problem and allows for contracts with lower collateral. This enables informal lenders to serve two types of clients: 1) Those who cannot post the collateral required by the formal sector; and 2) Those who are able but do not want to post collateral. The model is thus consistent with the conventional view of the informal sector as recipient of spillover demand (quantity rationed) from the formal sector. It also demonstrates an additional role of the informal sector - namely as provider of insurance as the lower collateral requirement implies greater consumption smoothing across states of nature.

Under homogeneous farm size and plausible preferences our model yields the counter intuitive result that the informal sector plays this insurance role for the relatively wealthy. An extension of the model to variable farm size yields a more intuitive partitioning of the wealth space in which it is the relatively land poor who are willing to pay for the partial insurance offered by the informal sector.

**Boucher, S., Carter, M. and C. Guirking, 2005, "Risk Rationing and Wealth Effects in Credit Markets", Working Paper No 05-010 Department of Agricultural and Resource Economics, University of California Davis.**

By shrinking the available menu of loan contracts, asymmetric information can result in two types of non-price rationing in credit markets. The first is conventional quantity rationing. The second is "risk rationing." Risk rationed agents are able





to borrow, but only under relatively high collateral contracts that offer them lower expected well-being than a safe, reservation rental activity. Like quantity rationed agents, credit markets do not perform well for the risk rationed. While the incidence of conventional quantity rationed is straightforward (low wealth agents who cannot meet minimum endogenous collateral requirements are quantity rationed), the incidence of risk rationing is less straightforward. Increases in financial wealth, holding productive wealth constant, counter intuitively result in the poor becoming entrepreneurs and the wealthy becoming workers. While this puzzle has been found in the literature on wealth effects in principal-agent models, we show that a more intuitive pattern of risk rationing results if we consider increases in productive wealth. Empirical evidence drawn from four country studies corroborates the implications of the analysis, showing that agents with low levels of productive wealth are risk rationed, and that their input and output levels mimic those of low productivity quantity rationed firms.

**Dagnelie O., 2006, “Life and Death of Roscas: If Power Corrupts, Does Powerlessness Make One Blameless?”, mimeo.**

We have very few ideas as to what factors influence the duration of roscas and reduce their risk of failure. In this research, we bring new light on these empirical questions using an original data set containing information on living and dead roscas from Cotonou, Benin. We find that governance structures characterized by important power concentration and no countervailing forces is more likely to lead to the death of the rosca. We also present evidence to the effect that individuals attracted to this kind of groups are probably not those less exposed to risk.

**Dagnelie, O., LeMay, P. and V. Somville, 2006, “The Impact of Micro-credit: a Random Trial Evaluation in Benin”, Work in progress.**

We evaluate the impact of a micro-credit program, using a random panel sample. To our knowledge, this is the first assessment of the impact of micro-credit using a random sample of beneficiaries and a control group. Therefore, it should also be the first attempt offering valid econometric results.

**Dagnelie, O. and P. LeMay, 2005, “Rosca Participation in Benin: a Commitment Issue”, mimeo.**

On the basis of first-hand data collected within the framework of a Beninese urban household survey in Cotonou, we investigate several motives aiming to explain participation in Rotating Savings and Credit Associations. We provide empirical findings which indicate that individuals use their partici-

pation in a rosca as a device to discipline themselves to save money and commit against problems of self-control.

**de Crombrughe A. and M. Tenikue, 2006, “Performance Analysis for a Sample of Microfinance Institutions in India”, Work in progress.**

We use data from a sample of microfinance institutions in India to investigate the relationship between different decision variables and the performance of these institutions.

**Guirking, C., 2006, “The Persistence of Informal Credit Markets in Piura, Peru”, mimeo.**

This paper explains the coexistence of formal and informal credit markets in Piura, a department on the north coast of Peru. Based on panel data econometrics, I disentangle the motives behind household's decision to take informal loan and show that informal loans are used both by households excluded from the formal sector and by households who prefer informal loans because of their lower transaction cost or lower risk. I then conduct a detailed comparison of contract terms across loan sectors. In particular, based on interviews with lenders and justices of the peace, I provide a more in-depth assessment of contractual risk than is afforded by conventional household survey data alone. I conclude that the differences in contract terms are consistent with the result of the econometric analysis and that informal loans are on average less risky and entail less transaction costs than formal loans. Finally I argue that the economies of scope and the greater social and economic proximity of informal lenders explain the differences in contract terms across sectors, and, ultimately, the coexistence of formal and informal credit markets.

**Guirking, C. and S. Boucher, 2006, “Credit Constraints and Productivity in Peruvian Agriculture”, mimeo.**

In this paper we evaluate the impact of credit constraints on agricultural productivity in a context where insurance mechanisms are weak. We develop a simple model that illustrates how different manifestations of credit constraints all have a negative impact on farm productivity. We then empirically explore the relationship between farm productivity and household endowments for constrained and unconstrained households using a panel data collected in northern Peru. The main challenge is to control for biases introduced both by the selection into the observed constrained regime and the omission of relevant variables. Specifically, we estimate a switching regression model using first difference and a semi-parametric technique. We conclude that credit constraints have a large negative





impact on farm productivity and that the performance of the agricultural sector would gain from the strengthening of formal financial institutions.

**LeMay P., 2006, "Insurance for the Poor: the Case of Informal Insurance Groups in Benin", mimeo.**

This paper studies indigenous insurance groups using evidence from urban areas in Benin. Many of these informal institutions co-exist within a neighbourhood-distance. They are based on well-defined rules and regulations, offering premium-based insurance for funeral expenses, as well as other forms of insurance and credit to cope with hardships. We first provide a description of these groups. Then, we investigate with the help of an original dataset which individual characteristics are significant in explaining both the probability to join such groups, and the choice of insurance coverage.

**Platteau, J-P., forthcoming, "Solidarity Norms and Institutions in Agrarian Societies: Static and Dynamic Considerations", in S. Kolm, J. Mercier-Ythier, and G. Varet (eds.), Handbook on Gift-Giving, Reciprocity and Altruism, Amsterdam: North-Holland and Elsevier.**

The purpose of this essay is to argue that process-regarding preferences or social norms are pervasive in traditional village communities, yet are subject to gradual erosion under the influence of new forces, particularly population growth and market penetration. This is illustrated with respect to norms regarding the allocation of locally controlled natural resources, such as land, forest, pastures and water spaces. As a matter of fact, a communal system of land rights, together with the accompanying set of norms and preferences, is conceivable only under conditions of high land-man ratios resulting in extensive land use patterns. When land becomes intensively exploited, the efficiency costs of equity-oriented arrangements increase significantly. On the other hand, informal insurance arrangements relying on voluntary state-contingent transfers tend to be less effective under the pressure of market integration and the emergence of alternative income-earning opportunities accessible to at least a segment of rural populations.

**Platteau, J-P., 2004, "The Gradual Erosion of the Social Security Function of Customary Land Tenure Arrangements: The Case of Tribal Societies in SubSaharan Africa", in S. Dercon (ed.), Insurance Against Poverty, Oxford: Clarendon Press, pp. 247-278.**

Customary rules governing access to land and other natural resources in village societies have characteristics that allow them to fulfil social security functions and achieve equity objectives. This is true of both common-property resources and land parcels held under individualized tenure. However,

when land pressure increases under the combined influences of population growth and market integration, a shift occurs from extensive to intensive resource use patterns. As a result, the efficiency costs of erstwhile equity- and insurance-oriented arrangements rise, thus forcing them to evolve significantly. In particular, land tenure arrangements undergo a major transformation towards more individualized forms with the consequence that property rights in land are increasingly defined without regard for equity and insurance concerns.

**Reding, P., Morales, J.A. and P. dellaFaille, 2006, "Determinants of Bank Intermediation Spreads in a Country with High Currency Substitution: the Case of Bolivia", Work in progress.**

Like many other emerging market economy, Bolivia is saddled with persistently high interest rates spreads on domestic as well as foreign currency bank loans. Using a detailed database and a econometric panel-data approach, we study the determinants of these spreads: operating costs, loan quality, financial taxation (required reserves, forced investment at rates lower than market rates), capital ratio, market structure, foreign bank entry and mergers as well as other bank specific or macroeconomic variables. We also focus on potential differences between determinants of domestic and foreign currency spreads.

**Wahhaj, Z., 2006, "Limited Commitment, Risk Aversion and Individual Assets", Working Paper.**

In an informal insurance agreement characterized by limited commitment, the largest transfer that an individual is willing to make in a single period is equal to his ex-ante value for the future insurance that the agreement provides him. If risk aversion is decreasing in wealth, then the value of future insurance, and thus the maximum transfer one is willing to make, are both smaller when one has more wealth. Therefore, if mutual insurance is constrained by limited commitment and preferences exhibit decreasing absolute risk aversion, an insurance agreement should provide individuals incentives to consume rather than save, so as to increase their commitment in future periods; thus limited commitment would tend to depress savings. Furthermore, if risk aversion declines with wealth more quickly at low levels of wealth than at high levels of wealth (equivalently, if the degree of prudence, in relation to risk aversion, is stronger at low levels of wealth) then these incentives should be stronger for poorer individuals. Thus, the presence of limited commitment can lead to increasing inequality in assets and consumption over time. In an environment with full commitment, a similar result can be obtained when informational asymmetries are present (Atkeson and Lucas 1992) This paper shows that lack of commitment can lead to increasing consumption inequality even if idiosyncratic shocks are fully observable.



## 7. Property Rights and Land Markets

**Baland, J-M. and J-P. Platteau, forthcoming, "Efficient Property Rights: The Contribution of Transaction Cost Economics, in Dutt, A.K., and J. Ros (eds), *International Handbook of Development Economics*, London: Edward Elgar.**

This contribution presents and discusses the arguments underlying the idea that the superiority of private property is not absolute but actually depends on the circumstances prevailing in a given society at a certain time. This is done in two successive parts. In the first part, we compare open access understood as an extreme regime in which there are no property rights with regimes in which such rights exist. In the next one, we discuss the advantages and disadvantages of a regime of collective or community ownership vis-à-vis a regime of private ownership.

**Baland, J-M., Gaspart, F., Platteau, J-P. and F. Place, forthcoming, "The Distributive Impact of Land Markets in Uganda", *Economic Development and Cultural Change*.**

This paper presents first-hand evidence about land distribution and the impact of land markets in Central Uganda. This area is characterized by unequal distribution of land inheritance, rural-rural migration and active land markets. We show that land markets, and particularly land purchases, tend to reduce the initial inequality in the initial (inherited) distribution of land. Land purchases by landless farmers in their native village represent an important part of this adjustment.

**Baland, J-M. and J. Robinson, 2006, "The Political Value of Land: Inquilinos, Hacendados and Land Prices in Chile", *Working Paper*.**

**Brasselle, A.S., Gaspart, F. and J-P. Platteau, 2002, "Land Tenure Security and Investment Incentives: Puzzling Evidence from Burkina Faso", *Journal of Development Economics*, Vol. 67, pp. 373-418.**

On the basis of original data collected in Burkina Faso, the paper seeks to determine whether increased land tenure security has a positive effect on agricultural investments, and land improvements in particular. The test is conducted by carefully controlling for possible endogeneity of tenure security. The paper concludes that, when the effect of investment on tenure security is taken into account, the presumed effect of the latter on the former variable simply disappears.

**Goetghebuer, T. and J-P. Platteau, 2006, "Land Inheritance and Migration: The Strategic Bequest Motive Put to Test", *Working Paper*.**

**Goetghebuer, T. and J.P. Platteau, 2005, "Community Ties and Land Inheritance in the Context of Rising Outside Opportunities: Evidence from the Peruvian Highlands", in Barrett, C. (ed), *The Social Economics of Poverty: Identities, Groups, Communities and Networks*, London & New York: Routledge, pp. 361-401.**

**Goetghebuer, T., J.P. Platteau, and K. Alinon, "Land Market Activity in the Public Domain: the Case of the Niger Office (Mali)", *Work in progress*.**

The aim of this project is to assess the importance of land rental and sale transactions as a way to access land in an area where tenure rules are dominated by state regulations. Analysis is based on original data collected in the Niger Office area in 2006.

**Goetghebuer, T. (under the guidance of J-P. Platteau), "The Timing of Inheritance: Evidence from the Peruvian Highlands", *Work in progress*.**

**Goetghebuer, T. (under the guidance of J-P. Platteau), "Strategic Behaviour Between Parents and Migrant Children Regarding Land Bequests in the Peruvian Highlands", *Work in progress*.**

**Goetghebuer, T., Platteau, J.P., Kimuyu, P. and J. Mariara, "Evolution of Land Access Rules in Conditions of Acute Land Scarcity: Evidence from Kisii District (Kenya), *Work in progress*.**

**Goetghebuer, T. and J-P. Platteau, "The Break-Up of Customary Family Structures in the Niger Office (Mali)", *Work in progress*.**

**Platteau, J.P., forthcoming, "Solidarity Norms and Institutions in Agrarian Societies: Static and Dynamic Considerations", in S. Kolm, J. Mercier-Ythier, and G. Varet (eds.), *Handbook on Gift-Giving, Reciprocity and Altruism*, Amsterdam: North-Holland and Elsevier.**

**Platteau, J-P., forthcoming, "Land Inheritance Patterns", in *Oxford Encyclopedia of Economic History*, Oxford University Press.**

**Platteau, J-P., 2004, "The Gradual Erosion of the Social Security Function of Customary Land Tenure Arrangements: The Case of Tribal Societies in SubSaharan Africa", in S. Dercon (ed.), *Insurance Against Poverty*, Oxford: Clarendon Press, pp. 247-278.**



## 8. Determinants of Collective Action

**Baland, J-M., Bardhan, P., Das, S., Mookherjee, D., and R. Sarkar, 2005, "Inequality, Collective Action and the Environment: Evidence from Firewood Collection in Nepal", Forthcoming as Chapter 8 in *Inequality, Collective Action and Environmental sustainability*, Jean-Marie Baland, Pranab Bardhan and Samuel Bowles, eds., Princeton University Press.**

This paper uses household data concerning collection of firewood to analyze the role of inequality in the process of deforestation in Nepal. We propose here an indirect methodology aiming at highlighting its effects on village level firewood collection. The results obtained provide some support for the impact of collective action on firewood collection. Thus, social fragmentation tends to increase collections, most likely because of its damaging impact on collective action and norms at the village level. The impact of the other measures of inequality is either negligible, or cannot be primarily attributed to the collective action channel. It seems more likely that the effects observed are the result of aggregating individual household behaviours. The impact of inequality, either through collective action or aggregation effects, remains small however: thus if one considers a situation in which standards of living are equalized within each village, such a change would increase collection by only 14%. These effects are much less important than those associated with different aspects or growth and modernization, such as changes in population, living standards and education. In particular, rising consumption and population levels tend to raise firewood collections by a substantial amount, with an aggregate elasticity close to unity. The counteracting role of primary education seems extremely promising here, as it raises the implicit cost of collecting firewood by offering better educated household members more lucrative occupations.

**Baland, J-M. and J-P. Platteau, forthcoming, "Collective Action and the Commons: The Role of Inequality", in J.M. Baland, P. Bardhan and S. Bowles (eds), *Inequality, Cooperation and Environmental Sustainability*, Princeton University Press.**

By distinguishing between two central models of the commons, on the one hand, and between making voluntary contributions and participating in a regulatory structure, on the other hand, we have been able to differentiate the impact of inequality on efficiency in the use of the commons. Economic analysis thus allows us to clarify the conditions under which inequality impinges upon the use of the commons in different manners. In particular, we find that inequality is more likely to encourage efficient use of common property resource when

it facilitates the establishment of a regulatory authority and, in appropriation problems, when it has the effect of reducing the aggregate level of use of the resource, by placing constraints on the individual harvesting efforts of the smaller users. By contrast, when the gamut of available regulatory instruments is limited, inequality between users makes collective agreement and effective enforcement of regulatory schemes more difficult to achieve. In games of voluntary contributions to a common good, the impact of inequality is more ambiguous: while it is generally true that larger users tend to contribute more to the common good, increased inequality also reduces the incentives of small users to contribute. As we have repeatedly emphasized, however, the precise impact of inequality crucially depends on the specific problem that is being considered. As a result, researchers should be encouraged to carefully assess the characteristics of the community, of the common property resource, and of the environment which they study to be in a position to interpret the empirical evidence at hand in a meaningful way.

**Baland, J-M., and J-P. Platteau, 2003, "Economics of Common Property Management Regimes", in Mähler, G., and J. Vincent (eds), *Handbook of Environmental Economics*, Amsterdam; North-Holland, Chap. 4, pp. 127-90.**

This is a review paper that tries to highlight the extent of our present knowledge about the determinants of efficient collective action with special regard to the management of local-level natural resources. Emphasis is put on the roles of group size and heterogeneity as well as of public interventions.

**Dagnelie, O., 2006, "Inequality and a Repeated Game of Collective Action", Work in progress.**

In this paper, we study the impact of inequality on an infinitely repeated game of collective action, under the form of voluntary contributions by  $n$  individual agents to a joint project. We show that inequality is detrimental to cooperation and characterize the lowest share compatible with cooperation in this game.

**Platteau, J-P., forthcoming, "Managing the Commons: The Role of Social Norms and Beliefs", in Bardhan, P., and I. Ray, *Economists Meet Anthropologists*, Oxford: Oxford University Press.**

Whether governance of the village commons is ensured through decentralized mechanisms, such as stigmatization





or ostracism, or through external enforcement mechanisms involving authority structures and regulatory procedures, effective cooperation can be established only if the appropriate beliefs and expectations have come to prevail. There is no reason to believe that such beliefs and expectations spontaneously arise when there is a need for collective efforts. Several case studies reviewed in this paper show that collective action may succeed or fail depending on the specific historical antecedents of the community concerned. It is actually through expectations that past historical events may influence cooperation prospects in a positive or a negative direction. Previous conflicts may persistently obstruct collective endeavor when they are kept lively in the collective memory through rituals and tales. On the other hand, if bad antecedents do not exist, collective action and the required cooperation-supporting beliefs may endogenously and gradually develop over time, but only provided that the prevailing social and political structure is not too differentiated.

**Platteau, J-P., and F. Gaspart, forthcoming, "Heterogeneity and Collective Action for Effort Regulation: Lessons from the Senegalese Small-Scale Fisheries", in J-M. Baland, P. Bardhan and S. Bowles (eds) *Inequality, Cooperation and Environmental Sustainability*, Princeton University Press.**

The paper aims at understanding the influence of various forms of heterogeneity on the way fishermen from Senegal have assessed the effectiveness of a particular collective action undertaken by their communities, namely efforts at regulating fishing effort in order to increase their bargaining power vis-à-vis fishmerchants. The forms of heterogeneity considered are the following: technical heterogeneity, heterogeneity in skills, heterogeneity in ownership status, heterogeneity in educational endowments, heterogeneity in terms of access to alternative income opportunities, heterogeneity in terms of bargaining power vis-à-vis fishmerchants, heterogeneity in terms of social status and leadership, heterogeneity in terms of social identity. The paper argues that some critical forms of heterogeneity are surmounted by devising appropriate mechanisms (e.g., technical heterogeneity) while others (e.g., heterogeneity in terms of social identity) prove to be much more difficult to manage.

**Platteau, J-P., and E. Seki, forthcoming, "Heterogeneity, Social Esteem and the Feasibility of Collective Action", *Journal of Development Economics*.**

In the presence of individual heterogeneity, a major problem with any form of egalitarian partnership, such as complete income pooling, is that there is an incentive for individuals of comparatively high ability to exit the arrange-

ment. This is nevertheless ignoring the possible impact of social esteem considerations based on a comparison of members' performances. In this paper, drawing inspiration from pooling experiences in a Japanese fishery, we show that the exit problem can be surmounted if sensitivity to social esteem is neither too strong nor too weak. If it is too strong, the lower ability agents will exit out of social shame whereas, if it is too weak, the higher ability agents will not consider it worthwhile to transfer income to their partners. When, on the other hand, the arrangement is sustainable, the lower ability people strive towards limiting the income gap.

**Platteau, J-P., and T. Strzalecki, 2004, "Collective Action, Heterogeneous Loyalties, and Path Dependence: Micro-Evidence from Senegal", *Journal of African Economies*, Vol. 13, N°3 pp. 417-445.**

In Senegal, we encountered a situation in which a minority group of migrant fishermen turned out to have completely different sets of expectations regarding a collective action depending on the location where they operated. In one village, expectations were pessimistic while in the other village they were optimistic. Understanding this contrast and its implications provides the main justification for the paper. To be able to account for the contrast between the two areas, pessimistic expectations in the first area have to be traced back to a preceding conflict that could never be settled satisfactorily. A perverse path-dependent process had thus been set in motion that could not be changed by a simple act of will of a determined leadership. To demonstrate the links between expectations and actions that fit with the story told, we propose a simple model of collective action with asymmetric information.

**Ray, D., Baland, J-M. and O. Dagnelie, forthcoming, "Inequality and Inefficiency in Joint Projects", *Economic Journal*.**

A group of agents voluntarily participates in a joint project, in which efforts are not perfectly substitutable. The output is divided according to some given vector of shares. A share vector is unimprovable if no other share vector yields a higher sum of payoffs. When the elasticity of substitution across efforts is two or lower, only the perfectly equal share vector is unimprovable, and all other vectors can be improved via Lorenz domination. For higher elasticities of substitution, perfect equality is no longer unimprovable. Our results throw light on the connections between inequality and collective action.

**Sekeris, P., 2006, *Preference Falsification, Wealth Extraction and Patronage in an Autocratic Regime*, Working Paper.**



## 9. Common Property Resources, Poverty and the Environment

**Baland, J-M. and J-P. Platteau, forthcoming, "Efficient Property Rights: The Contribution of Transaction Cost Economics, in Dutt, A.K., and J. Ros (eds), *International Handbook of Development Economics*, London: Edward Elgar.**

**Baland, J-M., Bardhan, P., Das, S., Mookherjee, D. and R. Sarkar, 2006, "Deforestation and Unsustainable Development in the Indian Mid-Himalayas: Evidence on Role of Households", *Community and State, Working Paper*.**

This paper is part of a larger project on the Indian Himalayas that started in 1998. The paper here provides preliminary evidence on livelihood patterns and forest dependence in the Indian middle-Himalayan states of Himachal Pradesh and Uttaranchal. The findings are based on extensive field-work, econometric analysis and 'ground-truthing' in 165 villages located amidst broad-leaf and coniferous forests. The ecology of the middle-Himalayas appears to be undergoing significant transition. On the one hand there have been significant improvements in accessibility, literacy and shift out of livestock-based occupations to agriculture and non-agricultural occupations. On the other hand, the evidence –both statistical data as well as anthropological– indicate significant degradation of the local forest resource base. Econometric analysis of household firewood collection behavior indicates that the problem is likely to be aggravated by growth in living standards, household subdivision, rising prices of alternate fuels, and moderated by modernization of occupational structure, rising literacy and urbanization. Given the evidence concerning extensive dependence of local residents on the forest resource base, this gives rise to serious concerns about the sustainability of their current livelihoods. While there is ample evidence of awareness among villagers regarding the depleting forest stock, there is insufficient evidence of community or state action on a scale that would be needed to reverse these trends.

**Baland, J-M. and K. Bjorvatn, 2006, "The Distributive Impact of Privatizing the Commons: A Dynamic Perspective", *Work in progress*.**

In this paper, we highlight the existence of two externalities on the commons: one is the static externality, where users don't internalize the impact of their decisions on the returns to other users. In this case, as shown by Weitzman (1974), privatization always hurts the users if they do not share the profits under private property, since it reduces current use and employment. The dynamic externality relates to the fact that uses of the resource today limit possible uses tomorrow, and thus lower returns to labour tomorrow. We show that, under the dynamic externality, privatization, because it

implies a lower use of the resource today, and thus a better preservation of the resource and more employment in the future, can increase the income of all users, even when they are excluded from sharing in the profits made.

**Baland, J-M., Bardhan, P., Das, S., Mookherjee, D., and R. Sarkar, 2005, "Inequality, Collective Action and the Environment: Evidence from Firewood Collection in Nepal", *Forthcoming as Chapter 8 in Inequality, Collective Action and Environmental Sustainability*, Baland, J.M., P. Bardhan and S. Bowles, eds., Princeton University Press.**

In the context of firewood collection by rural households in Nepal, we find evidence that firewood collection is increasing with income: poorer households collect less firewood from forests than non-poor households within the same village. This is robust with respect to controls for household size, education, occupation or asset composition, as well as corrections for censoring bias. On the other hand, 'modernization' defined as falling fertility, increasing education and non-livestock-related occupations exercise a strong moderating effect on firewood collection, by raising the shadow cost of collection time. The results suggest that the net effect of economic development on forests in Nepal will depend on the extent to which growth in living standards of the poor is accompanied by modernization.

**Baland, J-M. and P. Francois, 2005, "Commons as Insurance and the Welfare Impact of Privatization", *Journal of Public Economics*, Vol. 89, pp. 211-31.**

It is shown here that despite the efficiency gains from privatization, when markets are incomplete, all individuals may be made worse off by privatization, even when the resource is equitably privatized. Such market incompleteness is common in the developing world and can explain the often encountered resistance to efficiency enhancing privatizing reforms, especially in the case of village level landholdings and forests. The advantage of common held property arises because of its superior insurance properties (which tend to provide income maintenance in low states). Sufficient conditions are established under which any feasible insurance scheme under private property cannot ex ante Pareto dominate allocations under the commons.

**Baland, J-M., and J-P. Platteau, 2003, "Economics of Common Property Management Regimes", in Mähler, G., and J. Vincent (eds), *Handbook of Environmental Economics*, Amsterdam; North-Holland, Chap. 4, pp. 127-90.**

**Platteau, J-P., forthcoming, "Common Property Resources", in *The New Palgrave Dictionary of Economics*.**



## Classification by Country of Current Research

### Benin

Dagnelie O., 2006, "Life and Death of Roscas: If Power Corrupts, Does Powerlessness Make One Blameless?", mimeo.

Dagnelie, O., LeMay, P. and V. Somville, 2006, "The Impact of Micro-credit: A Random Trial Evaluation in Benin", Work in progress.

Dagnelie, O. and P. LeMay, 2005, "Rosca Participation in Benin: a Commitment Issue", mimeo.

LeMay P., 2006, "Insurance for the Poor: the Case of Informal Insurance Groups in Benin", mimeo.

### Bolivia

Reding, P., Morales, J.A. and P. dellaFaille, 2006, "Determinants of Bank Intermediation Spreads in a Country with High Currency Substitution: The Case of Bolivia, Work in progress.

Reding, P. and J.A. Morales, 2004, "Currency Substitution and Network Externalities", Working Paper.

### Burkina Faso

Brasselle, A.S., Gaspart, F. and J-P. Platteau, 2002, "Land Tenure Security and Investment Incentives: Puzzling Evidence from Burkina Faso", Journal of Development Economics, Vol. 67, pp. 373-418.

Kazianga, H. and Z. Wahhaj, 2006, "Gender, Social Norms and Household Production in Burkina Faso", Working Paper.

### Cameroon

Tenikue M. and B. Verheyden, 2006, "Birth Order, Child Labour and Schooling: Evidence from Cameroon, Work in progress.



## Chile

Baland, J-M. and J. Robinson, 2006, "How Does Vote Buying Shape the Economy?", Forthcoming in *Vote Buying: Who, What, When, and How?*, edited by Frederic Charles Schaffer and Andreas Schedler, chapter 8, MIT Press.

Baland, J-M. and J. Robinson, 2006, "Land and Power: Theory and Evidence from Chile", Working Paper, revised and resubmitted to the *American Economic Review*.

Baland, J-M. and J. Robinson, 2006, "The Political Value of Land: Inquilinos, Hacendados and Land Prices in Chile", Working Paper.

## India

Baland, J-M., Bardhan, P., Das, S., Mookherjee, D. and R. Sarkar, 2006, "Deforestation and Unsustainable Development in the Indian Mid-Himalayas: Evidence on Role of Households, Community and State", Working Paper.

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Goetghebuer, T., Platteau, J-P., Kimuyu, P. and J. Mariara, "Evolution of Land Access Rules in Conditions of Acute Land Scarcity: Evidence from Kisii District (Kenya)", Work in progress.

## Mali

Goetghebuer, T., J-P. Platteau, and K. Alinon, "Land Market Activity in the Public Domain: the Case of the Niger Office (Mali)", Work in progress.

Goetghebuer, T. and J-P. Platteau, "The Break-Up of Customary Family Structures in the Niger Office (Mali)", Work in progress.





## Morocco

Chaara, I. (under the supervision of J-P. Platteau), "Confrontation between Formal Law and Current Practices: Evidence from Morocco", Work in progress.

## Nepal

Baland, J-M., Bardhan, P., Das, S., Mookherjee, D. and R. Sarkar, 2005, "The Environmental Impact of Poverty: Evidence from Firewood Collection in Rural Nepal", Working Paper.

Baland, J-M., Bardhan, P., Das, S., Mookherjee, D., and R. Sarkar, 2005, "Inequality, Collective Action and the Environment: Evidence from Firewood Collection in Nepal", Forthcoming as Chapter 8 in *Inequality, Collective Action and Environmental sustainability*, Baland, J-M., P. Bardhan and S. Bowles, eds., Princeton University Press.

## Peru

Boucher, S., Carter, M. and C. Guirking, 2005, "Risk Rationing and Wealth Effects in Credit Markets", Working Paper No 05-010 Department of Agricultural and Resource Economics, University of California Davis.

Goetghebuer, T. and J-P. Platteau, 2006, "Land Inheritance and Migration: The Strategic Bequest Motive Put to Test", Working Paper.

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Guirking, C., 2006, "The persistence of Informal Credit Markets in Piura, Peru", mimeo.

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Paquot, H., Goetghebuer, T., and J-P. Platteau, "The Impact of Hosting Conditions on the School Performance of Young Migrants: Evidence from the City of Cusco", Work in progress.



## Senegal

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Gaspart, F. and J-P. Platteau, 2005, "Strategic Behaviour and Marriage Payments: Theory and Evidence from Senegal", Working Paper.

Platteau, J-P., and F. Gaspart, forthcoming, "Heterogeneity and Collective Action for Effort Regulation: Lessons from

the Senegalese Small-Scale Fisheries", in J-M. Baland, P. Bardhan and S. Bowles (eds) *Inequality, Cooperation and Environmental Sustainability*, Princeton University Press.

Platteau, J.P., and T. Strzalecki, 2004, "Collective Action, Heterogeneous Loyalties, and Path Dependence: Micro-Evidence from Senegal", *Journal of African Economies*, Vol. 13, N°3 pp. 417-445.

## Uganda

Baland, J-M., Gaspart, F., Platteau, J-P. and F. Place, forthcoming, *The distributive impact of land markets in Uganda, Economic Development and Cultural Change*.