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# **News**letter

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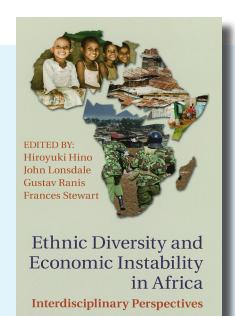
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JICA-RI and Kobe University jointly hosted a public symposium to celebrate the launch of a new book, the result of collaborative research, entitled *Ethnic Diversity and Economic Instability in Africa: Interdisciplinary Perspectives*, at the International House of Japan in Tokyo, on July 25.

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JICA-RI released the Working Papers entitled "Regional Integration in East Africa: Diversity or Economic Conformity" and "Modes of Collective Action in Village Economies: Evidence from Natural and Artefactual Field Experiments in a Developing Country."

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## Public Symposium Held to Introduce a New Book *Ethnic Diversity and Economic Instability in Africa*

JICA-RI and Kobe University jointly hosted a public symposium to celebrate the launch of a new book, the result of collaborative research, entitled *Ethnic Diversity and Economic Instability in Africa: Interdisciplinary Perspectives*, at the International House of Japan in Tokyo, on July 25.

Economic growth in Africa has remained at five percent on average since the beginning of this century. Africa is characterized by its ethnic diversity. A range of literature on development economics has pointed out that a negative correlation exists between ethnic diversity and economic growth. This causal link, however, has not been clarified until now.

Given this background, JICA-RI, together with the Research Institute for Economics & Business Administration of Kobe University, has been examining the mechanisms that explain this correlation in their joint research on "Ethnic Diversity and Economic Instability in Africa." This project sits under the Institute's research area, "Growth and Poverty Reduction," which JICA-RI has been undertaking since its establishment in 2008. Led by Professor Hiroyuki Hino of Kobe University, JICA-RI Special Fellow and Economic Advisor for Kenya's Prime Minister's office, the project has involved researchers from a wide variety of academic fields, including economics, politics, anthropology,



Commentators answering questions from the audience

history and others, who have all explored ways to realize economic growth in multi-ethnic African societies. *Ethnic Diversity and Economic Instability in Africa* was published by Cambridge University Press on July12, as the first volume of research outcomes.

In his opening remarks at the book launch, JICA-RI Director Akio Hosono stated:

"This book is skeptical of negative views on ethnic diversity in Africa. In fact, it tells us that diversity contributes to reinvigorating economic transactions between different ethnic groups, and eventually to stabilizing the economic situation. Since TICAD V will be held next July, we hope this research will help accelerate economic growth in Africa."

Following the opening remarks, the four editors of the book—Professor Hino, Gustav Ranis, honorary professor of Yale University, John Lonsdale, honorary professor of Cambridge University, and Frances Stewart, honorary professor of Oxford University—all gave an overview of the book's main points.

This book is composed of three parts:1. A detailed explanation of the links between ethnicity and the economy; 2. An investigation into whether ethnic diversity hinders economic growth in Africa; 3. The comprehensive correlation between ethnicity and economic stability.

The experts from different academic fields explore the current picture of ethnicity in Africa and propose new methodologies to monitor ethnic diversity and inequalities, presenting a number of suggestions regarding policy reforms in light of ethnic diversity.

## JICA-RI Hosted Public Symposium on Preventing Violent Conflicts in Africa

Sub-Saharan African countries are still facing risks of violent conflicts, especially those of the recurrence, even though violent conflicts have been generally on the decline. With the aim of unraveling the causes of conflicts and exploring measures for their prevention, JICA-RI has undertaken a comprehensive research project titled "Prevention of Violent Conflicts in Africa" since 2008, focusing on the interactions between structural causes and conflict processes.

Prior to the event, the Institute has presented its interim research findings on various occasions. This symposium was held at the International House of Japan on July 26, aiming to broadly disseminate the final results, including the outcomes of statistical analysis and policy implications.

The presenters from JICA-RI included Visiting Fellow Yoichi Mine (Professor of Doshisha University), head of this research project, Visiting Fellow Shinichi Takeuchi (Director of African Studies Group, Area Studies Center at the Institute of Developing Economies, Japan External Trade Organization) and Research Fellows Satoru Mikami and Mari Katayanagi, coresearchers. Dr. Arnim Langer, co-researcher and Director of the Center for Research on Peace and Development at Leuven University, participated as well.

This symposium brought together three prominent advisors to this research project from abroad: Professor Frances Stewart, Director of The Centre for Research on Inequality, Human Security and Ethnicity (CRISE) at the University



Visiting fellow Shinichi Takeuchi (left), Prof.Sakiko Fukuda-Parr (Center), Prof. Yoichi Mine (right)

of Oxford, Professor Sakiko Fukuda-Parr from the New School, and Professor Thandika Mkandawire from London School of Economics. In their own presentations, they furthered the dialogue of the critical themes highlighted in the research findings.

Visiting Fellow Mine outlined the project and introduced the triple research perspectives; 1) Horizontal Inequalities (HIs), a research methodology developed by Professor Stewart at CRISE, 2) Subjective perceptions, and 3) Political institutions.

Research Fellow Mikami presented findings from statistical analysis of the perception surveys sampling five African countries. He pointed out, "The statistical analysis confirms that horizontal inequalities among ethnic groups exist and that they are deeply rooted in the structure. The perceptions of political HIs affect the perceptions of socio-economic HIs."

The policy implications and recommendations (Policy Brief No. 8.) based on the research outcomes were presented by another Research Fellow Katayanagi. She stressed that development agencies should monitor the state of all inequalities (vertical and horizontal inequalities) and their causes, and evaluate projects and policies in light of the effects on inequalities and in relation to conflict prevention.

Finally Visiting Fellow Takeuchi, who has conducted a comparative study of Rwanda and Burundi, discussed the differences in political systems of these neighboring countries after the end of their internal conflicts. He emphasized, "The role of international community is indispensable to realize power sharing arrangements, but an institution cannot be imposed from outside. Although institutional innovation can contribute to conflict prevention, they always have a limit."

The research findings of this project will be published as a volume of "Conflict, Inequality and Ethnicity" series by Palgrave Macmillan within this fiscal year.

## Working Paper on "Rationale for Regional Integration in East Africa," and "Impact Assessment of Infrastructure Project on Poverty Reduction" Released

JICA-RI released the Working Paper (WP) entitled "Regional Integration in East Africa: Diversity or Economic Conformity" in June 2012.

This WP is based on the paper prepared for the Conference on "Ethnic Diversity and Economic Instability in Africa: Policies for Harmonious Development." This conference that was held at Yale University on January 16-17, 2010 was organized by JICA-RI and Kobe University, both conducting a joint research on Ethnic Diversity and Economic instability in Africa.

Junichi Goto, Professor at Faculty of Policy Management of Keio University, examines the economic rationale for regional economic integration, such as a common market and currency union, in the East African Community (EAC).

With trade intensity indices (TII), macroeconomic indicators, and real disturbances (IS shocks), the professor found the following three outcomes: The interdependence in terms of trade in Africa is very strong, and much stronger than that in Asian countries. Second, with the principal component analysis, the degree of confluence in macroeconomic variables is high in East Africa. Third, based on Mundell's theory of optimum currently area, it is proved that the EAC is a good candidate for the optimal currency area since the EAC countries face similar real disturbances.

Professor Goto suggests with these findings that there is a strong case for a common market and currency union in the EAC.

In August 2012, JICA-RI released a WP entitled "Modes of Collective Action in Village Economies: Evidence from Natural and Artefactual Field Experiments in a Developing Country."

This WP presents part of the research outcomes from the Project "Effects of Irrigation on Poverty Reduction: The Case of Sri Lanka," which is one of the projects under the research area of "Growth and Poverty Reduction" at JICA-RI.

Five researchers, including Visiting Fellow Yasuyuki Sawada (Professor of the University of Tokyo), constructed a simple general model to examine the causal relationship between group size and collective actions with natural and artefactual field experimental data from a large-scale irrigation system in Southern Sri Lanka.

The researchers divided collective actions into two categories in order to grasp the heterogeneities that exist in group activities: the first category included direct production activities such as agriculture production, along with indirect production activities such as ceremonial events; the second category consisted of monetary activities that involved monetary contribution such as union dues for water use, and non-monetary actions such as labor that contributed to helping clean irrigation ditches.

Using these two categories, they make a rigorous empirical analysis of the relationship between group size and collective actions. The research reveals the following significant findings: Households with no land holdings are unlikely to participate in collective activities. Indirect productive actions face a more serious problem of "free riding" than productive collective actions. Finally, the non-monetary contribution of labor causes more "free riding" than do monetary contributions.