



Report on the DSA Scotland Study Group meeting – Friday 30th May – University of Strathclyde, Glasgow

This meeting was arranged as the 'annual' DSA Scotland mini-conference, supported financially by the DSA UK and Ireland, and held in the Lord Hope Building of the University of Strathclyde. We are grateful to the Economics Department, University of Strathclyde for arranging to make the meeting rooms available free of charge, to the DSA for financial support, and to SIRE (the Scottish Institute for Research in Economics) for reimbursing some travel costs.

There were 28 participants who took part in all or part of the day's proceedings, a very encouraging number as compared with several past meetings. The number of presentations offered was accommodated by running two parallel sessions in the afternoon – unprecedented in the recent experience of DSA Scotland.

In addition to nine presentations relating to completed or ongoing research there were two additional presentations – one relating to the Strathclyde International Development Network and the other to DFID research funding for the health sector. The set of presentations uploaded to the DSA Scotland study group webpage (www.devstud.org.uk) includes an overview of "The Role of Scottish Higher Education Institutes in International Development" prepared by Professors Hilary Homans and Peter Holmes for a Post-2015 Conference organised by CIFAL, Scotland and NIDOS in Glasgow held in early April 2014.

The Strathclyde International Development Network is the most recent of the multi-objective frameworks introduced by Scottish universities. Further information, in addition to the comprehensive content of the presentation given by Janey Andrews, is available from the Strathclyde University website (<http://www.strath.ac.uk/internationaldevelopment/internationaldevelopmentnetwork/>). Following Janey's presentation Professor John Briggs, Chair of Glasgow University's Glasgow Centre for International Development (GCID – <http://www.gla.ac.uk/research/az/gcid/>), enlarged upon the rationale and experience with GCID, which has broader and somewhat more ambitious objectives than the Strathclyde network. Other approaches have been developed in Scottish universities with varying objectives and breadth – including Edinburgh's Global Development Academy (<http://www.ed.ac.uk/schools-departments/global-development>), Aberdeen's Centre for Sustainable International Development (<http://www.abdn.ac.uk/sustainable-international-development/>) and Dundee's international webpage (<http://www.dundee.ac.uk/international/>).

During the session concerning 'DSA Scotland Governance' there was a well-attended discussion about the broadening of the decision-making core of the 'DSA Study Group', about a number of potential new initiatives, and about the location of the next two 'Annual Meetings'. This discussion is reported in a separate document which will be circulated around the DSA Scotland distribution list, as well as being transmitted to the DSA UK and Ireland Officers and Council members.



The day's programme was as follows:

10.00 – 10.30 am Coffee and Preliminary Networking

Welcome to Participants – Dr Mozammel Huq (Convenor, DSA Scotland)

10.30 am – 12.00 noon First set of presentations

- o Samuel Mwaura – Innovation, innovation and firm-level productivity growth: a new Schumpeterian exposition applicable in a development context
- o Michael Tribe – International Aid and Tanzania's Recent Development
- o Mozammel Huq – State Role in Welfare in Developing Countries: A Case Study of Bangladesh

12.00 noon – 1.30 pm

- > The Strathclyde International Development Network and the role of Scottish Universities in International Development – Presentation and discussion
- > Presentation by the DFID Research and Evidence Division

1.30 – 2.30 pm Buffet Lunch and Networking

2.30 – 4.00 pm

Parallel Session 1

- o Erven Lauw (University of St Andrews) – Gender Inequality, Corruption and Economic Development
- o Qamarullah Bin Tariq Islam (University of Glasgow) – Excess Liquidity and Financial Liberalization: A Case Study of the Bangladesh Banking Sector
- o Twyefur Rahman and Robert Wright (University of Strathclyde) – Micro-credit and Poverty: The Role of Programme Placement Bias

Parallel Session 2

- o Anuj Kapilashrami (Queen Margaret University) – Global governance and accountability for Global Health: A view from below
- o Isabelle Uny – (Queen Margaret University) – The effects of redefining the role of Traditional Birth Attendants: multi-actor perceptions from Malawi
- o Philippe LeMay-Boucher (Heriot Watt University) – Facing Misfortune: Expenditures on Magico-Religious Powers for Cure and Protection in Benin

4.00 – 4.30 pm The Governance of DSA Scotland

4.30 – 5.00 pm Tea/Coffee, Networking, Depart

Most of the presentations will be available for downloading from the DSA Scotland part of the Study Groups section of the DSA website (www.devstud.org.uk). The abstracts follow:

Abstracts

Innovation, ennovation and firm-level productivity growth: a new Schumpeterian exposition applicable in a development context

Samuel Mwaura

Hunter Centre for Entrepreneurship, Strathclyde Business School, University of Strathclyde

Abstract: Data and methodological difficulties are often blamed for the obscurity surrounding our understanding of innovation and its contribution to productivity growth. This paper however argues that it is instead the conceptualisation of innovation that remains obscure. Indeed, empirical research espousing conventional economic theory conceptualises innovation either as unexplained “technical progress” or as “knowledge capital” emanating from investments in research and development. In turn, popular conceptions of innovation highlight subjective impressions of originality. Although the Oslo Manual and new data now underscore the implementation of novelty as the definitional criteria, innovation research remains fettered by conceptual and methodological predicaments that result in various research biases, paradoxical findings and contradictory inferences. In particular, in low R&D contexts in developing countries, innovation research is frequently hamstrung by uncertainties regarding what actually counts as innovation at the firm level. This paper critically reviews the extant conceptualisations of innovation and knowledge capital and adopts the original Schumpeterian insight that it is the “carrying out of new combinations” that engenders growth to elaborate three dimensions of knowledge and develop a new readily operationalisable structural framework that traces the role of innovation, knowledge and new combinations in the pedigree of productivity growth. An alternative concept termed ennovation is preferred to designate actual changes (new combinations) in production. Innovation may therefore be reserved to denote the narrower phenomenon of devising novelty and the novel formulations (prototypes) thereof such that while all entities ennovate, only a few innovate. Illustrative findings from a survey of small garments firms in Nairobi Kenya are presented.

International Aid and Tanzania's Development

Michael Tribe

Department of Economics, University of Strathclyde

Abstract: The paper on which the presentation is based establishes profiles for Tanzanian inflows of Official Development Assistance (ODA) relative to other international inflows and associated outflows in comparison with Ghanaian and Ugandan data. ODA is broken down by categories (including development aid, emergency/humanitarian aid, and Debt Relief), by sectors (including economic infrastructure, social infrastructure and directly productive activity) and by major international donor. Some comparison is attempted with charitable aid (including international NGOs and significant philanthropists) and with remittances. The ODA inflows are compared with Tanzanian exports/imports and with government expenditure. A range of contemporary documentation and literature relating to Tanzanian aid is reviewed briefly. In discussion an attempt will be made to relate the data presented and the literature reviewed to recent controversies over the role, impact and effectiveness of ODA in the African context.

State Role in Welfare in Developing Countries: A Case Study of Bangladesh

Mozammel Huq

Department of Economics, University of Strathclyde

Abstract: Over the last two or three decades, in developing countries one witnesses the emergence of a programme of social safety-nets (SSNs) for attacking poverty. Although it started in a big way especially in Latin America, it is spreading fast perhaps because of the spread of democracy and also the pressure felt from the international organisations such as the UN and the World Bank. In this paper, we would like to view the state role in welfare measures as it has been emerging in developing countries, using Bangladesh as a case study. It is apparent that the SSN programmes are now firmly established in Bangladesh, with a vast range of such programmes numbering over 90 individual ones – directed, for example, at destitute women, poor old people, the disabled, and the unemployed. The sector appears to have attracted a lot of interest from the researchers, thus generating an extensive range of studies (see. e.g., World Bank 2006 and 2011; Khuda 2011; Rahman and Choudhury 2012; and Rahman et al 2014). However, a close analysis shows that, as a percentage of GDP, Bangladesh was spending a significantly low amount, less than 1% of GDP during the late 1990s and the early 2010s. Although the corresponding figure has now increased in recent years (to around 2.5%), it is still on the low side. Understandably, the main focus is on attacking extreme poverty, perhaps as a short and medium-term policy objective especially given the urgency to eradicate such extreme poverty which is currently estimated to cover some one-quarter of the total population. However, a country such as Bangladesh keen on achieving equity in income distribution, while pursuing a capitalist mode of development, obviously, needs to emphasize its long-term vision of a comprehensive welfare policy with the state playing a strong co-ordinating role with two main components: first, raising government expenditures on welfare provisions as a percentage of GDP and, secondly, improving the administration of such welfare measures. In conclusion, the capacity of the state needs to be significantly strengthened, thus enabling it to play an effective role not only to maintain a strong competitive market economy helping to keep improving the resource allocation, but also to help achieve equity in income distribution with carefully selected (and also well administered) welfare measures.

Excess Liquidity and Financial Liberalization: A Case Study of the Bangladesh Banking Sector

Qamarullah Bin Tariq Islam

University of Glasgow

Abstract: One of the main aims of the financial liberalisation hypothesis was to remove credit control constraints. Different policies were prescribed for this with the ultimate objective that banks would be able to lend more which implies that there will be significantly less or no excess liquidity in the banking sectors. However, it has been observed that although the financial liberalisation started around 1990 for most of the developing economies, still there is substantial excess liquidity in the banking sector in these countries, including Bangladesh. This study attempts to see the relationship between financial liberalisation and excess liquidity along with investigating other possible determinants of excess liquidity. Additionally, various bank typologies are also included to see if there are any effects of bank-specific characteristics. Annual data of 37 banks have been used in this unconventional bank-level panel study for 1997-2011. An index of financial liberalisation has been used which combines the information of seven different dimensions, followed by another index of five dimensions for robustness, to identify more comprehensively the process of the financial liberalisation. Positive relationship confirms that the process of financial liberalisation has indeed increased excess liquidity in the banking sector. Results of various bank typologies show significant differences according to bank ownership and age.

Gender Inequality, Corruption and Economic Development

Erven Lauw

University of St Andrews, Department of Economics

Abstract: We present a theoretical investigation of the effects of corruption on economic development when women are discriminated in the labour market. The analysis is based on a dynamic general equilibrium model in which capital accumulation drives economic development. The government appoints bureaucrats to administer public policy. Corruption may arise due to the opportunity for bureaucrats to embezzle public funds. In the event of detection and the resulting dismissal, the private sector serves as the bureaucrats' outside option. We base our analysis on wide existing evidence that women are more wage-discriminated in the private sector than in the public sector and therefore have a lower value of outside option than her male counterparts. Our main results can be summarised as follows: (1) female bureaucrats commit less corrupt acts than male bureaucrats as they have lower incentives to be corrupt than male bureaucrats; (2) corruption hinders economic development and economic development lowers the incidence of corruption; (3) corruption and poverty maybe permanent features of the economy; (4) a policy to increase female participation in the public sector potentially reduces corruption, fosters development and alleviates poverty.

Micro-credit and Poverty: The Role of Programme Placement Bias

Twyeafur Rahman and Robert Wright

Department of Economics

University of Strathclyde

Abstract: There is a popular view that micro-credit is an important policy tool for reducing poverty in low-income countries. Micro-credit is basically lending to poor people who do not have any collateral. Most micro-credit lending is based on a group-lending model, where the risk of default is spread across a group of borrowers—if one member defaults and then all members default. Despite the growth in micro-credit, the empirical evidence is mixed about whether it has a long-run poverty reducing effect. Numerous methodological and statistical problems arise when one is trying to evaluate the impact of micro-credit on poverty. This paper examines the issue of “programme placement bias”. If the placement of micro-credit branches is not random (which seems unlikely), then empirical studies of the poverty reducing effect of micro-credit are likely biased. However, the direction of this bias is unknown—programme placement bias could lead to an over-estimate or an under-estimate of the true relationship. Data from 2,936 micro-credit branches of the ASA Bank in Bangladesh is used to explore this issue.

Global governance and accountability for Global Health: A view from below

Anuj Kapilashrami

Institute for International Health and Development, Queen Margaret University, Edinburgh

Abstract: The recently proposed Framework Convention on Global Health comes amid wider recognition of growing health inequalities within and across nations and follows several recent calls for improved governance and greater democratisation of the world order. The framework suggests wider consensus on principles of human rights, equity and justice in addressing global health, and claims a watershed moment in policy approaches on global governance. Against this backdrop, this paper presents an overview of the shifting discourses in global governance and its constituent actors and mechanisms. The discourse is examined through a review of- first, the operations of global health actors, particularly global health initiatives and, second, the universal application of global ‘ideas’ and ‘innovations’ (of free health coverage and systems strengthening) in the last two decades. The key argument that the paper puts forward is that global prescriptions on values and ideas such as participation, human rights, and accountability have tended to ignore local understandings and ways of ‘doing’. Such a ‘view from above’ discounts patterns of power, brokerage and patronage that undermine processes that can empower communities, and the role of ‘values’, ideas and moral agency that shape provider-citizen relationships at the level of systems. Moreover, gross inequalities and unequal distributional effects of current global political and economic environment do not create a level playing field for nation states with varying capacities to translate these principles into practice. After discussing the limitations of such global norms in improving health governance and realising the right to health I present a preliminary account of strengthening ‘governance from below’ that aims to facilitate local ideas and action. Through a case study on the People’s Health Movement in India I illustrate locally driven processes that support a rights-based approach and build local accountability. In contrast to integrating global principles and norms within national and local institutions, I argue that it is these processes that need to be facilitated and strengthened in order to address the current global health crisis.

The effects of redefining the role of Traditional Birth Attendants: multi-actor perceptions from Malawi

Isabelle Uny

Institute for International Health and Development, Queen Margaret University, Edinburgh

Abstract: Traditional Birth Attendants (TBA) are non-formally trained, community-based providers of care during pregnancy and birth. The effectiveness of decades of training TBAs to reduce maternal mortality has been extensively researched and debated. The late 1990s demise of the TBAs coincided with the WHO shift in focus towards promoting skilled birth attendants (SBA) presence at every delivery. In 2007, in Malawi, in a radical move, the Government banned TBAs from conducting deliveries, based on its own assessment of the ineffectiveness of TBA training in improving maternal outcomes, and WHO recommendations. However, the downsizing of TBAs' roles is complicated by the enduring lack of adequate facilities and SBAs available to pregnant women, and the negative experiences women sometimes have in facility-based deliveries. In this novel qualitative study, forty four in-depth interviews and twenty one focus group discussions were conducted in three rural areas of Central and Southern Malawi, to explore perceptions of the TBAs redefined role from the perspectives of TBAs themselves, SBAs, women, men, and other stakeholders. Initial analysis, using grounded theory methodology, shows various understandings of the redefined roles of TBAs, explores the perceived effects of the ban and articulates concerns over the current lack of linkages between TBAs (traditional health system) and SBAs (formal health system), both of whom serve women maternal health needs. Although mortality is steadily reducing in Malawi, this study calls for a more qualitative look at the context and consequences of such a policy shift.

Facing Misfortune: Expenditures on Magico-Religious Powers for Cure and Protection in Benin'

Philippe LeMay-Boucher

Department of Economics, Heriot Watt University

Abstract

The importance of magico-religious expenditures within Beninese households. We focus on magico-religious powers used to cure and protect one-self or relatives against negative health shocks and other misfortunes. Our questionnaire elicits information on expenditures on magico-religious diagnosis, prevention and treatment in the 12 months prior to our survey. Far from being anecdotal, our data show that out of the 178 households in our sample, 48% have declared some magico-religious expenditures. For these household heads, these expenditures represented on average 5.6% of all expenditures. Using an econometric analysis, we test several conjectures that can be found in the relevant literature as to what variables drive magico-religious expenditures. We find that the main determinants are economic success and tensions within the family and that economically successful agents resort to magico-religious expenditures as a substitute for transfers to acquaintances and relatives in dealing with redistributive pressures.

Participants

Mark Adams – Scottish Catholic International Aid Fund (SCIAF)

Dr Jane Andrews – International Development Network, University of Strathclyde – presenter

Mike Azu-monye – Economics & International Business, Glasgow Caledonian University – Graduate Student

Funda Bozkaya – School of Social and Political Sciences, Glasgow University – Doctoral Research Student

Professor John Briggs – Glasgow Centre for International Development, University of Glasgow

Professor Arnab Bhattacharjee – Department of Economics, Heriot Watt University – Chairperson Parallel Plenary 2

Sue Campbell – International Development and Public Health, Open University

Eileen Cook – Scottish Rural College, Edinburgh

Peter Dauenhauer – Department of Electrical and Electronic Engineering, University of Strathclyde

Damien Frame – Department of Electronic and Electrical Engineering, University of Strathclyde

Dr Mozammel Huq – Department of Economics, University of Strathclyde – Convenor, DSA Scotland, Chairperson Parallel Plenary 1 – presenter

Qamarullah Bin Tariq Islam – Department of Economics, University of Glasgow – Doctoral Research Student – presenter

Ramlee Ismail – Sultan Idris Education University, Malaysia – Visiting Professor, Department of Economics, University of Strathclyde

Dr Anuj Kapilashrami – Institute for International Health and Development, Queen Margaret University, Edinburgh – Chairperson morning session – presenter

Sue Kinn – Head of Research for Health and Education, Department for International Development - presenter

Dr Andżelika Kuźnar – Warsaw School of Economics – Visiting Scholar, Department of Economics, University of Strathclyde

Erven Lauw – School of Economics and Finance, University of St Andrews – Doctoral Research Student – presenter

Dr Philippe LeMay-Boucher – School of Management & Languages: Accountancy, Economics and Finance, Heriot Watt University – presenter

Malcolm McNeil – Senior Health Advisor, Research for Health and Education, Department for International Development – presenter

Dr Samuel Mwaura – Hunter Centre for Entrepreneurship, University of Strathclyde - presenter

John Penlington – Economics & International Business, Glasgow Caledonian University

Anastasia Petrova – Economics & International Business, Glasgow Caledonian University – Graduate Student

Twyeafur Rahman – Department of Economics, University of Strathclyde – Doctoral Research Student – co-presenter

George Rawlinson – Solas Educational Trust

Professor John Struthers – Business School, University of the West of Scotland

Dr Michael Tribe – Department of Economics, University of Strathclyde – Chairperson International Development Networks/DFID session - presenter

Isabelle Uny – Institute for International Health and Development, Queen Margaret University, Edinburgh - presenter

Professor Robert Wright – Department of Economics, University of Strathclyde – co-presenter