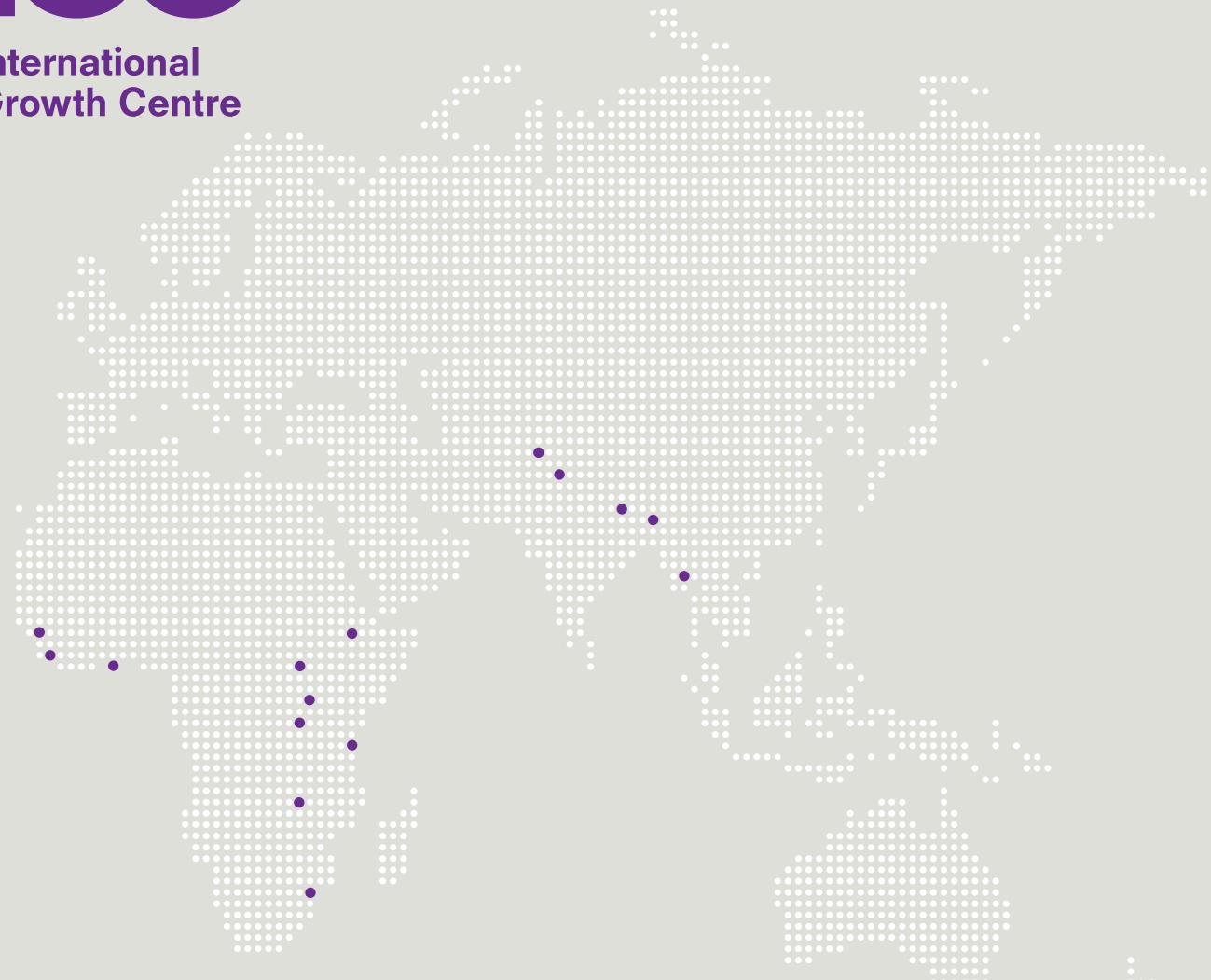


IGC

International
Growth Centre



Our work

www.theigc.org

DIRECTED BY



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This booklet aims to provide a flavour of our work.
Much more is available online at www.theigc.org



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ABOUT IGC

The International Growth Centre (IGC) aims to promote sustainable growth in developing countries by providing demand-led policy advice based on frontier research.



We contribute to improving policy and strengthening policymaking in our partner countries while increasing knowledge of what drives growth in developing countries and the implications for policy.

This focus stems from our belief that many of the key growth challenges facing developing countries are poorly understood and that developing appropriate policies requires original research, not just knowledge transfer.

The unique structure of the IGC, which combines a global network of world-leading researchers with a set of in-country teams committed to sustained, high level policy engagement in our partner countries, has made possible a new approach that is neither supply-driven research nor demand-driven consultancy, but a collaborative approach emphasising the co-generation of knowledge by

researchers and policymakers. This co-generation approach brings researchers and policymakers together to identify and explore the research questions that underlie policy challenges. Within the IGC model this happens both indirectly, with country teams as intermediaries, and directly, with researchers working with policymakers.

Perhaps the most obvious motivation for this collaborative approach is that researchers have an imperfect knowledge of the policy context – hence the limitations of a pure supply driven model. Researchers therefore need to be embedded in the country context and the IGC country offices provide that connection. But co-generation is also important because policymakers lack the full understanding of the state of economic knowledge necessary to identify the fundamental research questions (the real ‘unknowns’) underlying the policy problems they

face. Moreover, this collaborative approach helps to embed research projects into the policymaking processes and to enhance stakeholder-buy in, increasing the likelihood of the take up of policy recommendations.

By connecting the worlds of frontier research and policymaking more directly, the IGC creates value both in more effective growth policy at the national level but also in knowledge creation that expands the global knowledge base on how to create policies that are effective in generating growth and reducing poverty.

1027 academics

650 projects

115 events

15 programmes

14 countries

COUNTRY PROGRAMMES

The IGC aims to build long-term relationships with the governments and other decision-makers it assists.



The IGC has 14 partner countries; 10 in Africa (Ethiopia, Ghana, Liberia, Mozambique, Rwanda, Sierra Leone, South Sudan, Tanzania, Uganda, Zambia) and four in South Asia (Bangladesh, India, Myanmar and Pakistan). India has two regional programmes – Central and Bihar. We have also worked in other countries where we have responded to specific government requests for advice such as Malawi, Afghanistan and Sri Lanka.

The IGC aims to focus its research within four main research themes: state, firms, cities and energy. These themes constitute the most critical areas for ensuring the continued growth of these developing countries in the future: accountable and able governance, effective and competitive firms, well-functioning and productive cities, and reliable and high-quality energy services. The IGC works with researchers based in our partner countries and with those based in leading universities across the world. The IGC has now completed

over 650 research projects and held more than 115 events, both in-country and from our research programme.

The IGC sustains relationships with decision-makers throughout Africa and South Asia, and works with a range of partner institutions, including central banks, planning agencies, industry ministries, tax offices and revenue authorities, NGOs, and statistical agencies.

Our country programmes are led by Country Directors working with dedicated Lead Academics, supported by locally-based Country Economists.

Country offices allow the IGC to be distinctive among international research initiatives in sustaining long-term policy engagement, and helping to ensure our work can be demand-led; they facilitate our work with partners, and deepen sensitivity to the political economy of policymaking.

In addition to partner country-focused work, the IGC has engaged in countries as varied as Malawi, Guinea and Lagos state in Nigeria, as well as with the five central banks of the East African Community on the convergence of monetary policy towards the goal of a currency union. In 2013–14, the country programmes delivered 60 country projects, research papers and policy briefs; 36 shorter, 'rapid response' pieces and held 60 events.



01 BANGLADESH

02 ETHIOPIA

03 GHANA

04 INDIA – BIHAR

05 INDIA – CENTRAL

06 LIBERIA

07 MOZAMBIQUE

08 MYANMAR

09 PAKISTAN

10 RWANDA

11 SIERRA LEONE

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13 TANZANIA

14 UGANDA

15 ZAMBIA



01 EGGPLANT FARMER IN
BANGLADESH (BRAC)

02 ADDIS ABABA, ETHIOPIA
(DREAMSTIME)

03 TANKERS IN BANGLADESH
(DREAMSTIME)

04 AGBOGbloSHIE, IN ACCRA
GHANA, IS THE SECOND LARGEST
E-WASTE PROCESSING AREA IN
WEST AFRICA (CREATIVE COMMONS)

05 A CROWDED TRAIN IN INDIA
(DREAMSTIME)



BANGLADESH

The focus of the IGC Bangladesh programme is on firm capabilities, export competitiveness and diversification, infrastructure and urbanisation, state effectiveness and food security.



The IGC Bangladesh Office is hosted by the BRAC Institute for Governance and Development (BIGD) in Mohakhali.

The work programme has been developed in response to long-standing policy questions. For example, the findings of two IGC studies have highlighted the importance of parental involvement and of community-level interventions in providing extra hours of tuition to improve the quality of schooling. Such evidence has encouraged education policymakers in the government to rethink the role of out-of-school tuition particularly for children from underprivileged families in the recently framed National Education Policy.

Similarly, the findings of an IGC study on the economic costs of arsenic contamination of groundwater in Bangladesh helped to create a new kind of awareness about the severity and extent of the problem. Policymakers are well aware of the health risks of the problem, but the IGC study is the first of its kind to show the severe economic costs arising from

the physical disabilities caused from arsenic poisoning. Apart from sensitising policymakers to invest more in the provision of safe water in rural areas, the dissemination of the study findings has proved useful in creating greater awareness of this issue among other stakeholders and the general public.

IGC Bangladesh has also been collaborating with the National Bureau of Revenue on an ongoing experimental research project studying social recognition as a tool to increase tax revenue, by attracting informal enterprises into the VAT 'net.' IGC Bangladesh has also produced "An Evaluation of the Tax System in Bangladesh", an extensive assessment of the different sources of tax revenues for Bangladesh, at the request of the NBR.

COUNTRY DIRECTOR

SULTAN HAFEEZ RAHMAN

COUNTRY POLICY ADVISOR

WAHIDUDDIN MAHMUD

LEAD ACADEMICS

FAHAD KHALIL (UNIVERSITY OF WASHINGTON),

MUSHFIQ MOBARAK (YALE UNIVERSITY)

ETHIOPIA

The IGC programme in Ethiopia focuses on industrial policy and the rural economy.



IGC Ethiopia's institutional partner is the Ethiopian Development Research Institute, which is directed by the Chief Economic Advisor to the Prime Minister.

COUNTRY DIRECTOR
ALEMAYEHU SEYOUN TAFFESSE

COUNTRY POLICY ADVISOR
WAHIDUDDIN MAHMUD

LEAD ACADEMICS
PRAMILA KRISHNAN
(UNIVERSITY OF CAMBRIDGE),
DOUGLAS GOLLIN (UNIVERSITY OF OXFORD)

IGC Ethiopia's work encompasses agricultural innovation, the functioning of rural input and output markets, the structure of the rural finance system and the interaction of the agricultural sector with the rest of the economy, as well as industrial policy. The Enterprise Map of Ethiopia – completed in 2010 – initiated a long running dialogue with senior members of the Ethiopian government (and within the Ethiopian government) on the implications of the IGC work on firm capabilities for the design and conduct of Ethiopia's Investment Commission (EIC). In 2012–13 the IGC (through John Sutton, LSE) closely worked with the EIC to better attract and maintain FDI initiatives. A two-year roadmap has been developed, where the EIC will engage in proactive relationship building with firms.

A project by Jan-Willem Gunning (Free University of Amsterdam), Pramila Krishnan (IGC Ethiopia and University of Cambridge) and Douglas Gollin

(IGC Ethiopia and University of Oxford) focuses on market development and integration and the depth of consumer goods markets, providing insight into the links between sectors and the incentives for increased investment and productivity in both agriculture and industry.

IGC Ethiopia is also working to provide impactful advice on labour market policies, especially as they relate to youth unemployment and technical and vocational education. The former features the work of Simon Quinn, Stefano Caria, Paolo Falco, Simon Franklin (all CSAE and Oxford), and Girum Abebe (EDRI).

GHANA

The IGC Ghana programme focuses on state capabilities, macroeconomic stability, human capital, firms and private sector development and energy.



The IGC Ghana office is hosted by the Institute of Statistical, Social and Economic Research (ISSER) at the University of Ghana, Legon.

In Ghana, IGC research has contributed to the management of natural resource revenue and the macroeconomy, human capital development and firm productivity. The launch of John Sutton (LSE) and Bennet Kpentey's (Sync Consult) Enterprise Map of Ghana, has generated new interest by policymakers, entrepreneurs, academics and civil society in understanding the dynamics of growth and survival of enterprises in the country. IGC Ghana's recently completed projects include: Growth revisions and fiscal management in Ghana; Imperfect information and school choice in Ghana; Managing the macroeconomy in an oil rich country; Tertiary education and industrial development in Ghana; Natural resources, institutions and foreign direct investment; and Private sector development and governance in Ghana.

IGC Ghana has also recently held successful seminars for both policymakers and academics on Linking Research to Policy, aimed to extract policy recommendations from frontier economic research for the Ghana context. IGC Ghana also responded to a request from the Trade Union Congress (TUC) of Ghana to seek clarity on pertinent macroeconomic issues in Ghana by holding the IGC-Ghana Macroeconomic Forum, facilitating policy discussions between the TUC, the Bank of Ghana and the Ministry of Finance. IGC Ghana also recently held Africa Growth Forum 2014 in Accra, one of the IGC's annual regional events.

COUNTRY DIRECTOR

NIIK SOWAH

COUNTRY CO-CIRECTOR

SAM MENSAH

LEAD ACADEMICS

CHRIS UDRY (YALE UNIVERSITY)

INDIA-BIHAR

The IGC India-Bihar Programme works in close coordination with senior policymakers and bureaucrats of the Government of Bihar.



The Asian Development Research Institute in Patna is the IGC's partner institution in Bihar.

COUNTRY DIRECTOR
ANJAN MUKHERJI

COUNTRY CO-DIRECTOR
SHAIBAL GUPTA

LEAD ACADEMICS
MAITREESH GHATAK (LSE),
ROHINI SOMANATHAN
(DELHI SCHOOL OF ECONOMICS)

The India-Bihar programme focuses on the themes of (1) Urbanisation; (2) Industrialisation and Land Policy; (3) Human Capital; (4) Governance and Political Economy and (5) Economic Growth and the Environment. Since 2009, projects have been commissioned across numerous sectors including agriculture, education, fiscal policy, health, rural development, social welfare and water resources. These projects include evaluations of some of the Government of Bihar's flagship programmes: Mukhyamantri Balika Cycle Yojana (the Chief Minister's bicycle scheme for girls), Integrated Child Development Scheme, and the Nayi Pidhi Swathya Gurantee Yojana (Health Guarantee Scheme for young children). Besides evaluation of government schemes, recent work has also focused on institutional reform of the water resources department, evaluating the role of ICT in improving learning outcomes in children, and setting commercial tax targets.

The IGC India-Bihar programme has also been instrumental in knowledge exchange between partner countries and convergence across country programmes. The Deputy Chief Minister of Bihar was invited by the President of Sierra Leone to speak at the Sierra Leone Conference on Development and Transformation. The Deputy Chief Minister's words aptly summarise the significance of this exchange: "I hope that sharing my experiences in Bihar will start a process of exchange of ideas between these two states that will be mutually beneficial and provide further impetus to our quest for building effective states."



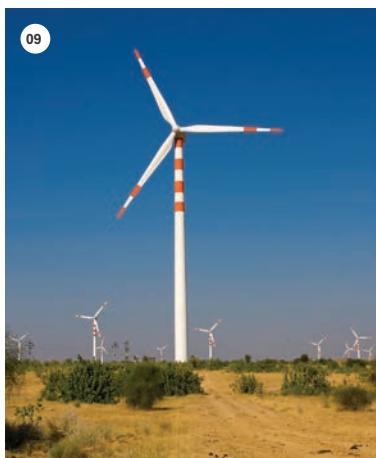
06 WATER POLLUTION IN INDIA
(DREAMSTIME)

07 TRANSPORT NETWORKS IN INDIA
(DREAMSTIME)

08 FACTORY IN LIBERIA (DREAMSTIME)

09 WINDFARM IN INDIA (DREAMSTIME)

10 POLIO VACCINATIONS FOR BABIES
IN INDIA-BIHAR (DREAMSTIME)



INDIA-CENTRAL

The IGC India-Central programme's focus areas include firm productivity growth, urbanisation, infrastructure, energy and state effectiveness (including macroeconomics, finance and human development).



The India-Central office in New Delhi is hosted by the Indian Statistical Institute.

IGC India-Central has commissioned over seventy projects in Phase I and Phase II of its operation under the focus areas. These projects provide analyses on a range of topics, including: the impact of third party auditing on environmental standards, the impact of female leadership on the quality of public goods, analysing the value of connections formed in elite colleges, seasonal effects of water quality on infant health, the impact of credit constraints on small firm growth, and the distributional effects of air quality legislation. Outputs from the programme also include rapid responses commissioned in response to direct requests from the government. Menzie Chinn (University of Wisconsin) provided an analysis on reserve currencies with special reference to the G-20 countries, Viral Acharya (New York University) examined the implications for India of changes in global financial regulatory regimes, and Maurice Obstfeld (University of California,

Berkeley) has reviewed the role of the Special Drawing Right as an international reserve asset.

In July 2012, the programme launched Ideas for India (www.ideasforindia.in) – an economics and policy portal created to be a source for evidence-based analysis and comment, and a common platform for debate on policy issues in India. Ideas for India has over 250 contributors, commenting on a range of issues including economic growth, poverty and inequality, health, education, environment, gender, infrastructure, urbanisation, political economy, land, labour, corruption, caste, macroeconomics, and finance. Since its launch, the portal has had on average close to 9,500 visits per month.

COUNTRY DIRECTOR

PRONAB SEN

LEAD ACADEMICS

DILIP MOOKHERJEE (BOSTON UNIVERSITY),
ESWAR PRASAD (CORNELL UNIVERSITY)

LIBERIA

The areas of focus for IGC Liberia are natural resource management for inclusive growth, strengthening state capabilities and improving governance and accountability, macroeconomic management to empower the private sector, and urbanisation.



Ongoing research projects include investigations of local firm-level success in winning large contracts, property tax compliance, and field experiments into security sector reform.

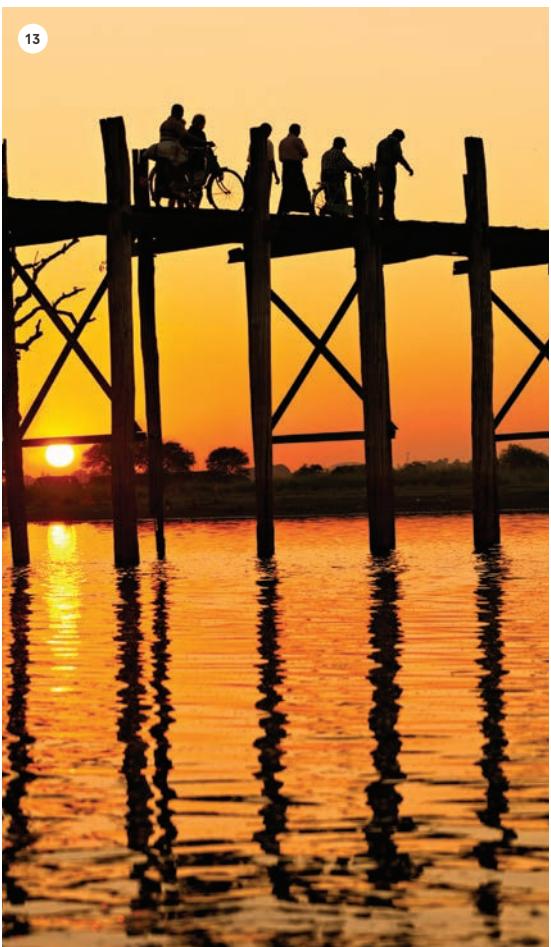
The IGC Liberia Programme was officially established in February 2013, although engagement with stakeholders in the Government, in the international donor community and in the private sector, started as early as 2011. Based in the Ministry of State without Portfolio, IGC Liberia has produced a series of government demand-driven response notes, multiple broader policy papers, engaged across a wide number of government agencies, and now has a strong research outlook looking forward.

Led by Eric Werker (Harvard), the IGC is seeking to provide an economic framework for management of natural resources that ranges from providing the right incentives for oil exploration and extraction, to capturing its value for the state through taxation and contracts, formulating rules for optimal allocation of these resources between current and future use, ensuring effective investment of these resources for accelerating economic transformation and growth,

and finally ensuring transparency and political accountability throughout the process. Other work includes a study of the role of the private sector in improving public sector education by Mounir Siaplay (IGC Liberia) and Eric Werker (Harvard Business School); a study that aims to estimate the poverty and government revenue effects of Liberia joining the Economic Community of West African States (ECOWAS) by Jaime de Melo (University of Geneva); a policy paper that studies the economics of the current land reform in Liberia, by Jean-Marie Baland and Jean Philippe Platteau (both University of Namur); a short study on the feasibility of the government's capital investment in building a reservoir for electricity generation, by Henry Lee (Harvard); and, a policy note that identifies current strengths and weaknesses of property tax administration and provides background on Liberia's recent history of real estate taxation and its current challenges, by Oyebola Olabisi (Harvard).

COUNTRY DIRECTOR
ERIC WERKER
(HARVARD BUSINESS SCHOOL)

LEAD ACADEMIC
JONAS HJORT
(COLUMBIA BUSINESS SCHOOL)



11 BUSY STREETS IN PAKISTAN
(DREAMSTIME)

12 FARMERS IN MYANMAR
(DREAMSTIME)

13 BRIDGE TO MANDALAY, MYANMAR
(DREAMSTIME)

14 AKOSOMBO DAM, GHANA
(JBDODANE, ON A CREATIVE
COMMONS LICENCE)

15 FARMER IN MOZAMBIQUE
(DFID CREATIVE COMMONS)

MOZAMBIQUE

The two main areas of focus for Mozambique are private sector development and state effectiveness.



The IGC's partner institution in Mozambique is the Ministry of Planning and Development.

Officially established in October 2010, the IGC Mozambique programme has effectively become integrated into the Mozambican policy sphere. In addition to work that has supported policy on agricultural productivity, the IGC has made a significant contribution to the National Development Plan and regulatory issues related to the topic of mobile money.

The IGC is currently supporting research projects that seek to investigate the impact of technology in increasing access to financial resources for both rural and urban communities. Given its novelty and potential, mobile money in Mozambique has prompted discussions in several policy circles, including at the Central Bank of Mozambique, on potential regulation innovations that can suit the specificities of mobile money services provided by private telecoms operations. The team is also supporting a cross-country project on monetary policy transmission.

Furthermore, the IGC Mozambique recently launched the book 'An Enterprise Map of Mozambique' by John Sutton (LSE). The book offers new insights into the state of industrial development in Mozambique. Finally, the IGC Mozambique programme is currently involved in projects aimed at (a) better understanding management practices in Mozambique's manufacturing sector, (b) establishing a detailed strategy and policy framework for the construction and building materials sector and (c) improving our understanding of girl's secondary school attendance.

In addition, the IGC Mozambique has recently commissioned projects including work by Sandra Sequeira (LSE), Julia Goldberg (Harvard) and Maggie McConnell (Harvard) on improving the quality of antenatal care in Mozambique, and another project by Christine Valente (Bristol) and Damien De Walque (World Bank) about preventing excess female school dropout.

COUNTRY DIRECTOR

CLÁUDIO FRISCHTAK

LEAD ACADEMICS

SANDRA SEQUEIRA (LSE),
PEDRO VICENTE (NOVA SCHOOL
OF BUSINESS AND ECONOMICS)

MYANMAR

IGC engagement in Myanmar contributes to several areas of economic reform implementation, focusing on governance, firm capabilities, public finance, and structural transformation.



IGC Myanmar has provided input to policymakers on topics from labour regulation to natural resource management.

As Myanmar enters a period of rapid change, the IGC's newest partner country is providing research and analysis to inform government policies. IGC Economists are aiding Myanmar's economic reform process through the development of new data sources and policy analysis in such areas as taxes and transparency, labour policies, electricity tariffs, fiscal decentralisation and export productivity. IGC Myanmar aims to build local research capacity and lay the groundwork for future frontier research through the IGC network.

The IGC Myanmar office is hosted by the Myanmar Development Resource Institute's Centre for Economic and Social Development (MDRI-CESD) in Yangon. MDRI-CESD is a local think-tank providing research and analysis to guide economic reform, poverty reduction and good governance in Myanmar. U. Myint is the Chairman of the Board of Directors of MDRI and is currently serving as the leader of Myanmar's Presidential Economic Advisory Team. Zaw Oo is the Executive Director of CESD and serves as an Economic Advisor in the Presidential Economic Advisory Team.

PAKISTAN

The IGC programme in Pakistan supports the federal and provincial governments and civil society via its analytical policy work on macroeconomic management and new growth initiatives, state capabilities, firm capabilities, urbanisation, and energy, each of which address particular policy challenges for economic growth.



The IGC office is hosted by the Lahore University of Management Sciences.

COUNTRY DIRECTOR
IJAZ NABI

DEPUTY DIRECTOR
NAVED HAMID

LEAD ACADEMICS
ASIM IJAZ KHWAJA (HARVARD UNIVERSITY),
ALI CHEEMA (IDEAS, CENTER FOR ECONOMIC
RESEARCH IN PAKISTAN)

IGC Pakistan continues to work on enhancing Pakistan-India trade, improving forecasting at the State Bank and improving overall economic planning at the provincial and federal level. IGC Pakistan is supporting the Khyber Pakhtunkhwa (KP) government to develop a framework for growth for the next five years. Furthermore, IGC efforts are also focused on tackling critical challenges facing the provincial state, in particular on security, effective policing and law & order; incentive and accountability reform in the civil bureaucracy; and modernising public sector procurement, accountability and delivery through the adoption of information-based and technological innovations. IGC closely engages with the Federal Board of Revenue (FBR) by working in areas of personal income tax, customs and sales tax and the provincial excise departments and by building on our rigorous research in the area of building effective incentives for

tax collection. Our work on improving the productivity of the garments sector has also gained policy momentum as the Chief Minister of Punjab fully endorsed the project's findings and recommendations and set up an implementation plan. With regard to urbanisation, with the uptake of large infrastructural developments (rapid bus transit systems and ring roads) in cities such as Lahore, IGC work will help to understand the implications of these mega projects on the economy. Our work will try to answer questions about the impact of rapid urbanisation on both rural and urban poverty (such as slum dwellers), on socio-economic hierarchies and on provision of social service delivery and access to public goods across urban cities. Lastly, looking forward, IGC Pakistan will engage with policymakers in tackling financially viable energy provision, and governance challenges to improve energy wastage.

RWANDA

The IGC Rwanda focuses on four areas of work: trade and diversification, agriculture, infrastructure, and macroeconomics/finance.



In the macroeconomics portfolio, IGC Rwanda has provided analytical work in support of the Ministry of Finance and Economic Planning's agenda on tax reform.

The IGC has undertaken work on trade policy within the East African Community (EAC) with Jaime de Melo (University of Geneva) outlining ways in which Rwanda might improve the benefits from EAC integration, and Garth Frazer (University of Toronto) analysing the impact of the common external tariff on trade and poverty. Two further trade and diversification projects, examining Rwanda's agribusiness and manufacturing sectors, and an in-depth study of Rwanda's recent export performance, were launched in July 2012 at a conference chaired by the Minister of Trade and Industry. The studies highlight the importance of large regional conglomerates and the potentials of the Burundi and Democratic Republic of Congo markets as stepping stones for increased exports.

In support of the government's effort to increase agricultural productivity, the IGC in partnership with Rwanda's Institute of Policy Analysis and Research carried out an evaluation of the 'One Cow per Poor Family' (Girinka) programme. IGC Rwanda

has also completed a census of coffee washing stations in Rwanda to produce the first comprehensive study of the role of competition and productivity across the sector. At the request of the government, the IGC has provided detailed comments and suggestions on the proposed draft law surrounding public-private partnerships and contract renegotiation. IGC Rwanda has also produced work in the area of telecommunications regulation.

In the macroeconomics portfolio, IGC Rwanda has provided analytical work in support of the Ministry of Finance and Economic Planning's agenda on tax reform. This includes work on the revenue implications of a flat tax, possible changes to the personal income tax, mining taxation, and the effectiveness of new technologies to improve tax administration (e.g., electronic billing machines). On the monetary side, the IGC is undertaking work in collaboration with the National Bank of Rwanda (BNR) to develop its macroeconomic modelling.

COUNTRY DIRECTOR
RICHARD NEWFARMER

LEAD ACADEMIC
ANDREW ZEITLIN (GEORGETOWN UNIVERSITY)



16



17



18



19



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21

20 SOUTH SUDANESE STUDENTS SIT FOR SCHOOL EXAMS (WWW.FLICKR.COM/PHOTOS/UN_PHOTO/14794312765 CREATIVE COMMONS LICENCE)

21 MOBILE CHARGING STATION IN RWANDA (DREAMSTIME.COM)

SIERRA LEONE

IGC Sierra Leone provides policy advice based on frontier research in the areas of strengthening state capabilities and improving governance and accountability, improving firm productivity and the efficiency of internal trade, and energy.



The IGC is hosted by
Centre for Policy Studies
at the University of
Sierra Leone.

The broad purpose of the country programme is to support implementation of national development strategies, such as the country's 'Second Poverty Reduction Strategy', the 'Agenda for Change' and a new development strategy, the 'Agenda for Prosperity'. One of the main messages stemming from our work is that rapid economic growth in Sierra Leone will require tremendous improvements in governance and economic management.

A substantial body of work is underway in Sierra Leone on ways to improve governance and accountability. For example, a study by Katherine Casey (Stanford) and others, found that screening debates between rival MP candidates in the run up to the general election increased voters' knowledge about and engagement with politics and policy issues and increased voting for the "winner" of the debate. The latter is important because a high degree of regional or ethnic based voting means that most constituencies in Sierra

Leone are not competitive, which reduces the accountability of elected officials. With regard to economic management, the IGC is closely engaging with the Bank of Sierra Leone to help understand the monetary policy transmission mechanism, management of the exchange rate in the context of increased and lumpy capital inflows and the extent of financial inclusion in Sierra Leone. Furthermore, the IGC is also advising on fiscal regimes for natural resource management and cross-country cooperation in the Mano River Union. On the firm productivity area, our work focuses on the agriculture sector and the interaction with infrastructure, finance, and technology. Findings have highlighted the important role of intermediaries in determining quality of and access to credit and quantifying the importance of infrastructure in lowering staple crops prices by reducing transport costs. Lastly, IGC Sierra Leone will help the government tackle key issues in energy provision.

COUNTRY DIRECTOR

HERBERT M'CLEOD

LEAD ACADEMIC

RACHEL GLENNERSTER (J-PAL – MIT)

SOUTH SUDAN

IGC work in South Sudan is structured around three main areas that will assume a new importance once effective governance is restored: responding to crisis; managing natural resources; and addressing isolation, diversification and job creation.



With the outbreak of civil war in December 2013, the IGC programme has been forced into hiatus and substantially reduced activity.

The IGC South Sudan programme was established in January 2012 and due to the need to address the oil export shutdown and lingering hostilities with the north, the IGC is responding to the government's expressed interest in analysis of near-term policy based upon lessons from international experience with post-conflict countries.

Among other activities, in July 2012, the IGC sponsored the attendance of a South Sudanese delegation to a region-wide conference on Monetary Policy in Kigali, co-sponsored with the Bank of Rwanda, the IMF and the IGC. A workshop in August 2012 entitled 'From Crisis to Opportunity' with Alan Gelb (Center for Global Development) and Adnan Khan (IGC and LSE) resonated well with the numerous government attendees and set the stage for the

successful start of the IGC country programme. In September 2012, the former Deputy Governor of the Bank of Botswana, Keith Jefferis, also visited the Bank of South Sudan for an IGC workshop about monetary policy. In April 2013 the IGC held a Growth Forum on trade and diversification with Jaime de Melo (University of Geneva) and Richard Mshomba (LaSalle University), among others.

Also, due to the need to respond directly to policy issues, IGC South Sudan has commissioned a series of policy briefs on topics including macroeconomic management in a mineral-rich economy, South Sudan's accession to the East African Community, and public-private partnership reform agendas.

COUNTRY DIRECTOR
RICHARD NEWFARMER

DEPUTY DIRECTOR
PETER BIAR AJAK

LEAD ACADEMICS
NADA EISSA (GEORGETOWN UNIVERSITY)

TANZANIA

IGC Tanzania aims to provide high-quality, independent and demand-led research to support growth policy in Tanzania. We deliver and support work by world-leading academics, with a particular focus in the areas of macroeconomic management, firm capabilities, urbanisation and natural resources.



The Bank of Tanzania is one of IGC Tanzania's closest research partners, and also its host institution.

The IGC offers policy makers, researchers and civil society in Tanzania something unique. For the past six years we have carried out demand-driven, independent research by world-class economists – usually in partnership with local researchers – focused on some of the most critical constraints to Tanzania's future growth. And, together with such partners as the Bank of Tanzania and the President's Office Planning Commission, we have continued beyond research, helping to move from analysis to action.

IGC Tanzania's office is hosted by the Bank of Tanzania (BoT), reflecting strong support from Governor Benno Ndulu and close ongoing collaboration with the BoT. Work on macroeconomic management – which to date has included research into poverty reduction, structural transformation, preparation for monetary union, inflation and fiscal strategy – remains a key focus of IGC Tanzania's programme.

Further core areas of focus have emerged over time, to include firm capabilities, urbanisation, and energy. This has followed extended consultation with policymakers, think tanks, academia, business groups and civil society, and as demand for IGC's work has broadened and our network of stakeholders widened accordingly. Key work conducted in these areas has included research into industrial capabilities, land titling, rural-urban migration and preparation for natural gas.

Reflecting requests from policymakers and key growth challenges faced by Tanzania, ongoing IGC Tanzania projects include research into domestic revenue mobilisation (as part of a research programme in collaboration with IGC's country offices elsewhere in the EAC), the determination of the exchange rate, the productivity of firms, improving engagement with foreign investors, and managing the process of urbanisation within Tanzania.

COUNTRY DIRECTOR
JOHN PAGE

LEAD ACADEMIC
CHRISTOPHER ADAM
(UNIVERSITY OF OXFORD)



22 BUSY STREETS IN UGANDA
(DREAMSTIME)

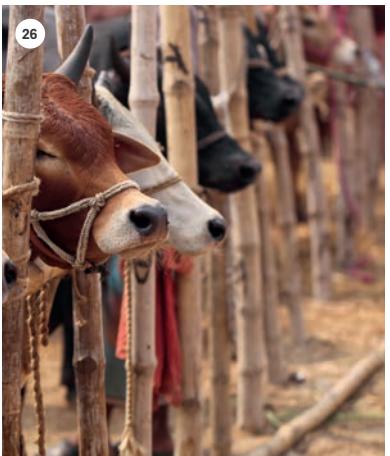
23 NEW BUILDING PROJECTS IN TANZANIA

24 MAKING GLASSES IN ARUSHA
(ROMAN BOED ON A CREATIVE
COMMONS LICENCE)

25 BORDER CROSSINGS IN ZAMBIA
(DREAMSTIME)

26 LIVESTOCK FARMING (DREAMSTIME)

27 DARES SALAAM, TANZANIA
(DREAMSTIME)



UGANDA

The IGC Uganda work programme focuses on managing resources for growth, promoting regional integration and improved monetary management, investing in people to raise incomes and inclusive growth.



The IGC country office is hosted by the Research Department of the Bank of Uganda.

The Uganda country programme is one of the latest IGC programmes and was launched in the first quarter of 2012. The work programme has been developed through extensive discussions with various government partners.

Specific research and analytical work has focused on monetary transmission mechanisms, incorporating natural resource management into a fiscal strategy for growth, and promoting regional integration through improved monetary management. In public sector work, the programme has launched work on incentives for teachers, capital budgeting that incorporates consideration of operations and maintenance costs, and on the integration of public investment strategies into medium term macroeconomic planning. Research is ongoing in the areas of raising agricultural productivity through improved technology as well

as exploring productivity through the gender lens. A poverty dynamic analysis covering 2006–12 is being concluded. The IGC is also undertaking a major evaluation of the effectiveness of a large government cash transfer programme in the North. A regional event was organised in December 2012 on public-private partnerships that gathered international experts and government officials from eight African countries, followed in December 2013, by the first Africa Growth Conference, with over 400 participants.

One highlight of the Uganda programme is the close collaboration with other IGC regional offices on the East African Community integration agenda. Regional research includes comparative work on tax policy, trade policy, and monetary policy.

COUNTRY DIRECTOR
RICHARD NEWFARMER

LEAD ACADEMICS
TESSA BOLD (GOETHE UNIVERSITY),
JAKOB SVENSSON (STOCKHOLM UNIVERSITY)

ZAMBIA

The Zambia programme focuses on efficient tax collection, infrastructure investment, and the development of the tradables sector.



The country office is located at the Zambian Institute for Policy Analysis and Research (ZIPAR), the IGC's partner in Zambia.

The IGC has made significant impact through its work on mining taxation, and has started work in some areas of potential impact, such as the growth of the informal sector, the improvement of project selection in infrastructure, and investment incentives.

A recent IGC Zambia-commissioned project by Innovations for Poverty Action Zambia aimed to explore if and how a behavioural intervention with Zambian secondary school girls could improve their educational and health outcomes and, in the long term, contribute to the expansion of a healthy and skilled labour force that can support the country's economic growth and development. While the provision of information was perceived positively, negotiation skills training was found to increase a girl's sense of control over her life and access to resources more than information alone.

Other recent projects include a scoping exercise by Herryman Moono and Neil Rankin (Stellenbosch University) examining how education provision in Zambia can meet the needs of the changing economy, and research by Lawrence Edwards (University of Cape Town) and Robert Lawrence (Harvard Kennedy School) analysing the challenges currently facing Zambian regional policy. Zambia has also been the topic of an Enterprise Map, with John Sutton (LSE) and Gillian Langmead (Langmead & Baker Ltd) co-authoring a detailed account of Zambia's current industrial capabilities. From mining-related industries through general manufacturing, agribusiness and construction, it describes the structure of each of the country's major industries and provides detailed profiles of fifty leading industrial companies that together represent the frontier of current capabilities in each area of activity.

COUNTRY DIRECTOR
ALAN HIRSCH

CO-COUNTRY DIRECTOR
ROBERT LIEBENTHAL

RESEARCH THEMES

The IGC aims to focus its research within four main research themes: state, firms, cities and energy. These themes constitute the most critical areas for ensuring the continued growth of these developing countries in the future: accountable and able governance, effective and competitive firms, well-functioning and productive cities, and reliable and high-quality energy services.

The IGC portfolio consists of 154 research projects. IGC research is inclusive: a large number of projects include researchers based in IGC partner countries. At the same time, the portfolio is high quality: nine of the top ten economics departments in the world are working on IGC research. The research network includes over 450 people from a range of top universities and research institutes, of whom many are non-economists covering a range of disciplines pertinent to growth.

Currently, a total of 124 research projects have been completed. Even as working paper versions are being produced and cited, IGC research has been published in the *Quarterly Journal of Economics* and the *International Journal of Industrial Organisation*. Most IGC working papers are accompanied by a policy brief that aims to draw out the policy relevance of the work.

The link to policy is a defining characteristic of the portfolio. More than 55 per cent of projects have a direct connection to policy, and a significant number of projects are run in partnership with government departments and agencies.

As part of the second Phase of IGC activities, which commenced in 2013, the research programme has refocused on four main research themes. Over the following pages, we present these research areas in which the IGC has been particularly active and has demonstrated a comparative advantage in conducting innovative and influential research.



At the centre of poverty reduction efforts must be an able and reliable government. It is critical to increase the resources and effectiveness of these governments.



Strong firms form the core of economic activity.
For developing economies to grow, so must the opportunities for their businesses and entrepreneurs.



The currently emerging cities have the potential to be either the greatest drivers of growth or the largest group of missed opportunities for the developing world.



Much of the developing world remains unconnected to reliable energy access, despite its potentially transformative effects.

STATE

“Without a functioning state to implement policies to enable individuals and firms to become more productive, a large fraction of humanity will be consigned to poverty.”

There are two proximate reasons why certain states may not deliver public goods. First, it may not be able or willing to deliver the goods. Second, the state simply may not have the resources to deliver the necessary public goods, say because of widespread tax evasion or an excessively narrow tax base.

The IGC has been at the forefront of rethinking the role of the state in economic development. Across all the countries where we operate this is a central part of our work, but we also try to think about these issues at a global level. This focus stems from the realisation that without a functioning state to implement policies to enable individuals and firms to become more productive, a large fraction of humanity will be consigned to poverty. Under the state research theme, we focus our research on two questions.

The first question is related to developing the administrative capacity of the state to deliver public goods. A government

may fail to deliver these goods because public sector workers are not properly monitored and incentivised. There are major questions in public organisation which concern not only how to incentivise existing bureaucrats but also how to select individuals who are best suited to the tasks they need to perform. The second and related question connects to improving the ability of the state to raise resources.

Tax bases in developing countries are often narrow and distortionary and we would like to see research which examines how bases can be broadened in a manner that encourages firms to grow in size. This requires work on the overall design of tax systems as well as taking on issues connected to exemptions and compliance which can have a major bearing on how much revenue the state can raise.

The IGC has also done considerable work on the conduct of macroeconomic

policy. This includes work on the integration of fiscal and monetary programs to produce sustained growth, monetary integration in regional integration, and monetary transmission underpinning transition to inflation targeting.

– What mechanisms improve the capacity of the public sector to deliver the public goods necessary for firms to grow?

– What policies help to ameliorate the broader social tensions and political institutions that manifest themselves in the nature of the public sector? This requires an examination of not only public organisation and public finance, but also of governance and political economy.



State



Within the State research theme, the IGC has worked on

364

Projects

—
and organised

33

Events

—
The State Research Programme is headed by

ORIANA BANDIERA

London School of Economics
and Political Science

HENRIK KLEVÉN

London School of Economics
and Political Science

ELIANA LA FERRERA

Bocconi University

GERARD PADRÓ I MIQUEL

London School of Economics
and Political Science

FIRMS

“Understanding firm productivity improvements is at the heart of increasing incomes and driving economic growth.”

Understanding the forces that determine productivity of firms is a key policy question and hence a key organising idea of the IGC research agenda. It is axiomatic that prosperity depends upon the underlying productivity of all firms in the economic sphere. This is the case whether we are looking at large formal firms, small informal firms, large commercial farms, or small-scale family farms. This raises three important questions:

- What are the key proximate determinants of firm productivity?
- Where does the productive capacity of firms come from?
- What are the barriers that prevent resources from moving from unproductive firms and sectors to areas of higher productivity?

Research under the Firms theme is focused on these questions. In addition to our focus on larger firms within the manufacturing and service sectors, these research questions reflect the fact that the majority of citizens in developing countries are employed in unproductive small firms (including farms), resulting in an urgent need to think through how to make these firms more productive and also how to encourage the transition of workers into more productive sectors. Understanding how basic entrepreneurship can be encouraged, and how farms as firms can become more productive, is essential to achieving sustained reductions in poverty.

A key ingredient in this research is the collation of industrial data and investigation of appropriate research methodologies. For example, Professor John Sutton’s path-breaking “Enterprise Maps” based on detailed

surveys of fifty leading firms in Ethiopia, Ghana, Mozambique, Tanzania and Zambia have shown that large manufacturing firms in Africa often start as trading firms, not as small manufacturing firms – highlighting the crucial role of trade policy and investment promotion. We have learned a great deal from these and will continue to support similar original data gathering work, but will also put priority on bringing existing data to researchers.



Firms



Within the Firms research theme, the IGC has worked on

293

Projects

—
and organised

25

Events

—
The Firms Research Programme is headed by

NICHOLAS BLOOM
Stanford University

TAVNEET SURI
MIT

CHRISTOPHER UDRY
Yale University

ERIC VERHOOGEN
Columbia University

GREG FISCHER
London School of Economics

IMRAN RASUL
University College London

ANDRÉS RODRIGUEZ-CLARE
University of California

CHRISTOPHER WOODRUFF
University of Warwick

CITIES

“These emerging cities have the potential to be either the greatest drivers of growth or the largest group of missed opportunities for the developing world.”

In many developed countries, the bulk of economic wealth is generated by people and firms operating within a small number of cities. Yet when one looks at a typical city, say in Sub-Saharan Africa or in South Asia, it is hard to escape the view that those cities that are most conducive to these productive clusters are also among the world’s most dysfunctional cities. As a result, many governments attempt to influence this process via policies that affect the location of economic activities. Research under the Cities theme is focused on two questions:

- Why does the location of economic activity matter for a country’s economic growth?
- What are the optimal policies for developing these locations as centres of economic activity?

The IGC Cities Programme works across our partner countries, as well as in China and Sri Lanka. These projects have varying foci, covering infrastructure investments and public reactions, migration, and industrialisation among others. The breadth of these topics promises to significantly deepen our understanding of how cities fit within the developing country context as the Cities Research Programme progresses further.



Cities



Within the Cities research theme, the IGC has worked on

45
Projects

—
and organised
9
Events

—
The Energy Research
Programme is headed by

EDWARD GLAESER
Harvard University

GHARAD BRYAN
London School of Economics

ENERGY

“There is still far to go to bring the benefits of reliable energy to the entirety of the world’s population.”

The large and important role that access to reliable energy will play in shaping the growth trajectories of developing countries is at the core of the IGC’s emphasis on energy research. Our energy research drives at answering four key questions:

- How can the access to reliable electricity be improved and expanded in areas already served by the grid?
- How can rural unconnected areas be provided with energy in a sustainable manner to enable increases in productivity?
- How can investments in energy efficiency promote economic growth?
- How can the external costs associated with rising energy consumption be minimised?

The IGC is beginning work on various new projects as part of its Energy theme. These include projects examining both fuel subsidies and alternative grid connections in India, metering techniques in Uganda, grid mapping in Pakistan, and electricity demand in Indonesia. These will deepen our understanding of the demand for energy services and the effectiveness of government interventions in rural developing countries.



Energy



Within the Energy research theme, the IGC has worked on

55
Projects

—
and organised
4
Events

—
The Energy Research
Programme is headed by

MICHAEL GREENSTONE
Massachusetts Institute
of Technology

NICHOLAS RYAN
Harvard University

ONLINE ENGAGEMENT

The IGC has a number of online platforms which aim to stimulate global debate in areas of economic policy, in both Africa and South Asia.

IGC website

Our main web portal details all projects, policy briefs and working papers that the IGC has commissioned across all of our country programmes. It also contains a blog which discusses pressing economic growth issues throughout South Asia and sub-Saharan Africa. Past and upcoming events are listed, as well as any news that may be relevant, including our monthly newsletters. It also lists all of our staff members and any jobs that are currently available.

Twitter

Finally, the IGC maintains a number of Twitter accounts. The main @The_IGC account is managed by the London hub and shares information on new research projects, articles of interest and pressing news. Every country programme maintains its own Twitter account (@IGC_Country). These accounts highlight IGC engagement in our partner countries and connect with relevant research and news in the area.



Ideas for India

Ideas for India was launched on 19 July 2012 and serves as an ideologically neutral space for economists, other social scientists, and practitioners to use their research and experiences to weigh in on key policy questions. It hopes to change the way in which economic evidence filters into policy debates, and make these discussions more accessible to specialists and non-specialists interested in issues of growth and development in India.

EVENTS

The IGC holds a number of national, regional and international events.

Growth Week

Growth Week draws together ministers, civil servants, investors, business people, journalists, and researchers from Africa and South Asia with the aim of forging connections between policymakers and academics. The event consists of a series of innovative research presentations, intensive country seminars, and broad public discussions with a sharp focus on combining ideas and policy issues.

Africa Growth Forum

The second Africa Growth Forum was held in Accra, Ghana in June 2014 in partnership with the Ministry of Finance and the Bank of Ghana. The objective of this conference was to continue the important discussion over how to devise solutions to economic and social problems in Africa. Guests included policymakers and researchers from across Africa and the world. This event was held six months after the first Africa Growth Forum, held in Kampala, Uganda.

South Asia Growth Conference

The third South Asia Growth Conference was held in Lahore, Pakistan in March 2014. The event was jointly organised with the Government of Punjab and the keynote address was delivered by Mr. Ahsan Iqbal, Federal Minister for Planning, Development and Reforms in the Government of Pakistan. Issues discussed included social sector service delivery, energy and public finance.

In addition to these events, a number of in-country events are held every year. We also hold a number of public lectures at the London School of Economics, hosting top academics and policymakers in international development. All events are published the IGC website.

Growth Week

is held every September at the London School of Economics and Political Science.

“The calibre and experience of the discussants was impressive. The focus on the challenges and management of natural resources was spot on.”

Caroline Bernice Akishule Ntumwa
(Bank of Uganda)

“It’s an excellent opportunity to learn and network, as well as discover new research on the economic and management needs of various regions.”

Hardik Shah
(Gujarat Pollution Control Board)

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The International Growth Centre (IGC) aims to promote sustainable growth in developing countries by providing demand-led policy advice based on frontier research. The IGC directs a global network of world-leading researchers and in-country teams in Africa and South Asia and works closely with partner governments to generate high quality research and policy advice on key growth challenges. Based at LSE and in partnership with the University of Oxford, the IGC is funded by the UK Department for International Development (DFID).