

Banking on Africa: Global Partnerships

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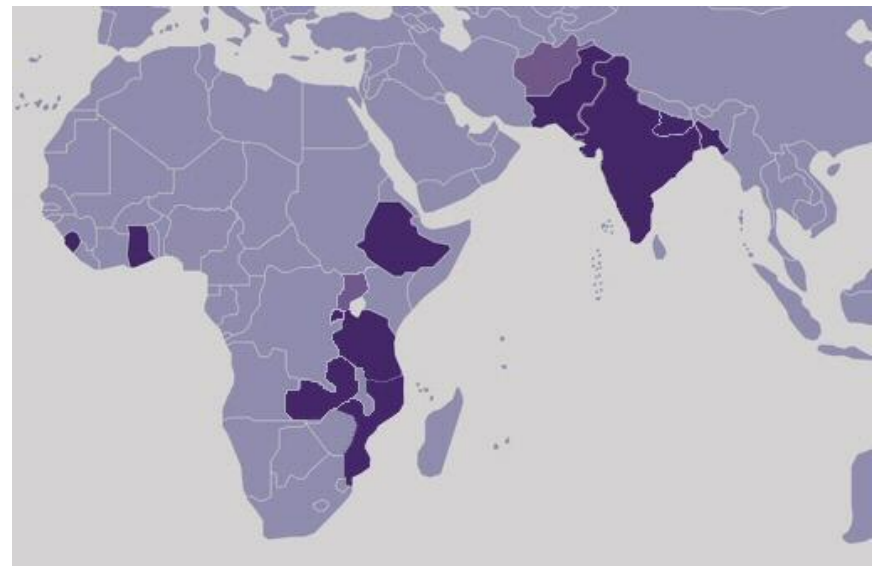
<http://www.theigc.org/research/Finance>

- **Enabling microenterprise development in Africa through the provision of financial services**—Pascaline Dupas, UCLA
 - The project builds on a pilot randomised, controlled trial conducted in Kenya between 2006 and 2008, in which we provided basic bank accounts to poor Kenyan business owners. That pilot showed that providing such accounts can have substantial impacts on the businesses of female entrepreneurs. In this project, we will provide basic savings accounts to a randomly selected subset of approximately 1,200 households in Western Kenya, and we will follow up with respondents at regular intervals to examine the impact of the accounts on a number of outcomes, including income, expenditures, business size, business starts, and ability to cope with unexpected income shocks. Our experiment is also designed to test the impact of basic savings accounts alone against a combination of savings and access to credit.

IGC: a partnership



- Oxford—LSE initiative
 - funded by DFID
- 10 Partner Countries
 - South Asia and Africa
 - The demand from the ‘client’ in partner countries drives the work programme and research agenda
- Research Portfolio
 - Academic partners at top universities



www.theigc.org

IGC: Shaping Policy



In a study funded by IGC, Nick Bloom, Benn Eifert, Aprajit Mahajan, David McKenzie and John Roberts have examined the impact of the quality of management on firm productivity in **India**: improved management raised productivity by about 15% and profits by around 24%. This work shows that modern management practices are a type of technology that diffuses slowly between firms: lower barriers to the flow of information would speed this up.

In **Tanzania**, Christopher Adam, Pantaleo Kessy, Johnson Nyella and Stephen A. O'Connell have estimated a new money demand model which has fed directly into the development of inflation-targeting by the Bank of Tanzania. Other main central banks in the region are now requesting similar work, which therefore has the scope to shape any East African common currency.

A mapping of industry in **Ethiopia** by John Sutton has shifted perceptions of industrial growth in the government and is shaping industrial strategy and policy. The work shows that large firms have not grown from small ones, but are mainly built from trading firms and by FDI. The work will be published as a book in Ethiopia, in support of a policy to attract more FDI. We expect to extend this work next to Tanzania.

Peter Blair Henry contributed to shaping the macroeconomic framework for Ghana's 2010 budget, and Tony Venables has contributed to the shaping of legislation on oil revenue management in **Ghana**. This draft is now with the cabinet after which it is to go for parliamentary approval.

Tony Atkinson and Maria Ana Lugo have explained why strong GDP growth has not led to an equivalently dramatic drop in headcount poverty in **Tanzania**. They argue that this is due *inter alia*, to the way in which the proceeds of growth have been distributed as well as due to some measurement issues. The apparent dissonance between GDP growth and changes in poverty is of interest in other countries as well.

The screenshot shows the website www.theigc.org in a Windows Internet Explorer browser. The browser's address bar shows the URL, and the page title is "Ideas for growth in developing countries | International Growth Centre - Windows Internet Explorer". The website header includes a search bar, navigation links for "Contact", "Login", and "Subscribe", and logos for "Directed by" (LSE, University of Oxford) and "Initiated and funded by" (UKaid from the Department for International Development). A main navigation menu lists "Countries", "Research", "Policy", "News", "Publications", "Events", and "About IGC".

The main content area features the heading "Ideas for growth in developing countries" and a paragraph: "The IGC promotes sustainable growth in developing countries by providing demand-led policy advice based on frontier research. The IGC is directed and organised from hubs at the LSE and Oxford and comprises country offices across the developing world. The IGC was initiated and funded by UKaid from DFID." Below this text is a world map with several countries highlighted in dark purple, including India, China, and various nations in Africa and South America.

On the right side, there are several news and update sections:

- Read Growth Week Report**: Accompanied by a photo of a group of people in a meeting.
- Policy Update**: A list of updates including:
 - **Pakistan**: Why is it so difficult to implement a GST in Pakistan? IGC Rapid Response
 - **Ghana**: Ghana's Oil
 - **Ethiopia**: Industry in Ethiopia
 - **Tanzania**: Growth and poverty - Tanzania
 - **Tanzania**: Inflation-targeting in Tanzania
- Research update**:
 - Can money targets still anchor inflation in Tanzania? New Paper
- Partners**:
 - AERC
 - BRAC
 - BREAD

At the bottom, there is a section for "IGC State Building Workshop" with a photo of a man speaking. The browser's taskbar at the bottom shows the Start button, several open applications (Microsoft Office Outlook, iTunes, Microsoft Office PowerPoint), and the system tray with the time 14:18.