

Spatial Dimensions of Development and Inequality in Africa

Introduction to a Symposium in the Journal of African Economies

By

Ravi Kanbur and Tony Venables

September 10, 2003

Urban-rural inequality in living standards in Africa - David E Sahn and David C Stifel

Regional or national poverty lines? The case of Uganda in the 1990s - Simon Appleton

An Inquiry into Cities and Their Role in Subnational Economic Growth in South Africa - Willem Naude and Waldo Krugell

Return International Migration and Geographical Inequality: The case of Egypt – Barry McCormick and Jacqueline Wahba

Love thy neighbour? Evidence from ethnic discrimination in information sharing within villages in Cote d'Ivoire - Mattia Romani

Crime, Isolation, and Law Enforcement - Marcel Fafchamps and Christine Moser

The last decade has seen a resurgence of interest in the spatial dimensions of development and inequality. In the policy arena, persistent and growing inequalities there is a perception that inequalities across regions within developing countries are persistent and growing rapidly. This increasing spatial inequality contributes to growing interpersonal inequality, but may acquire independent significance if the spatial divisions are aligned with ethnic, tribal or religious cleavages. Analytically, the “new economic geography” has given economists a framework in which to understand persistent concentration of economic activity, and how policy might influence it.

The World Institute for Development Economic Research (WIDER) launched a major global project in 2002 to document, analyze and understand the evolution of spatial disparities in human development in the last two decades, focusing on their magnitude, their causes and their consequences. A number of global and regional conferences were held in 2002 and 2003. The papers in this symposium have been selected, by the usual anonymous refereeing process, from papers presented at a conference on the Spatial Dimensions of Development and Inequality in Africa, held at the Centre for the Study of African Economies, University of Oxford, in 2002.

The papers in this symposium address issues of measurement of spatial inequality, its causes, and its consequences. The paper by David Sahn and David Stifel presents one of the most comprehensive accounts of rural-urban inequalities currently available for Africa. They study disparities in eight indicators (assets, school enrollment, girl/boy

enrollment ratio, infant mortality rate, neonatal care, contraceptive use, child stunting and adult malnutrition) for no fewer than twenty four countries. Their conclusions are sobering. Rural areas have much lower standards of living than urban areas in Africa. Moreover, there seems to be no overall trend of reduction in these inequalities. However, the paper also highlights the large variations in African experience. Understanding these variations may thus hold the clue to understanding causality and appropriate policy interventions.

A monetary measure of poverty is only one of the eight indicators used by Sahn and Stifel, but the analysis of income poverty dominates the analysis of wellbeing in Africa, certainly in the economic literature. The paper by Simon Appleton addresses a key issue in this literature—the specification of a poverty line. When there are strong spatial variations in prices these adjustments need to be made when assessing poverty, defined as the inability to purchase a given, “minimal” basket of goods. But Appleton’s question is more difficult—what do we do when consumption patterns vary because of taste, custom and availability? One possibility is to have different “minimal” baskets for each region and calculate regional poverty lines from these baskets. Appleton develops these regional poverty lines for Uganda, and compares the poverty estimates from these with those from the standard national poverty line. While Appleton does not resolve the issue of which approach is the best, indeed he argues that it is not straightforward to do so, he shows that estimates are highly sensitive to which approach is taken. His detailed empirical work is a cautionary note to those who estimate spatial inequality using monetary poverty measures.

Compared to Latin America or Asia, Africa has a dearth of long run time series data on the evolution of spatial inequalities. The type of convergence analysis that is done for Latin American and Asia is typically not possible for most African countries. However, Willem Naude and Waldo Krugell have done just such an analysis for South Africa, using data for local authorities between 1990 and 2000. Going somewhat against the thrust of the Sahn-Stifel paper, they argue that there has been some convergence in per capita incomes across space (it should be noted that South Africa is not in the Sahn-Stifel set, and Naude-Krugell do not use poverty indicators in their analysis). Their analysis of the determinants of growth suggests the importance of variables highlighted in the new economic geography literature—market access and transport costs, as well as the key role played by cities, and hence by agglomeration effects.

The paper by McCormick and Wahba considers the effects of migration on the fortunes of rural and urban areas. Such an analysis has been done in the past for Latin American and Asian countries, but is much less common for Africa countries, primarily because of lack of data that is needed to conduct such analysis. They use data from a special round of the Labour Force Sample Survey for Egypt, which included a module on workers who are return migrants. Whether international migration benefits rural or urban areas depends on a number of factors. McCormick and Wahba find that although the number for returnees in rural and urban areas is not very different, savings of urban returnees are higher. Moreover, the creation of new enterprises by returnees is more likely to happen in urban areas. These findings suggest a hitherto underappreciated

mechanism of widening spatial inequality, linked to international migration and its effects, a mechanism which needs further investigation for other African countries.

What are the consequences of space, and spatial inequality, for socioeconomic processes? The paper by Mattia Romani is one of a growing number of papers on Africa that analyze the role of “proximity” in the diffusion of knowledge. Romani’s paper uses a data set from Cote d’Ivoire to analyze the effect of proximity in space and ethnicity on the spread of agricultural knowledge. The general conclusion is that proximity, of space and ethnicity, is important to knowledge diffusion. The paper by Marcel Fafchamps and Caroline Moser addresses an aspect of space and isolation that has rarely been studied for Africa. The broad consensus in the literature on crime seems to be that the incidence of crime increases with urbanization—this is perhaps because of the preponderance of work on developed countries and, in developing countries, on Latin America. Fafchamps and Moser document and analyze a very different pattern in one Africa country—Madagascar. After controlling for a number of standard factors, it is shown that the incidence of crime does not increase with urbanization—it is actually higher in more isolated rural areas. This result may well have implications for rural wellbeing and farmer safety, and needs to be explored in greater detail for Madagascar and for other African countries.

The collection of papers in this symposium represent a call for systematic incorporation of the spatial dimension in the analysis of development and inequality in Africa. This requires effort in collecting, collating and analyzing data along spatial disaggregations for Africa. It also requires effort in adapting models from the new economic geography to address issues specific to African countries. But the effort will have a high pay off in terms of understanding African development, and designing policies to foster equitable development in Africa.