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## IPPG News: October 2010

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Highlights of recent activities from IPPG - the [Research Programme Consortium on Improving Institutions for Pro-Poor Growth](#)

This is the last of the IPPG newsletters, as the Research Consortium has now come to its end. We have appreciated your interest in the work. The final synthesis of the research, entitled ***Beyond Institutions. Institutions and organisations in the politics and economics of growth and poverty reduction - a thematic synthesis of research evidence*** (see below) is available on the IPPG website.

**Adrian Leftwich and Kunal Sen  
IPPG**

### **New publications:**

***Beyond Institutions: Institutions and organisations in the politics and economics of poverty reduction - a thematic synthesis of research evidence***

**Adrian Leftwich and Kunal Sen**

As IPPG comes to an end, this publication reports on its work between 2005-2010. It identifies and highlights the most important common themes and policy implications that flow from the evidence drawn from the work-streams and research projects of IPPG as well as other DFID-funded consortia. The authors write:

“Policy-makers and analysts tend to forget that institutions are politically negotiated, bargained and hammered out by the representatives of more or less formally organised interests. But they also need to be implemented and reformed when necessary... ..organisations are required for this and the processes involved are political processes. For institutions to work, the rules need to be regarded by the players as legitimate, and they must be enforced. That requires individual and collective agency, especially organisations, in both the public and the private sectors.

So while institutions matter for development, organisations matter for institutional formation and efficacy. And the way organisations and institutions interact is something that policy-makers need to address more rigorously and consistently. For this interaction is at the heart of the politics and political economy of development.”

***State-Business Relations and Economic Growth in sub Saharan Africa: A review of case studies in Ghana, Mauritius, South Africa and Zambia***

**Dirk Willem te Velde, Overseas Development Institute (ODI) and IPPG, with Adrian Leftwich**

Recent econometric analysis of state-business relations (SBRs) in Africa from IPPG shows that where effective state-business relations are established – either through formal or informal institutional patterns and relationships – the growth effects are generally positive.

But such institutions of co-operation and credibility cannot be made to order. Establishing, sustaining and renewing effective state-business relations are political processes. This new publication synthesises the work from four contrasting country studies from IPPG’s state-business relations work in order to better understand the relationship between state-business relations and economic performance.

***Effective State-Business Relations, Industrial Policy and Economic Growth***

**Editor: Dirk Willem te Velde, ODI**

This collection of essays discusses the nature of state-business relations (SBRs), and the links between SBRs and economic performance. Contributors to the collection include:

Abla Abdel-Latif, American University, Cairo  
Tilman Altenburg, German Development Institute  
Massimiliano Calì, Overseas Development Institute  
Karen Ellis, Overseas Development Institute  
Justin Yifu Lin, The World Bank  
Hubert Schmitz, Institute of Development Studies (IDS)  
Kunal Sen, Manchester University.

The study, a joint IPPG-ODI publication, also showcases the results of IPPG’s research work on state-business relations in India and sub-Saharan Africa 2005-2010.

*See also:*

**Blog:** Dirk Willem Te Velde calls for a reappraisal of Africa’s growth prospects:  
[http://blogs.odi.org.uk/blogs/main/archive/2010/09/10/africa\\_economic\\_growth\\_state\\_business\\_relations.aspx](http://blogs.odi.org.uk/blogs/main/archive/2010/09/10/africa_economic_growth_state_business_relations.aspx)

***Investment Behaviour in a Difficult Institutional Environment***

**Paul Hare and Felicia Owusu Fofie, Heriot-Watt University, Edinburgh**

This research offers a detailed study of investment in Ghana, focussing both on the general policy environment and also on the experience of two specific industries, namely food processing and timber products. Firms in four regions were interviewed, and significant barriers to efficient investment were identified.

***Tungurahua: An alternative means of economic development - Final report***

**Marcela Alvarado, Gloria Camacho, Diego Carrión, Manuel Chiriboga, Patric Hollenstein, Carlos Larrea, Ana Isabel Larrea, Silvia Matuk, Ana Lucía Torres and Pablo Ospina Peralta (coordinator), University Andina Simón Bolívar, Ecuador**

This research project analyses poverty, social inequality and local economic growth in Ecuador between 1990-1995 and 2001-2006, based on district social maps, drawn up with the aim of identifying territorial dynamics on a micro-regional scale. This paper was produced with the support of the Dynamic Rural Territories Programme, coordinated by the Rimisp Latin American Centre for Rural Development and sponsored by the International Centre for Development Studies, Canada.

### ***Models of Contract Farming for Pro-Poor Growth in Nigeria***

**Aderibigbe S Olomola, Nigerian Institute of Social and Economic Research (NISER), Ibadan**

This study examines the nature of institutional linkages between small-scale farmers and firms in the Nigerian agribusiness sector. It analyses the impact of institutional linkages, to ascertain whether or not they are supportive of pro-poor growth especially in terms of investment in agriculture, access to production credit, access to market and farm income; and looks at factors influencing the performance of contractual relationships.

All publications are free to download at <http://www.ippg.org.uk/publications.html>

### **Forest Rights Act (FRA) 2006 – new publications**

In August the Forest Rights Act made headlines as India's Ministry of Environment and Forests rejected a mine project proposed by a subsidiary of UK-based Vedanta Resources and the state-owned Orissa Mining Corporation, after finding that the project violates forest and environmental laws. Forest rights activist and IPPG paper co-author (see below) Madhu Sarin sees the MoEF decision as a historic development — the first time that the legal empowerment provided to forest dwelling communities has been recognised. Read her comment and more on the story: <http://www.downtoearth.org.in/node/1846>

Three workshops, *Access to Forest Justice?*, on the FRA research work were also held: Hyderabad, 15 July; Bhubaneswar 17 July; and a national workshop in Delhi, 19 July.

**IPPG's new publications on the FRA include:**

- ***Obstructed Access to Forest Justice in West Bengal State Violations in the Mis-Implementation of the Forest Rights Act 2006***

**Ajit Banerjee, Soumitra Ghosh and Oliver Springate-Baginski**

- ***Obstructed Access to Forest Justice: an Institutional Analysis of the Implementation of Rights Reform in Andhra's Forested Landscapes***

**M. Gopinath Reddy, K. Anil Kumar, P. Trinadha Rao and Oliver Springate-Baginski**

- ***The Making of Andhra's Forest Underclass: An Historical Institutional Analysis of Forest Right Deprivations***

**M Gopinath Reddy, K Anil Kumar, P Trinadha Rao and Oliver Springate-Baginski**

- ***India's Forest Rights Act -The anatomy of a necessary but not sufficient institutional reform***

**Madhu Sarin with Oliver Springate-Baginski**

All publications are free to download at <http://www.ippg.org.uk/publications.html>

### **XXIII IUFRO World Congress, Seoul**

M Gopinath Reddy, from the Centre for Economic and Social Studies in Hyderabad (see above), presented his paper *Empowering the Communities – A study of Forest Right Act 2006 And Its Implications for the Livelihoods of the Indigenous people in a South Indian State*, part of IPPG's work on FRA 2006, at Forests for the Future: Sustaining Society and the Environment – the XXIII IUFRO World Congress, 23-28 August 2010, Seoul, Republic of Korea. See: <http://www.iufro2010.com>

Dr Reddy's paper is also included in the conference abstracts volume, the *International Forestry Review Vol. 12 (5), 2010*, published by the Commonwealth Forestry Association – see: <http://www.cfa-international.org/>

### **State Business Relations (SBR)**

#### **State Business Relations Workshops – Orissa, India 5 August 2010**

This was the final workshop of the regional SBR workshops, held in Bhubaneswar. IPPG researcher Dr Avinash Samal and IPPG co-director Professor Kunal Sen made presentations. There were several participants from business associations and the private sector, along with leading academics from the state of Orissa. The key issue for debate was what explains the weak performance of Orissa in non-resource intensive and labour intensive industrialisation, contributing to Orissa's high poverty rates, in spite of a plethora of industrial policies and initiatives of successive state governments. Participants argued that the relationship between the state government and small and medium sized firms in the private sector remained problematic, while much of the government's attention biased towards the land intensive mining sector and capital intensive metal-based industries.

#### **Media: Financial Express India - Formal institutional change triggered India's growth surge**

An article on India's growth acceleration by IPPG's Kunal Sen featured in national business daily, the Financial Express, on 8 June 2010. The article considers the contribution of institutions to India's economic success.

Link: <http://www.financialexpress.com/news/formal-institutional-change-triggered-indias-growth-surge/630637/>

#### **Media: Business Economics, India**

Interview with Kunal Sen on the West Bengal findings from IPPG's SBR work, 1-16 August 2010 issue.

See pdf, with kind permission from the publishers:  
<http://www.ippg.org.uk/interview%20-kunal%20sen.pdf>

**Media:** International Journal of Trade and Global Markets: Contemporary Issues in Global Economy and Policy Analysis, India, SBR: Rain, Rain, Go Away: The Investment Climate, State Business Relations and Firm Performance in India, by Vinish Kathuria, Rajesh R. Natarajan and Kunal Sen.

Forthcoming: <http://www.inderscience.com/browse/index.php>

### **8th Globelics International Conference, Kuala Lumpur, Malaysia. 1-3 November, 2010**

IPPG researcher Rajesh Raj S N has had his IPPG paper *Do Effective State Business Relations matter for Firm Performance? - A Study of Indian Manufacturing* (co-authored by Vinish Kathuria and Kunal Sen, accepted for presentation at this conference.

Read the paper: <http://www.ippg.org.uk/abs43.html>  
More about the conference: <http://umconference.um.edu.my/globelics2010>

### **IPPG Researchers - News**

Deepita Chakravarty has been awarded the Sir Ratan Tata Fellowship at the London School of Economics for 2010-2011, based on her work for IPPG on employment contracts and trade unionism in Indian manufacturing. Deepita is one of a number of IPPG's early career researchers who have won significant academic awards for their work in IPPG. We congratulate her and other IPPG award-winners and wish them success in their future careers.

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IPPG is the shorthand name for the inter-disciplinary **Research Programme Consortium on Improving Institutions for Pro-Poor Growth**. IPPG supports innovative scholarly research, and seeks to influence development policy and practice that contributes to the UN Millennium Development Goals (MDGs).

IPPG ends its work this month and this newsletter is the final edition. IPPG's website, [www.ippg.org.uk](http://www.ippg.org.uk), remains available. Please email: [ippg@manchester.ac.uk](mailto:ippg@manchester.ac.uk) if you have any queries about IPPG's work.

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IPPG's work is made possible by funding from UKaid from the Department for International Development (DFID). The views expressed do not necessarily reflect the department's official policies.