

# **Essays on Institutions, Inequality and Development**

**av**

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**AKADEMISK AVHANDLING**

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## Abstract

The thesis consists of four self-contained papers.

### ***Paper 1: Social divisions and institutions: Assessing institutional parameter variation***

This paper investigates the hypothesis that the association between property rights institutions and income is weaker in countries with high social divisions. It argues that social divisions should have a negative effect on perceived institutional inclusiveness, which in turn should depress institutional payoffs. Absent a property rights indicator that captures the perceived inclusiveness of institutions, social divisions should then weaken the observed association between property rights institutions and income. The empirical results support this hypothesis, and highlight the importance of evaluating whether the institutions measure used captures the institutional framework applying to the population at large.

### ***Paper 2: Preferences for redistribution: A country comparison of fairness judgments***

This paper seeks to explain within- and across-country variation in redistributive preferences in terms of self-interest concerns and an input-based concept of fairness, which we examine by looking at the effects of beliefs regarding the causes of income differences. Results of estimations based on data for 25 countries indicate that both factors are indeed important determinants of redistribution support, in line with hypothesised patterns. We find that while differences in beliefs on what causes income differences seem to be important for explaining within-country variation in redistributive preferences, they do little to explain across-country differences. Differences in the effects of holding certain beliefs, however, are important for explaining across-country variation in redistributive preferences, suggesting considerable heterogeneity across societies in what is considered as fair.

### ***Paper 3: Political participation in Africa: The role of individual resources***

The aim of this paper is to examine the role of the resource perspective in explaining African political participation. Empirical findings drawing on new data for more than 27 000 respondents in 20 emerging African democracies suggest surprisingly weak explanatory power of the resource perspective. In some cases, the relatively resource poor actually participate to a greater extent than the more resource rich. The results are encouraging in that they suggest fairly broad-based political participation, but also call attention to the need to evaluate the motivational forces behind the decision to take part.

### ***Paper 4: Institution building with limited resources: Establishing a supreme audit institution in Rwanda***

Through a case study of the establishment of a supreme audit institution (SAI) in Rwanda, we examine the tensions between institutional first-best benchmarks and local operational constraints in a developing country institution-building process. More specifically, our aim is to investigate the potential tradeoffs between the programmatic ideal of SAI independence and operational constraints in terms of staff capacity in the development of a supreme audit oversight function in Rwanda. Drawing on data from document studies and key informant interviews, the empirical results suggest that capacity constraints – within the institution as well as among its major stakeholders – negatively affect important aspects of SAI functional independence, but also that there are arguments for compromising the programmatic ideal of SAI independence in order to effectively tackle operational constraints in terms of staff capacity.

**Keywords:** Africa, Afrobarometer, capacity constraints, fairness, institutions, institution building, political participation, property rights, parameter heterogeneity, redistribution preferences, resources, social divisions, supreme audit institution, Rwanda.

**JEL classification:** D01; D02; D31; D63; D72; H83; O10; O12; O16; O17; O55; P14; P26.

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