

PhD Defence: Mamadou Tanou Balde

Published on December 11, 2020 – Updated on December 18, 2020

Date

Le 17 December 2020 De 13:30 à 16:30

Natural Resources and Development : Three Essays

JURY

Bertrand Laporte(<https://cerdi.uca.fr/version-francaise/unite/lequipe/annuaire/m-bertrand-laporte>),

Associate Professor, Université Clermont Auvergne

Samuel Guérineau(<https://cerdi.uca.fr/version-francaise/unite/lequipe/annuaire/m-samuel-guerineau>)

, Associate Professor, Université Clermont Auvergne (Invité)

Dramane Coulibaly, Professor, Université Lumière Lyon II

Claire Mainguy, Associate Professor, Université de Strasbourg

Patrick Plane(<https://cerdi.uca.fr/version-francaise/unite/lequipe/annuaire/m-patrick-plane>), Director of Research, CNRS, Université Clermont

Albert Zeufack, Chief Economist, World Bank

ABSTRACT

Leveraging natural resource endowment to accelerate growth and jobs in Sub-Saharan African natural resource-rich countries is a key challenge to lift millions of African out of poverty. More than half of sub-Saharan African countries are resource-dependent (26 out of 48 countries). Moreover, by 2030, 64 percent of the world's poor will reside in sub-Saharan resource rich countries, compared to 12% in 2000.

The present dissertation provides three empirical studies that investigate the relationship between natural resources and development. We examine the role of policy in each part of the process ranging from the initial development of resource projects to turning revenues stemming from the extraction into sustainable development. We also contribute to the debate on structural transformation and jobs by exploring the impact of natural resources on labor dynamics in sub-Sahara Africa.

The first essay contributes to the literature by showing that policymakers can, through taxation, lead the mine-owner in an extraction path in line with government resource development agendas. For the first time in the literature, we use survival analysis to study the impact of taxation on the lead time from discovery to production and highlight its significant role in explaining the development delay. Our findings suggest that

when the fiscal regime has a corporate income tax equal or below 25% and a royalty equal to or below 2%, the time from discovery to production is shortened and, in contrast, lengthen when the corporate income tax is beyond 35% and royalty beyond 5%. Most importantly, we found that progressive fiscal regimes allow countries to mobilize greater resources when economic conditions are favorable and foster the development of discoveries.

As for the first one, the second essay focuses on the role of policymaker in promoting lasting economic development. We re-examine the relationship between government expenditures and growth in 23 Sub-Saharan African resource-rich countries. Using a panel smooth transition regression model, we find that beyond 22.4, public expenditures become harmful for growth. Our findings also suggest that current expenditures, as for capital expenditures, generate growth until a certain threshold. Beyond 22.4%, government expenditures crowd-out the private sector, create external imbalances and economic downturn. Furthermore, we provide empirical evidence that natural resource rents are a blessing if appropriately managed.

The latest part of the dissertation focuses on the causal effects of natural resource exports on labor dynamics and structural transformation in sub-Saharan African countries. The third essay documents that increasing resource exports lead to a shift in employment share from agriculture to non-agricultural sectors. We provide empirical evidence that natural resources positively and significantly impact the share of employment in the manufacturing sector. Nevertheless, it benefits less compared to the service sector. Moreover, we found that resource windfalls increase the employment share of the public sector in total employment. Relatedly, resource exports are associated with increasing.

KEYWORDS

Fiscal policy, Inter-temporal firm choice, Resources policy, Survival analysis, Public spending, Government consumption, Public Investment, Economic Growth, Resource curse, Manufacturing sector, Public sector, Structural transformation, Developing countries, sub-Saharan Africa.

theses.fr/en/s181657(<http://theses.fr/en/s181657>)



[Tanou Balde](https://www.linkedin.com/in/mamadou-tanou-balde-a56a6a108/)(<https://www.linkedin.com/in/mamadou-tanou-balde-a56a6a108/>)

Research Fellow Office of the Chief Economist for Africa, [World Bank](https://www.worldbank.org/)(<https://www.worldbank.org/>)

Cerdi-UCA-CNRS

<https://cerdi.uca.fr/english-version/news/phd-defence-tanou-balde>(<https://cerdi.uca.fr/english-version/news/phd-defence-tanou-balde>)