



AERC SESSION@ CSAE 2025 Annual Conference

25 March 2025

11:00 – 13:00 GMT

Riverside Seminar Room B, St. Catherine College, University of Oxford

Contemporary Discourse on Inflation, Conflict and Value Chain Development in Africa

In a series of 4 presentations, this session explores key economic development issues in Africa such as inflation; the influence of conflict on human capital formation; value chain development, women's empowerment and child development outcomes. The main findings highlight that conflict-induced economic fragility negatively impacts children's education, while empowering women improves child nutrition in rural households. Furthermore, achieving macroeconomic stability through inflation targeting requires central bank independence and stable supply chains. The COVID-19 lockdowns disrupted trade and value chains, harming export earnings. In conclusion, African governments are urged to foster political stability, empower women to enhance education and nutrition outcomes, and strengthen macroeconomic stability through independent central banks and resilient value chains to safeguard against future shocks.

Session Paper Presentations

Inflation Targeting and Inflation Performance in Africa: Evidence Using a Synthetic Control Approach

Ablam Estel Apeti and [Bao -We -Wal Bambe](#)

Abstract

Since the 1990s, inflation targeting (IT) has been adopted by many developing countries –including in Africa– where South Africa, Ghana, and Uganda have implemented the monetary framework to promote macroeconomic stability. Despite extensive literature on the topic, little is known about the impact of IT on the performance of African economies. We fill this gap by applying the synthetic control method from 1990-2020 to estimate the IT effect from a counterfactual situation based on a comparison group. We find robust evidence that the IT framework has not significantly reduced inflation in any of the three countries. We then explore the underlying mechanisms and argue that weak central bank independence and the frequent supply shocks to which African economies are exposed make it difficult for central banks to achieve their inflation targets.

Paper Link: [Inflation Targeting and Inflation Performance in Africa: Evidence Using a Synthetic Control Approach](#)

Conflict Exposure and Human Capital Formation of Children in Selected Sub-Saharan African countries

[Tekalign Gutu Sakketa](#) and Muhammed A. Usman

Abstract

Violent conflict in sub-Saharan Africa (SSA) has resulted in population displacement, psychological trauma, and the destruction of livelihoods, which has hindered economic growth. These events have increased in frequency and severity over time in the region. Violent conflict disrupts children's human capital accumulation through widespread malnutrition and the disruption of social and emotional skills that should have been acquired in early childhood. This study aims to estimate the relationship between early-life exposure to violent conflict and children's human capital formation (focusing on child health, nutrition, and schooling) in four selected SSA countries since 2003. Using nationally representative Demographic and Health Surveys (DHS) merged with geo-referenced conflict data, the study finds that children exposed to violent conflict, measured by the number of fatalities, have reduced human capital formation: stunted growth, underweight, and lower educational outcomes. Specifically, children from households exposed to violent conflict have higher dropout rates (given enrolled) and experience delays in completing primary school. Furthermore, the impact of conflict on long-term malnutrition is particularly pronounced among young children and those living in rural areas. Diarrhea, stemming from limited access to health facilities during or after conflict, disruptions in livelihoods, place of residence, and deprivation in maternal dietary diversity appear to be the primary underlying mechanisms.

Paper Link: [Conflict Exposure and Human Capital Formation of Children in Selected Sub-Saharan African countries](#)

Product Interdependence and Global Value Chain Trade under COVID-19 Lockdowns: A Staggered Difference-in-Differences Approach

[Judy Kiende Kaaria](#) and Socrates Kraido Majune

Abstract

This study analyzes the effect of COVID-19 lockdowns on GVC export and import trade using bilateral monthly-product-country data for Kenya from January 2017 to December 2022. GVC trade is divided into risky and non-risky. The level of riskiness of GVCs, the novelty of this study, is identified by the following three criteria: market concentration, relevance (share of product in total imports/exports), and substitutability. We find that risky GVC products accounted for around 35% and 32% of export and import GVCs by volume and roughly 35% and 45% of exports and imports by value between 2017 and 2022. Staggered Difference-in-Differences results in the form of an event-study reveal that imports were more affected by the lockdown policies than exports for both the treatment (risky GVCs) and control (non-risky GVCs) groups. Also, the effect of the lockdown policy on the trade value was mainly significant in the first twelve months, albeit shorter and irregular for exports than imports. The event-study analysis also shows that exports of the treatment group was more impacted by the lockdown policy than that of the control group. However, the impact of lockdowns on the import values of the two groups was nearly symmetrical. Overall, the closure of workplaces had more adverse effects on GVC exports and imports (for risky and non-risky GVCs) than the restrictions on international travel. Our results

point to the need to strengthen the GVCs trade, especially those that are considered risky or highly dependent on certain markets.

Paper Link: [Product Interdependence and Global Value Chain Trade under COVID-19 Lockdowns: A Staggered Difference-in-Differences Approach](#)

Women's Access to Land and Child Nutritional Outcomes in Rural Burkina Faso

Monsoi Kenneth Colombiano Kponou and [Pouirkèta Rita Nikiema](#)

Abstract

Across developing countries, women play an important role both as producers of major food crops and in improving household nutrition. This research aims to assess the effect of improving women's empowerment on the nutritional outcomes of children in rural Burkina Faso using data from the country's first Living Standards Measurement Survey. The results revealed a low baseline level of women's empowerment in rural areas, but empowerment was positively correlated with children's nutritional outcomes. This result regarding empowerment warrants further investigation into the components that most significantly affect children's nutritional status. In this regard, access to land has been identified as a crucial factor in women's empowerment. To leverage land access, we analyze its effect on children's nutritional outcomes. Our results suggest that access to land is positively correlated with the long-term nutritional status. The study suggests that improving women's access to land will translate into significant gains in children's nutritional outcomes in rural households.

Paper Link: [Women's Access to Land and Child Nutritional Outcomes in Rural Burkina Faso](#)

Adapting to Climate Change: Droughts and Livestock Commercialization

Martin Paul Jr. Tabe-Ojong and Ange T. Kakpo

Abstract

We examine how livestock farmers respond to weather anomalies by analyzing their livestock sales patterns. We combine a three wave micro data between 2012 and 2019 from Zambia with high-resolution drought data. Exploiting plausibly quasi-random variations in the distribution of weather conditions across space and time, we find that in response to drought events, households engage more in livestock commercialization at both the extensive and intensive margins. We show the biggest response for large ruminants such as cattle and pigs, suggesting some aspects of consumption smoothing as they are associated with increasing income. For small ruminants, we find no evidence of commercialization, hinting at some aspects of precautionary savings. For poultry, we find a blend of consumption smoothing and precautionary savings. Finally, while droughts reduce income, commercialization is income increasing but is unable to totally offset income losses from droughts.

Paper Link: [Adapting to Climate Change: Droughts and Livestock Commercialization](#)