

Summer Research Opportunities (SRO) Summary

Student name, year of graduation: Donghyuk Kim, 2013

Title of project and professor(s) worked with: Decentralization and Diversity in Sub-Saharan Africa, Professor Gustav Ranis

Brief description of research project, including findings: The research investigated the relationship between decentralization and ethnic diversity, studying experiences of selected countries: Kenya, Uganda, and Indonesia. Most of the literature on decentralization focuses on its vertical aspect, which consists of power and resource shift from the central government to local units. This research also studied the horizontal aspect of decentralization, which consists of power shift from the finance ministry to the line ministries (health and education) and also from the executive branch to judicial and legislative branches. The argument is that vertical decentralization must be accompanied by horizontal decentralization for the full benefits of decentralization to be realized. Ethnic diversity plays a crucial role in decentralization as ethnically homogeneous units tend to produce more public goods. Nevertheless, creation of more ethnically homogeneous local units is also vulnerable to petty corruption and weakening of national unity. These arguments are tested against experiences of selected countries. Kenya has not been actively pursuing decentralization and also is very ethnically diverse, resulting in decreasing provision of public goods. The new constitution which was ratified in 2010 places more emphasis on decentralization and its implementation results are yet to be awaited. Uganda's decentralization has been more successful with its five-tier, Local Council system, despite being more ethnically diverse than Kenya. Lastly, Indonesia's 'big bang' decentralization had to be reverted in 2004 due to various side-effects of extensive decentralization such as corruption. Nevertheless, creation of more local units and increased democratization have resulted in improvement of public goods provision.

Activities student was responsible for: I was first engaged in studying about decentralization in general. I proceeded to studying about individual countries, gathering information and indicators for the extent of vertical and horizontal decentralizations. I was responsible for organizing these data into tables, updating the paper with new findings, and preparing presentation materials.

What student learned: I gained an idea of what research in economics is like. Research takes patience, diligence, and creativity. I was introduced to the topic of decentralization, which is central to the field of development economics. The concept of horizontal decentralization can be explored more as human development factor of development is gaining importance. I also received good practice in data search and analysis.

Opinion of SRO experience: This is an amazing opportunity to engage in academic research with some of the best economists around the world. Students will be exposed not only to research methods and procedures, but also to fascinating topics that are currently at the center of attention in the field of economics they are interested in. SRO is a great source of encouragement and inspiration for students to embark on their own research projects.