

Workshop AFD-FERDI: Measuring Relational Capability

Wednesday, September the 17th 2014, *Agence Française de Développement*

5 rue Roland Barthes, 75012 Paris
Salle E5 - 100, 5ème étage, continent E

Agenda

- 10.00 **Welcome coffee**
- 10.25 **Welcoming Remarks:** Patrick Guillaumont or Christophe Angely (Ferdi) & Jean-Yves Grosclaude or Cyrille Bellier (AFD)
- 10.30 – 12h30 **Session 1. The Relational Capability Index: methodology**
- Introduction:** Renouard. C. (ESSEC- Codev)
- RCI 1.0:** Giraud, G. (Université Paris I.)
 Discussant: Foster, J. (George Washington University and OPHI)
- Coffee break**
- RCI 2.0:** Roca, T. (AFD)
 Discussant: Duclos, J. Y. (University Laval, Ferdi)
- Open discussion with all participants*
- 12.30 – 14.00 **Lunch**
- 14.00 – 16.00 **Session 2. Operationalization and Results**
- Introduction:** Roca T. (AFD)
- Relational Capability Index 2.0 across countries:** Gupta, R. (Paris I, PSE), Roca, T. (AFD)
- Coffee break**
- Relational Capability Index within Impact studies:** Lhuillier, H. (Univ. Lille 1, ESSEC Business School)
- Open discussion with all participants*

Background

Session 1: The Relational Capability Index: methodology

RCI 1.0 Relational Capability: A Multidimensional Approach

This paper explores some of the dimensions related to poverty and exclusion, by defining a Relational Capability Index (RCI) which focuses on the quality of relationships among people and on their level of relational empowerment. This index is rooted in a relational anthropology; it insists on the quality of the social fabric and of interpersonal relations as a key aspect of human development. As a multidimensional index, the RCI includes integration into networks, private relations and civic commitments. We provide an axiomatization of a family of multidimensional indexes. This axiomatic viewpoint fills the gap between theories of justice and poverty measurements. By means of illustration, we apply three different versions of the RCI, which are elements of this family, to the measurement of the impact of oil companies on local communities in the Niger Delta (Nigeria) and to national surveys (Afrobarometer). <http://www.ferdi.fr/fr/node/706>

RCI 2.0

Relational Capability sheds the light on the importance of social relations among people and on the interplay between capability and relational empowerment. The Relational Capability Index aims to reintroduce an overlooked prominent dimension of the capability approach: social capital and social inclusion. This paper presents RCI 2.0, an alternative version of the Relational Capability Index - Giraud et al. (2013). It is our preferred version for a long-run monitoring of a country's performance and cross-country comparison. It gives due attention to the critics on aggregation methods that applies to multidimensional development indicators. For the first time, we use the Gallup World Poll database. The richness of the database allows decomposing the RCI into different groups: rural vs. urban, by gender, income levels, all over the world, decoupling the possibility of analysis. We find RCI 2.0 to be strongly correlated to the HDI and income levels in our countries sample.

Session 2: Operationalization and Results

Crisis and Relief in the Niger Delta: Assessment of the Impact of a flood on Relational Capabilities

The Niger Delta region (Nigeria) has a particularly high level of inequalities and oil companies tend to replace public authorities. In times of economic and environmental crisis, basic capabilities of the most vulnerable can thus be easily threatened. The impact of natural disasters on material situation is already the object of several studies; however, its impact on social fabric is still quite undocumented. Our perspective is to study the impact of a flood and of the aid provided by oil companies and public authorities on relational capabilities of the affected populations.

During spring and summer 2012, seven communities in the Onelga area experienced a flood. Some people in the affected communities received financial or material aid from the oil company. Our research team collected data before and after the events in these communities and in non-affected ones. For our estimations, we apply a differences-in-differences approach, and use a baseline survey from 2008 to verify the parallel trends assumption. We also conducted qualitative interviews onsite.

The results show that the events implied an increase of trust in the community and a decrease of participation in common interest projects in the affected communities, whereas the help distributed to some people compensates this decrease of participation in common interest projects. The help was not distributed according to the flood damages only, but mostly related to social status, and areas of direct implantation of the oil companies were also privileged in this regard. Our interpretation of these results is that, given the failure of the State in implementing a rule of law in Nigeria, the latter is probably closer to a "natural order" (in the sense of North, Wallis, and Weingast (2009)) than to a modern open access, characterized by the rule of law and impersonal relationships. Those who benefited more from the (financial and material) support from the company were people already belonging to the upper social stratification of the population, which shows the prevalence of personal relationships. As such, our findings are an illustration of the difficulty, for a society, to switch to an open access social order.