Lingnan University 嶺南大學 香港 Hong Kong

ECON DEPARTMENT OF ECONOMICS

Research Finding Seminar

"Essays on Development Economics: A Case Study of India" (in English)

Presenter:	**Ms. NNETU-OKOLIEUWA, Vivian Ikwuoma (PhD Student)**
Date:	11 April 2019 (Thursday)
Time:	11:00 am – 11:45 am
Venue:	WYL314, Dorothy Y. L. Wong Building
Chief Supervisor:	Prof. WEI Xiangdong (Professor)
Co-supervisor:	Prof. Alex WONG (Assistant Professor)

Abstract:

This thesis studies three essays on development economics in India using the Young Lives Survey Data which a longitudinal study of 3000 children in India. The first essay analysis the impacts of parental health shocks on nutrition and cognitive development of children in India. The results from the study shows that illness to either mother or father or illness to both parents has negative impacts on the human capital development of children in India. In this study, we also look at the mechanism through which parental health shocks affect the human capital development of children. The study notes that the effect can be direct or indirect. In the indirect effect, we look at how parental health shocks affect the allocation of a child's time to various activities. Our results shows that illness to the parents increases the time the child spends on doing household chores and domestic tasks and reduces the time the child spends studying at home and the hours the child spends in school. This affects the cognitive development of the child and also the nutrition of the child is affected due to a reduction in the household income.

The second essay studies the impact of natural disasters on the human capital development of children in India. In this part of the essay, we look at how household resilience affects the impact of these shocks. Basically, we answer three questions – what are the determinants of a household's resilience? Do children from a resilient household who experience shocks as a result of natural disasters have better outcomes than children from a less resilient household? Our results from a cross-sectional regression shows that children from a resilient household who experience shocks have better nutrition than children from a less resilient household.

Finally, the third essay looks at non-parental care and the human capital development of children in India. The results show that non-parental care has an impact on the health and cognitive development of children in India.

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For enquiry: 26167047 (Kathy)

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ECON DEPARTMENT OF ECONOMICS

Research Finding Seminar

"Central Bank Bilateral Currency Swap and Trade Flows: An Implication for Renminbi Internationalization" (in English)

Presenter:	**Mr. MOHAMMED, Abdullahi Ahmed (PhD Student)**
Date:	11 April 2019 (Thursday)
Time:	2:00 pm – 2:45 pm
Venue:	WYL314, Dorothy Y. L. Wong Building
Chief Supervisor:	Prof. CROZET, Matthieu Daniel (Associate Professor)
Co-supervisor:	Prof. WHITTEN, Gregory William (Assistant Professor)

Abstract:

The emerging economic prosperity of China and its increasing economic integration with the rest of the world as the second largest economy seems to give China an edge to amplify its global competitiveness. For example, the accession of China to World Trade Organization in the early 2001 has intensified its rapid GDP growth, growing trade and current account surpluses, financial inflows and growing stockpiles of reserves holdings. The global financial crisis of 2008 nearly put a halt to China's export-led and current account surpluses trajectory, in 2007 China's current account surplus fell from 10% of GDP to about 2% in 2013. This necessitates the internationalization of the Chinese Renminbi to boost trade, investment and hedge against foreign currency risk through bilateral currency swap. In bilateral currency swap, on the trade date, counter parties exchange notional amounts in two different currencies. For instance, one party receives 30 million British pounds while the other receives 3.3 million Chinese Renminbi. This implies a GBP/RMB exchange rate of 1.1, and at the end of the deal they swap again using the same exchange rate. Evidently, the currency bilateral swap agreements signed by the People's Bank of China and some Central Banks in advanced, emerging markets and developing economies is reinforcing the trend of Renminbi internationalization in global trade. The thesis applies trade gravity equation to investigate China's Renminbi bilateral swap agreements and trade flows. we empirically investigate impact of the bilateral currency swap agreements on international trade flows. Using large panel data of over 200 countries from 1979 - 2013 for the first time to the best of our knowledge. The empirical results show that currency swap as an emerging international trade agreement is trade creating. We find that the magnitude is relatively close to what is documented in the literature for other kinds of trade agreements like the currency unions and free trade agreements. This may potentially provide impetus for countries that embrace China's currency swap line. Similarly, most of the bilateral swap lines offered by People's Bank of China have been to countries that trade more with China. Furthermore, since bilateral currency swap enable countries to boost their liquidity access in the financial system for trade and financial transaction. Therefore, it is important to examine the financial development of both China and its currency swap partners. The empirical results show that bilateral currency swap line matters for trade in countries with relatively low-level financial development. Keywords: Central Banks, RMB Bilateral Currency Swap Line, China, Trade Flows and Financial Development.

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ECON DEPARTMENT OF ECONOMICS

Research Finding Seminar

"Study of the Green Paradox in Environmental and Resource Economics: Theories and Policies"

(in English)

Presenter:	**Ms. OSPANOVA, Aida (PhD Student)**
Date:	11 April 2019 (Thursday)
Time:	2:45 pm – 3:30 pm
Venue:	WYL314, Dorothy Y. L. Wong Building
Chief Supervisor:	Prof. LIN Ping (Professor)
Co-supervisor:	Prof. Adam WONG (Associate Professor)

Abstract:

Aiming to reduce the environmental damage and help to ensure the energy security, more and more attention has been paid to the development of the renewable sources of energy, such as solar, wind, biofuels, etc. Indeed, as expected by the World Bank, World Energy Outlook 2017, the demand for the fossil fuel, especially for the coal, would gradually decrease by 2040.

However, the non-renewable producers anticipating the decline in the demand for the non-renewable energy and the threat of the stringent environmental policies in the foreseeing future would respond by accelerating current extraction. This phenomenon in the existing literature is called the green paradox.

The purpose of this research is to contribute to the green paradox literature by studying the strategic behavior of the incumbent fossil fuel firms in oligopoly markets. In a two-period game-theoretical model with entry of renewable energy producers, I show that the emergence of the phenomenon of the Green paradox depends basically on two factors: the existing market structure of the incumbent fossil fuel firms and the amount of the existing resource stock. In particular, I find that if the initial resource stock is large enough, the entry of the new energy would not rise current emission under the monopoly market structure, but under the duopoly, oligopoly market structures, the entry might provoke green paradox.

My research further shows that under particular conditions, it is beneficial for the society to allow the existing fossil fuel duopoly to merge. Merger to a monopoly can help mitigate the problem of green paradox, thereby reducing the environmental damages in the first period of the model when renewable energy is not yet available. This research thus extends the existing literature of the merger control which considers exclusively competition issues and overlooked the possibility of green paradox. The merger of the incumbent fossil fuel firms may increase the long-term social welfare.

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Research Finding Seminar

"Essays on the Welfare of Children in Nigerian Families: Effects of Polygyny on Child Health and Determinants of Birth Registration" (in English)

Presenter:	**Ms. ANADUAKA, Uchechi Shirley (PhD Student)**
Date:	11 April 2019 (Thursday)
Time:	3:30 pm – 4:15 pm
Venue:	WYL314, Dorothy Y. L. Wong Building
Chief Supervisor:	Prof. LIN Ping (Professor)
Co-supervisor:	Prof. Alex WONG (Assistant Professor)

Abstract:

In this thesis, I study the impact of parental socio-economic characteristics on early childhood outcomes, namely health and birth registration in Nigeria. The focus on parental socio-economic characteristics is motivated by the growing body of literature showing the crucial role they play in shaping early childhood outcomes. Nigeria is of utmost concern because of the high variation in parental socioeconomic characteristics (e.g. polygyny is widespread) and high rates of children with very poor welfare levels (poor health outcomes and low birth registration). Identifying the impact of parental socio-economic characteristics can allow policy makers to target policy interventions more effectively to achieve the health (target 2.2) and birth registration (target 16.9) targets of the 2030 Sustainable Development Goals.

The first essay examines the effects of polygyny on a child's health status (height-for-age, weight-forheight and weight-for-age) in Nigeria. I use a sample of 40000 children under-5 years of age drawn from the 2003, 2008 and 2013 waves of the Nigerian Demographic and Health Survey (DHS) dataset to investigate this relationship. The results of the Ordinary Least Squares (OLS) and cluster fixed-effects regression techniques show a strong negative relationship between polygyny and child health outcomes. However, I identify evidence of self-selection into polygyny by young and poorly educated women. To correct for the self-selection bias, I employ instrumental variable (IV-2SLS) regression techniques. The IV-2SLS results support the negative relationship between polygyny and the health status of children under-five years in Nigeria. Furthermore, I find poor parental investments as a possible explanation for the results. For instance, polygynous mothers are less likely to deliver in health facilities, deliver with skilled birth attendants, and are less likely to vaccinate their children.

The second essay examines the determinants of birth registration in Nigeria. I use a sample of approximately 40,000 children under-5, drawn from the 2008 and 2013 Nigeria DHS data. Using OLS and Cluster fixed-effects regression approaches, I find that parents with better education and income are more likely to register the births of their children. I also find the children are also more likely to be registered if they were delivered by a skilled birth attendant or ever immunized, and less likely to be registered if they lived far away from the registration centres. While there were no gender differences, the results show that children of higher order births are more likely to be registered.

In summary, the essays show that the differences in parental socio-economic characteristics translate to inequalities in welfare outcomes for children under-five years of age. To achieve the health and birth registration targets, these differences need to be incorporated into already existing or future health and birth registration policies such as the National Programme on Immunization (NPI).

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