Transborder Ethnic Kin and Regional Prosperity: Evidence from Nighttime Light Intensity in Africa

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Abstract

This study investigates the consequences of cross-border ethnic linkages affecting local income in Africa. We show that political dominance affects the allocation of public good spending, measured by luminosity in an ethnic group’s homeland. This is true or domestic dominance as well as dominance by the related ethnic kins abroad, controlling for many other factors. We estimate spatial panel models that relate politico-ethnic variables to luminosity measured by satellite imaging from 1992 to 2013. After correcting for unobserved factors, we find that having more politically dominant transborder ethnic kin groups significantly increases economic activity measured by luminosity in the corresponding ethnic homeland. We find also that politically dominant ethnic groups have significantly brighter homelands than other groups. Finally, in contrast to prior evidence, we show that ethnic groups sharing power are not necessarily richer when accounting for spatial effects.

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