

Growth Research Programme

**Growth
Research
Programme**

DFID-ESRC Growth Research Programme (DEGRP)

Presentation at UN – WIDER conference:
“L2C – Learning to Compete: Industrial
Development and Policy in Africa

Dr Dirk Willem te Velde

25 June 2013



Introduction and overview

- DEGRP – aims and roles & responsibilities
- Substance of calls for research (**innovation/productivity**, agriculture, finance)
- Information on 1st and 2nd call
- Future engagement with programme

DEGRP – roles and responsibilities

- Programme to fund **world class scientific research** on economic growth in Low-Income Countries (LICs), with **high potential for impact** on policy and practice;
- Part of DFID's growth research portfolio; ESRC administers and manages proposals and grants;
- Support structures include: Research Strategy Group, Evidence and Policy Group, Independent Advisory Committee. Aims include:
 - To provide academic leadership and maximise impact of research by supporting grantholders
 - To network and build a reputation for the programme

Growth Research Programme in a nutshell

| | Agriculture | Innovation | Finance |
|---|---|--|--|
| Understanding patterns of structural (economic) transformation | What patterns of structural change exist, how does agriculture link to the wider economy as economies transform, what financial structures characterise structural change, and does structural change and innovation occur through firm upgrading, firm entry & exit within a sector or through shifts amongst sectors? | | |
| Explaining drivers of productivity change and effective contributions of the theme to growth | What balance of competition & market incentives and institutions & industrial policies is most effective in promoting the diffusion of innovation and productivity change? | | What combination of financial sector size & depth and financial regulation maximises contribution of finance to growth? |
| Highlighting specific research needs (examples) | Role of irrigation in stimulating agricultural growth | Role of service sector productivity in promoting innovation | Lessons from recent financial crises for LICs to avoid crises |

Innovation: issues in 1st and 2nd call?

Innovation and productivity change - what and where?

Factors behind innovation and productivity change:

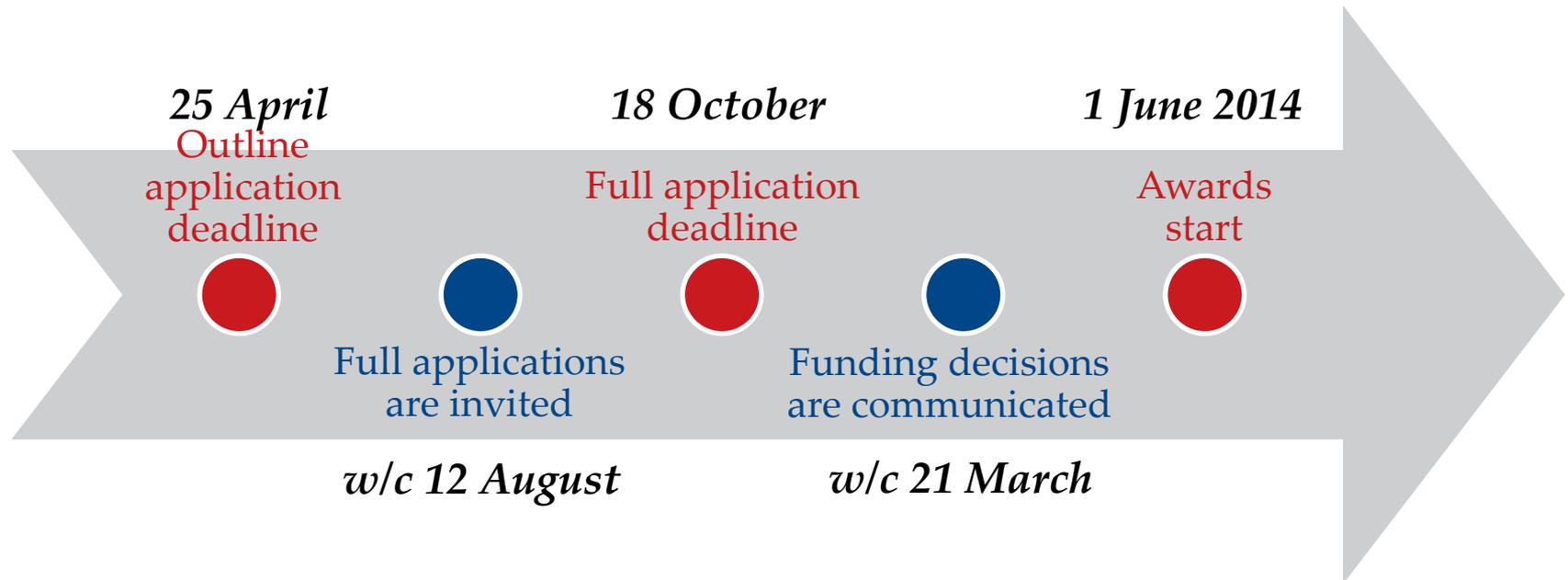
- Role of competition, incentives and market structure (related to addressing governance failures)
- Role of institutions and industrial policy (related to addressing market failures)
- Role of the service sectors (measurement and linkages; large gap in literature on LIC growth)

Innovation: specific questions

- What is the relative contribution of firm upgrading, firm dynamics and sectoral shifts to (employment and) productivity growth? (Bloom and Van Reenen, 2007; Hsieh and Klenow, 2009; McMillan and Rodrik, 2011; IMF, WB, 2012)
- Does increased competition in production and factor markets lead to innovation and productivity? (e.g. Syverson, 2011)
- What specific industrial policies can foster productivity (and employment) change? What characterises productivity-enhancing institutions? (Rodrik, Stiglitz, Nelson, Lall; Qureshi and te Velde, 2012; Lin et al, 2011; Acemoglu and Robinson, 2012)
- What is the contribution of the services sector (e.g. finance, skills) to productivity change in other sectors? And how can service sector productivity be measured?

Second call - ESRC schedule

DFID_Growth@esrc.ac.uk



Submissions to first and second call

- First call: 115 Submissions, 100 peer reviewed, 18 funded (6 in innovation, 3 in finance, 9 in agriculture). Projects ongoing 2012 – 2015.
- Second call: 153 outline proposals, 142 eligible; 60 PI ROs located in UK, 59 non-UK HIC, 19 MIC and 4 LIC.

- Linking DEGRP research with policy processes when appropriate, supporting grantholders.
- Knowledge products: Reviewing DEGRP findings in context of other research.
- Future directions for DEGRP: possibility of a third call.

Growth Research Programme

The DFID-ESRC Growth Research Programme (DEGRP) aims to fund world class scientific research on issues relating to inclusive economic growth in Low Income Countries (LICs), with high potential for impact on policy and practice.

The views presented here are those of the speaker, and do not necessarily represent the views of DEGRP or our partners.

111 Blackfriars Road, London, SE1 8NJ

T: +44 207 9220 300

www.degrp.squarespace.com

dw.tevelde@odi.org.uk

