

Request for research proposals

## **The political economy of taxation**

### **Background**

The [United Nations University World Institute for Development Economics Research \(UNU-WIDER\)](#) requests research proposals for [The political economy of taxation](#) project. This project is part of the [Domestic Revenue Mobilization \(DRM\) programme](#) and supported by the Norwegian Agency for Development Cooperation (Norad). Proposals for original research that speaks to the core themes of this project and offers strong empirical or theoretical contributions will be considered.

Government revenues from taxation are a critical source of public finances, supporting the fiscal space for economic development and public investments in the [United Nations Agenda 2030: Sustainable Development Goals](#). And, indeed, a large amount of effort and resources is devoted to the development of tax systems in order to improve the revenue collection capacity of low- and middle-income countries.

High-income countries collect, on average, more than double the share of total revenues than low-income countries, and this gap in tax performance is stable over time. Political economy explanations, by focusing on deeper social and political process which underly taxation, may contribute to a deeper understanding of why tax reforms succeed or fail, and why the gap in tax performance between higher- and lower-income economies persists.

Political economy explanations consider the nature of the social contract between the state and citizenry, how the nature of tax systems reflects the type of elites a country has and their relationship with the government—e.g., whether they are developmental elites or can easily capture the state—the degree of social conflict, and on social norms and preferences related to paying taxes. Political economy, moreover, has focused on the nature and type of political institutions and on the ability of state institutions to design and administer tax policy. And, finally, how the presence of a large extractive sector affects the political incentives to develop tax systems.

The literature on the political economy of taxation is focused on the histories of high-income countries, which may not necessarily apply to a contemporary lower-income country context. We aim to contribute to a growing body of literature on the political economy aspects of taxation in low- and middle-income countries (LMICs), specifically.

In particular, we are interested in proposals that advance theoretical and empirical knowledge on the following research themes and key questions:

- **Taxation and the social contract:** What are citizens and elites' preferences for direct and indirect taxation? Does progressive taxation increase tax compliance? How do the elites respond to changes in taxation? When does trust in state institutions increase? Under what conditions do we see a shift from indirect to direct taxation?

- **Taxation and the governance dividend:** Does taxation improve governance? Which taxes are more likely to produce a governance dividend? Is it taxation on labour or taxation on capital that leads to a governance dividend? Focus on Africa: Under what conditions do we see a governance dividend in this region?
- **Taxation in resource rich economies:** Which political institutions may facilitate taxation in resource-abundant countries? And, why do such political institutions emerge in some resource-abundant countries and not in others? Do we need these institutions in place prior to the discovery of natural resources? If so, for low-income countries that already had weak institutions of political accountability prior to the discovery of natural resources, how can the fiscal resource curse be avoided?

We are particularly interested in proposals that make a strong empirical contribution or use innovative datasets for low-income countries, particularly in Africa. We are also interested in comparative case studies of countries that could increase their tax capacity relative other countries at similar levels of economic development. Proposals that conduct systematic reviews and theoretical analysis which expand the research frontier in LMICs, and other data-limited contexts are also welcome.

## Offer and expectations

UNU-WIDER invites proposals from qualified researchers for papers examining political economy factors which explain taxation in lower-income countries. These papers will be published in the WIDER Working Paper series with the goal of future publication in high-quality journals in economics, political science, development studies, or related fields. The papers need to be written in English and should be limited to 10,000 words maximum (not including appendixes).

Proposals from individuals, groups of individuals, as well as non-profit organizations, are welcome. Applications from women, early career researchers, and researchers from the Global South are particularly encouraged. We highly encourage junior and early-career scholars to submit a research proposal either as individuals or with a senior collaborator as a research group.

For successful proposals, individual researchers will be issued UNU Consultant Contracts (CTC), while non-profit organizations will be issued UNU Institutional Contractual Agreements (ICA). A total research honorarium of USD 6,000–10,000 will be paid in two installments depending on the qualifications of the lead researcher and assessment of the proposal. The first payment will be made following delivery of a satisfactory first draft paper, and the second payment will be made after submission and review of the revised full version of the working paper. The deliverables must be deemed acceptable by UNU-WIDER's project focal point before payment is made. The honorarium is expected to cover all expenses associated with the conduct of the proposed research (including data collection, research assistance, etc.). It is not required to submit a budget.

Authors of selected proposals are expected to attend a work-in-progress workshop organized by UNU-WIDER in 2025 (date TBC).

After payments have been made, researchers may be asked to respond to reasonable requests by the project coordinators and the UNU-WIDER Publication Team with respect to the finalization of the working papers. While payments are thus made prior to journal publication, we ask that contributors make a professional commitment to submitting the paper to a peer-reviewed journal publication.

Submissions to the request are limited to one submission per person/research team.

## Dates

5 June 2024	Launch of request of research proposals
15 July 2024	Final opportunity for questions on the request for research proposals
30 July 2024	Proposal submission deadline
30 September 2024	Target date for informing on decisions
30 May 2025	Target date for submission of first drafts of papers
Date TBC	Researcher's work-in-progress meeting
31 August 2025	Target date for submission of final papers

## Evaluation process and criteria

Each proposal will be reviewed for scientific merit and feasibility. Proposals will be selected on the basis of three criteria: (i) relevance to the research project, (ii) strength of theoretical or empirical contribution, and (iii) clarity of writing.

Preference will be given to applications from early career and female scholars, as well as researchers from the Global South. Ideal applicants should hold a recent PhD in economics, political science or a related field (or be near PhD completion).

Only the final decision on whether to fund the proposal or not will be communicated to applying researchers. Applicants must not expect feedback on their proposals.

## Other considerations

For successful proposals:

- Researchers or their institutions (non-profit) will sign a consultancy contract or an institutional contractual agreement with UNU-WIDER that follows the UNU conditions of service for Consultant Contracts (CTC), or Institutional Contractual Agreements (ICA).
- Researchers/institutions will transfer copyright of research produced under the contract to UNU-WIDER. The purpose of this copyright transfer is to allow UNU-WIDER to effectively negotiate with editors of journals to cover the costs of open access option. Authors are able to submit their finalized research papers to journals of their choosing. If the study produced from the request for research proposals is included in a PhD thesis, the copyright of the study will exceptionally be retained with the author.

## Proposal submission procedure

- 1 Proposals for papers authored by one or multiple scholars will be considered. The proposal shall include: (1) an up-to-date CV for each author; and (2) an abstract of 500-1000 words that summarizes the research question, data, proposed methods for the analysis, and preliminary results (optional) in sufficient detail to warrant an evaluation.

- 2 Submission of proposals is done electronically by using the online application form on the RFRP announcement page. There are three forms to select from: one for individuals, another for groups of individuals, and a third for non-profit organizations. Details (such as address, gender, nationality, date of birth) of all researchers involved are to be entered onto the form. Please familiarize yourself with the form in advance.
- 3 Each individual can submit only one proposal.
- 4 Any questions on the proposal process should be sent to [researchproposal4@wider.unu.edu](mailto:researchproposal4@wider.unu.edu) by 15 July 2024. All queries and responses will be published on the RFRP announcement page. Selected answers will be updated on a rolling basis.