



Request for research proposals

Public revenue mobilization for inclusive development AND Turning the tide on inequality

Background

United Nations University World Institute for Development Economics Research (UNU-WIDER) is implementing, over the period 2017–20, a research programme entitled South Africa – Toward Inclusive Economic Development (SA-TIED). The aim of the programme is to enhance economic research, capacity-building, and policy dialogue in South Africa and the southern Africa region.

This is a Request for Research Proposals (RFRP) that will advance the SA-TIED programme's work on public revenue mobilization and inequality. The recent availability of [South African tax administrative datasets](#) for research purposes creates new opportunities for policy-relevant, evidence-based research on questions about tax policy, firm behaviour, job creation, public revenue, and inequality.

Internationally, research using tax administrative data has been key to informing well-designed tax and labour market policies, appropriate redistributive social expenditure programmes, and broader strategies to overcome inequality and support inclusive growth and development. Until recently, researchers working on South Africa have lacked the requisite data to truly support good policy-making in this arena. This RFRP invites the research community to join UNU-WIDER and its partners in the important process of generating evidence based on this newly available data.

Offer and expectations

UNU-WIDER, the National Treasury of the Republic of South Africa (NT), and the South African Revenue Service (SARS) invite proposals from qualified researchers for detailed economic analysis and research of topics in domestic revenue mobilization and inequality. Researchers are encouraged to use the new administrative datasets for the research, but applied work based on other data will also be considered. Special emphasis will be given to research teams that include junior and early-career researchers.

We invite submissions, in particular (but not exclusively), on the following areas of research:

- Causal impact of tax policies (rates, bases, tax incentives) on economic outcomes, including employment, taxable income, and firm growth and investment
- Tax compliance and avoidance, and mitigation strategies to reduce avoidance

- Opportunities to simplify the tax system and improve administrative procedures
- The impacts of the tax-benefit system on household and gender-based income distributions.
- Estimation of wealth distribution, using the investment income capitalization technique.
- Gender inequality in the labour market (worker flows, wages, quality of jobs)

A [series of framing papers](#) on different topics within the subject areas have been prepared. These survey some of the relevant literature and identify areas for future research. Applicants are encouraged to familiarize themselves with this background material when formulating their research proposals.

As part of the RFRP an [engagement workshop](#) will be held on 15 November 2018 in Pretoria, South Africa. SA-TIED researchers will present completed and ongoing research on inequality and tax policy issues. They will explore areas for research advancement and share ideas with the broader research and policy-making community for the future of this research. This event serves to frame the proposals for the RFRP and to answer questions from researchers hoping to join the SA-TIED programme.

In addition to generating policy-relevant research, one of the objectives of this RFRP is to facilitate policy dialogue through engaging with researchers on policy-relevant issues. Special efforts are undertaken to ensure that the findings from this research are communicated effectively to all stakeholders — including the academic community, policy makers, and civil society via policy summaries and dialogue.

Proposals from individuals, groups of individuals, as well as non-profit organizations are welcome. Researchers can be based in South Africa or internationally; and can combine researchers from different countries and institutions. Researcher(s) with successful proposals will gain access to generally inaccessible tax administrative datasets at NT, subject to agreed restrictions to preserve confidentiality.

Important note on access to datasets:

Access to these datasets is only available physically at the National Treasury Secure Data Lab in Pretoria, South Africa. Data analysis may only be conducted in this facility and no datasets can be removed from the facility.

The South African administrative tax data available includes:

- (i) company income tax (CIT) data from CIT-registered firms who submit CIT forms;
- (ii) employee data from employee income tax certificates submitted by employers (i.e., IRP5 and IT3a);
- (iii) value-added tax (VAT) data from VAT registered firms; and
- (iv) customs records from traders.

More information about the firm-level data and the individual-level data can be found [here](#).

Contract

Selected researchers will become part of the SA-TIED programme. Individual researchers will be issued Consultant Contracts, while non-profit institutions will be issued an Institutional Contractual Agreement by UNU-WIDER. A staff member from UNU-WIDER will assess adequate completion of the contract.

A total research honorarium in the range of US\$3,000-10,000 will be paid upon delivery of a

working paper, depending on the qualifications of the lead researcher and assessment of the proposal. In addition, a local expenses allowance of up to a maximum US\$5,000 per proposal (for teams entirely consisting of South African researchers) and US\$10,000 per proposal (for teams with international researchers) will be paid, depending on an assessment of costs required to undertake the proposed research.

The remuneration and local expense allowance will be expected to cover all costs associated with the conduct of all research proposed under the proposal, except attendance at the work-in-progress workshop and other knowledge-sharing and dissemination events.

What is expected of researchers

All successful applicants will be expected to:

- Produce a relevant research paper of sufficient quality to merit publication in the WIDER Working Paper series. Previous papers using the tax data and topics previously explored can be found [here](#). Ongoing research using the tax data can be found [here](#). Please review these studies to avoid duplication of research.
- Include in the research paper a data appendix of datasets and variables used.
- Sign agreements and abide by all restrictions imposed by SARS, NT, and other government agencies with respect to disclosure of confidential firm- and individual-specific information.
- Attend a 1–1.5-day workshop in South Africa (venue tbd) where work in progress will be presented to other contracted researchers and to selected international experts.
- Prepare a 2-page (maximum) policy-relevant summary that brings together the key findings from the research paper and the key policy lessons.
- Participate in a workshop/policy dialogue after completion of the final paper to communicate its policy implications.
- Be flexible in research approach, particularly for those researchers planning on exploiting datasets that have been lightly analysed to date.

Dates (EET – Eastern Europe Time)

2 November 2018	Final opportunity for questions on the request for research proposals
15 November 2018	Engagement workshop
30 November 2018	Proposals due
18 January 2019	Target date for informing on funding decisions
21 February 2019	Target date for completion of necessary administrative procedures
30 May 2019	Target date for workplan due
30 October 2019	Target window for submission of first draft of papers
November 2019	Work-in-progress workshop
February 2020	Target window for submission of final paper
November 2020	Target window for policy dialogue

Evaluation process and criteria

Proposal evaluation will follow the process described below:

A panel from NT, UNU-WIDER, and SARS will score proposals along four criteria.

Criteria	Description	Point allocation
Academic quality	This refers to (1) the technical merit and the technical capabilities of the research team; and (2) the quality of the submitted proposal	40
Feasibility	To ensure that the proposed paper and outputs can be published without contravening confidentiality issues and that proposed use of data is in line with best-practice requirements	20
Capacity building	This refers to the capacity-building of South African researchers, junior researchers, and female researchers	20
Policy relevance	This refers to the degree of policy relevance to the South African and regional context	20
Total		100

UNU-WIDER will make final funding decisions taking into account inputs provided by the panel.

A maximum number of two (2) proposals per researcher may be received, and only one (1) contract per individual researcher may be awarded.

Only the final decision on whether to fund the proposal will be communicated to applicants.

For successful proposals:

- 1 Researchers or their institutions (non-profit) will sign a Consultant Contract or an Institutional Contractual Agreement with UNU-WIDER that follows the UNU conditions of service for [Consultant Contracts \(CTC\)](#), or [Institutional Contractual Agreements \(ICA\)](#).
- 2 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/books in order to seek the most desirable possible publication outlet for a related set of papers. If no (further) publication is to be expected by UNU-WIDER, the copyright can be returned to the author(s).

Proposal submission details

Submission of proposals is done electronically using a form on the [RFRP announcement page](#). There are three forms to select from; one for individuals, another for groups of individuals, and a third one for non-profit institutions. Details (such as address, gender, nationality, date of birth) of all researchers involved are required to complete the form. Upload the proposal and brief CVs (two pages or less) for each researcher. Please familiarize yourself with the form in advance of applying.

The technical proposal should be no more than five pages (A4) in length, excluding cover page and references, using 12-point font, 1.5 line spacing, and standard margins. The cover page should contain the complete contact information of researcher(s) and a 200-word proposal abstract, which should summarize the research question, main methods, data, and expected contribution to the policy debate.

Submission of a budget is not required for the proposal.

Any questions on the proposal process should be sent to researchproposal@wider.unu.edu by 2 November 2018. All queries and responses will be published on the RFRP announcement page after this date.