

Request for research proposals

Southern Africa – Towards Inclusive Economic Development (SA-TIED)

# Macroeconomic analysis and policy modelling

# **Background**

The United Nations University World Institute for Development Economics Research (UNU-WIDER), together with the National Treasury of South Africa (NT) is opening a request for research proposals under the second phase of the Southern Africa – Towards Inclusive Economic Development (SA-TIED) programme. The papers produced under this request will be published as a part of the macro-fiscal analysis and policy modelling workstream of the programme.

The call invites all researchers to apply. It offers a unique opportunity to undertake both theoretical, evidence-driven and policy-relevant research that will help identify unintended consequences of policy changes and guide macroeconomic policy design and implementation.

South Africa is currently confronted with key challenges including a low and stagnant growth, poverty, income and wealth inequality, heightened unemployment, and a high public debt that require a pressing attention to get the country's economy back on track and generate growth. While structural reforms are required to address these challenges effectively, macroeconomic policy-driven research is also needed.











## Topics of particular interest for this call include the following:

- 1. Outstanding challenges facing the South African economy: the high and persistent unemployment conundrum, the economy's low growth and secular stagnation, the ongoing debate about adjusting the inflation target, and fiscal sustainability in a context of increasing public debt and its servicing cost, among others.
- 2. Macroeconomic policy analysis ("in isolation"):
  - (i) Evaluation of monetary policy (including SARB core mandate of keeping inflation within the 3 to 6 percent range, and whether it has supported a stable and competitive real exchange rate), assessment of its transmission channels and its response to external shocks, and investigation of unintended effects of policy changes.
  - (ii) Optimal design and implementation of fiscal policy and assessment of its effectiveness, fiscal sustainability, and sovereign risk and deleveraging.
  - (iii) Financial stability and macro-prudential policy, including the analysis of the impact of financial innovation on financial stability, and the design and implementation of macro-prudential policy.
- 3. Macroeconomic policy coordination, including the investigation of the interactions between monetary, fiscal and/or macro-prudential policy, the analysis of spillover effects of the fiscal, monetary and macro-prudential policy-mix, and the extension of these integrated policy frameworks' investigation to include exchange rate management and/or capital flows.
- 4. Analysis of the determinants and drivers of the recent inflation dynamics in the post-pandemic period, including its implications on agents' behaviour and expectations and the challenges for policymakers, monetary policy communication and anchoring of inflation expectations.
- 5. Investigation of the new climate change-related challenges for macroeconomic policy, including their welfare implications through policy responses, and the analysis of fiscal, monetary, and financial regulation policies for climate change adaptation and mitigation.
- 6. South Africa as a small open economy and the impact of global shocks. Recent such disturbances include the outbreak of the Covid global pandemic and the growing geopolitical risk, with their corollary of increased uncertainty and supply chains disruption.
- 7. Enhancement of the forecasting, and policy analysis and modelling tools, including the development of structural models that will help improve the ability to forecast and simulate the effects of potential policy changes critical for South Africa.











#### **Invitations**

Against this backdrop, UNU-WIDER together with the National Treasury announce a request for proposals on topics within the above research areas. Proposals from individuals, groups of individuals, and non-profit organizations are welcome. Researchers can be based in South Africa or internationally and research teams can be a combination of researchers from different countries and institutions.

### **Evaluation process and criteria**

Each proposal will be reviewed for scientific merit and feasibility. Proposals will be selected based on three criteria: (i) relevance to the research project, (ii) strength of empirical and policy contributions, and (iii) quality and clarity of writing. Based on this assessment, a pool of suitable proposals will be determined.

Only the final decision on whether an application is accepted or not will be communicated to applying researchers.

## **Proposal submission procedure**

The proposal should be no more than three pages of A4 paper in length, excluding cover page and references. The cover page should contain the complete contact information of researcher(s), and a 120–150-word abstract summarizing the research question, methodological approach, and expected contribution.

Submission of proposals is done electronically by using the online form on the call's 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 will need to be included in the form and the cover page, the proposal, and short CVs (five pages or less) of researcher/s uploaded. Please familiarize yourself with the form in advance.

#### Other considerations

For successful proposals:

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).

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 top academic publishers in order to seek the most desirable possible publication outlet for a related set of papers/studies. If no (further) publication is to be expected by UNU-WIDER, the copyright can be transferred to the author(s). Any material published externally thereafter resulting from this body of work should carry due acknowledgement of UNU-WIDER as the original commissioning institute.











#### **Timeline:**

15 November 2024: launch of the request for proposals

31 January 2025: applications submission deadline

15 February 2025: target date for informing on decisions

15 August 2025: target date for submission of first drafts of papers

1st week of September 2025: target date for work-in-progress workshop

**15 December 2025:** Target date for submission of revised near-final draft papers and a one-page summary of key findings

Knowledge-sharing events including policy dialogues will be planned subsequently.

A total research honorarium will be paid for the work undertaken. Submission of a budget is not required for the proposal. Please submit your application by **31 January 2025**. Any questions on the proposal process should be sent to researchproposal2@wider.unu.edu. All queries and responses will be published on the call for proposals announcement page. Selected answers will be updated on a rolling basis.









