

Research Projects for 2011/2012

The following project concepts underpin these broad themes for the Commission's work plan for 2011/12:

Large Scale Model for Policy Analysis in South Africa

The main objective of the present study is to develop a prototype and a system of regional model for a chosen set of South African regions/sectors. The developed model will be further used in order to perform an ex-ante impact assessment of various policies aimed at integration and cohesion policy for the period up to 2025. Examples include New Growth Path, Meeting MDGs, and Tax Reforms

Fiscal Decentralisation and Economic Growth in South Africa

This work examines whether provinces play a useful role in the promotion of economic growth in South Africa and if so, in what way. Endogenous growth model specification that includes cross section regressions (long run averages of annual data to capture purely long run effects), pooled cross-section regressions (capture complicated interactions between short run and long run) are used. To check for robustness, alternative estimation techniques (e.g. Bayesian Model Averaging), and alternative variable specifications and control variables to avoid specification problems is undertaken. The study will inform calls in the new Growth Path for sub-national government to adapt broad drivers to their circumstances.

Measuring Municipal Fiscal Capacity

This project seeks to use state of the art techniques to measure fiscal capacity of South Africa municipalities. Based on the estimations, the study will identify a robust measure for the Revenue Raising Component of the Local Government Equitable Share formula, identify and recommend areas to improve data collection to ensure that fiscal capacity measures are routinely utilised.

Estimating the Costs of Municipal Services

This project estimates operating costs of basic services provided by municipalities. This would include costs of basic services of water, sanitation, electricity, refuse and environmental health care provision. These are important variables/parameters used in the allocation of funds in the Local Government Equitable Share formula. Appropriate and flexible models to estimate these costs will be developed and implemented.

Assessing Gender Responsive Budgeting in the Local Government Sphere in South Africa

This project assesses the gender responsiveness of municipality budgeting processes through a thorough and systematic evaluation of the gender sensitivity of budgets as they go through the budgeting cycle. The project will systematically scrutinise the gender sensitivity of the entire budgeting process relying on both secondary and primary data. The evaluation of gender budgeting, will involve computing frequencies and other descriptive forms of analysis. The judgment will also make use of qualitative information.

The Impact of Climate Change on the Agriculture Sector, Water and Food Security in Rural South Africa

This study seeks to establish and identify the pathways in which climate change impacts South African agriculture sector (productivity/net revenues), food and water security. A Ricardian modeling approach is used to evaluate different interventions and recommend appropriate fiscal policies and programs and intergovernmental arrangements that are worth pursuing in mitigation and adaptation against climate change in the rural sector.

Understanding the Dynamics of Capacity Challenges at Local Government

Using secondary and primary data through a carefully designed and implemented questionnaire, this project seeks to understand the magnitude of the municipal capacity challenge and contribute to improved understanding of what constitutes lack of capacity at the local level. Existing capacity interventions are evaluated and alternative strategies and alternative/ complementary intergovernmental measures to assist in minimising the extent of the challenge are proposed.

Alternative Service Delivery Arrangements: The Case of SPVs

Using Special Purpose Vehicles as an illustration, this project assesses the debates surrounding alternative mechanisms internationally and nationally to deliver municipal infrastructure. Based on the analysis, the project will propose alternative or supplementary measures to assist with improved delivery of basic services.

An Evaluation of Sustainability and Fiscal Burden in the Current Human Settlements Delivery System in South Africa

This project explores the efficacy of housing subsidies in provision of housing for the poor. It assesses whether the current system of housing delivery is sustainable, effective and responsive to the needs of beneficiaries before evaluating the associated fiscal burden. The project draws on statistical data on the allocations and spending on housing as well as undertaking case studies.

Evaluation of Public Transport Operating Subsidies in South Africa

The poor in South Africa spend more than 10% (national policy objective) of their income on public transport. This project seeks to investigate the problems in the current design of public transport operating subsidies, identify the main beneficiaries and assess whether public transport subsidy policy goals can be achieved using current public transport subsidy design. Legislative as well as policy review of public transport subsidies is carried out and case studies and data analysis are used to address the research issues.

The Impact of No Fee Schools Policy on Equity, Funding and Learner Performance

This project will examine the implementation of South Africa's school no fees policy and analyzes its effectiveness in tackling the issues of equity and redress as well as the impact on learner performance. It will draw data and literature partly on a study of the implementation and impact of the no-fee and exemption policies, commissioned by the Alliance for Children's Entitlement to Social Security (ACCESS) in 2008. The methodology will also include school case studies on the implementation of NFSP schooling and household expenditure trends on basic education over time.

Budget Reforms of the Health Conditional Grants and Strengthening of Health Performance

The study will use multidimensional provincial level data to assess the impact of health conditional fiscal transfers on health outcomes. Two key questions guide the analysis. First, do more conditional fiscal transfers assist provinces to perform better, measured in terms of health system performance indicators? Second, what role do intergovernmental transfers play in explaining different health outcomes? A time series analysis will be done on health conditional grants allocations and expenditure trends and the "fly-paper effect" which suggests that conditional grants tend to be considerably more stimulative than would be expected by economic theory will be empirically tested.

Identifying Gaps and Progress Made with Government Outcomes: A Spatial Approach

This project seeks to identify areas that are in most need of government services and eventually provide methodologies and approaches that government could use in ensuring better alignment of budgets to service needs within the identified outcomes. What is unique about this research would be a spatial perspective of progress in various parts of the country in respect of government earmarked outcomes. Literature review, data related to the specified outcomes and their indicators will be collected and manipulated and analysed using GIS techniques and presented as both static maps and intelligent live maps that are web enabled for production of reports relevant to the responses the Commission needs to give in any ad hoc request at hand.

