



DFID/ESRC Growth Programme

Pre-call

Summary

The ESRC and DFID are partnering in a new programme on economic growth in developing countries. We are provisionally allocating up to £8.91 million for collaborative research projects under this programme and we expect to fund up to 30 research projects with an average size of £370k (at 100 per cent full economic costs - FEC) and a duration of up to three years. ESRC will administer the programme on behalf of the co-funders. We intend to announce a call for proposals in March 2011.

This scheme is additional to the existing ESRC/DFID Joint Scheme for Research on International Development (Poverty Alleviation), which will be launching the third call for proposals under the second phase of the scheme in June 2011.

The programme will fund world class scientific research on issues relating to economic growth in Low Income Countries, with high potential for impact on policy and practice. Applications are sought from across the social sciences. Multi- or inter-disciplinary projects are encouraged, although this is not a pre-requisite for funding. The programme will allow academics from developing and developed countries to work together in any configuration of their choosing, and principal investigators can be from anywhere in the world. Projects with developing country partners are strongly encouraged. Formal partnerships and collaborators in the research process are not a pre-requisite for support under the scheme, although the funders expect non-academic stakeholders, including potential end-users of the research to be included and involved in projects. Researchers must have identified the potential impact of their research on policy and practice, and must actively consider how these can be maximised and developed.

We intend to announce a call for proposals in March 2011. This pre-call is being announced in order to allow interested researchers to begin discussions with potential research partners and potential research users in advance of the formal call for proposals. Applications will be through the Research Councils' Joint Electronic Submissions system (Je-S). Detailed guidance about how to apply will be provided with the call for proposals.

It is intended to fund along the lines currently deployed by the ESRC/DFID Joint Scheme for Research on International Development, namely that UK based researchers will be funded at 80% of FEC, whilst non-UK researchers will receive 100% of the direct costs of the research, plus a variable overhead (50% for researchers located in developing countries and 20% for researchers located in developed countries).

Scope

There will be three themes under the call. Applications which are not deemed to address these themes sufficiently will be rejected.

Research must be relevant to the countries of DFID interest, being primarily low-income countries, and including large parts of Sub-Saharan Africa. The focus of this research programme is on economic growth, and the development and use of policy-relevant knowledge. However, a number of cross-cutting issues are important, and proposals that contribute to these will be welcomed. These include strengthened governance in fragile and conflict-affected states, the empowerment of women, and adapting to the affects of climate change.

Theme 1: Agriculture and Growth Research

The funders are keen to develop a broad research portfolio which will focus on the role of agriculture in economic growth. There are two areas of research. The first focuses on the relationship between agricultural development and the development of the broad economy. The second focuses on productivity in agriculture and the role of policy.

Key research issues in the area of the role of agriculture and the wider economy may include:

- Identification and analysis of the ways in which agriculture contributes to growth. Projects might explore relationships between agricultural sectors, or between agriculture and the wider economy, and might focus on specific transmission mechanisms from agriculture to wider growth. Projects may examine how these relationships evolve in the context of agricultural transformation.
- Analysis of the role of institutional factors such as markets and land tenure systems that mitigate or enhance the contribution of agriculture to growth, and the political economy around these institutions.
- Exploration of how the contribution of agriculture to growth varies across the spectrum of farm size. Projects might also explore the importance of particular distributional aspects of farms in generating or mediating growth.

Key research issues in the area of increasing productivity and growth in agriculture may include:

- Identification of the main constraints to raising agricultural productivity.
- Analysis of the impact on productivity of various policy instruments, including agricultural infrastructure, extension services, and R&D.
- Investigation of issues around development, adoption and impacts of newer technologies, considering factors such as local institutional and political economy, and technical feasibility.

Theme 2: Finance and Economic Growth

The funders are keen to develop a broad research portfolio which will focus on financial sector development in developing countries. A number of issues have been identified. The emphasis of this theme is on developing understanding of appropriate regulation and supervision of financial markets to support economic development. Three other issues include the relationship between financial structure and growth, and how this evolves with development; on the role and implications of significant capital inflows in LICs, and issues of the nature and sequencing of financial openness in LICs.

Key research issues under this theme may include:

- Identification of what works in regulation and supervision of financial markets in developing countries, which may be characterised by weak governance, law enforcement and media scrutiny etc.
- Analysis of government insurance as a response to financial crises, and the implications of these policies. In particular; how might safety nets be designed so as to mitigate the long-term costs to financial sector development and growth?
- Identification of the ‘optimal’ financial structure, and examination of the implications of this for policy. How might this vary by time and context?
- Analysis of how, when and where liberalisation may contribute to financial development and economic growth without risk to fragility?
- Analysis of the relationship between long-term financial development and short-term financial fragility. Specifically, is fragility a characteristic of innovative developing financial markets?
- Examination of the impact of growth on financial sector development.
- Analysis of the relationship between financial sector development and inequality.

Theme 3: Innovation, Diffusion and Economic Growth in Low Income Countries

The funders are keen to develop a broad research portfolio which will focus on innovation, diffusion and economic growth in developing countries. The emphasis of this theme is on identifying the factors, institutions, and policies that can increase the rate of innovation but also identify the country characteristics that determine the effectiveness of alternative policies particularly focused on LICs. In exploring innovation and technological diffusion a broad definition of innovation is implied here encompassing new to the world invention but also the diffusion, adoption and adaptation of pre-existing technologies, services processes and ways of working.

Five broad research areas have been identified – these include developing an understanding of the role of: finance for innovation and adaptation; industrial policy for innovation and diffusion; intellectual property in technological diffusion to low income countries; the importance of skills for innovation and adaptation; and the nature of innovation systems.

Key research issues under this theme may include:

- Analysis of the types of financial institutions and instruments which are most effective in supporting the innovation (adaptation) process in developing countries. What specific regulations are most relevant in the LIC context, to reduce market failures and encourage the innovation process?

- What are the links, if any, between industrial policy and the rate of the technological diffusion process? What critical success factors can be identified? Are industrial/innovation policy approaches appropriate in weak governance environments? What policies work in different contexts?
- Analysis of the impact of intellectual property protection (in all its forms not only formal IPRs) for domestic innovation levels/rates. Are international IPR regimes a significant facilitator or barrier to the diffusion of technology in LICs? What is the role of technology brokers or other types of institutions to facilitate transfer of knowledge?
- Analysis of the types of education and training systems necessary for a country's innovative capacity. What education and skills policies are the most suitable to increase innovation/adaptation? In addition to formal skills, what types of networks, schemes or associations are relevant for acquiring tacit (in addition to codified) knowledge?
- Identification of the most critical barriers to the process of innovation and the diffusion of technology, processes and new ways of working in a low income country setting. What policies are most effective in overcoming these barriers?

Application Process

There will be a two-stage application process for the programme. Following initial checks, when ineligible proposals will be office rejected, each proposal will go to full electronic peer review. Proposals will be shortlisted following peer review, and shortlisted proposals will be assessed by members of the programme commissioning panel.

The full assessment criteria will be provided with the call for proposals. They will include:

- Research Agenda
- Project Management
- Capacity Building
- Pathways to Impact, Stakeholder Engagement and Outputs
- Value for Money
- Research Partnerships

Further Information

ESRC and DFID are currently in the process of finalising the call specification and associated documentation, which will be available when the call for proposals is officially launched. Workshops for potential applicants will be held following the launch of the call for proposals. Information about these workshops will appear on the ESRC website once the call has been launched.

For more information about this competition please contact: dfid_growth@esrc.ac.uk