



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

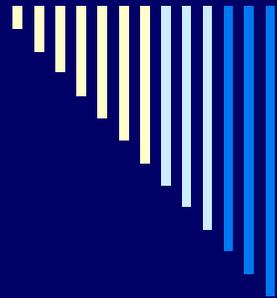
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Economic
Research
Southern
Africa

Public Economics

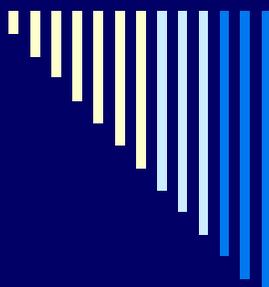
South African research topics

Andrew Donaldson
National Treasury
August 2009 & May 2010



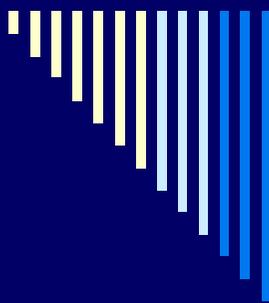
Public finance issues – 2010 perspective

- Fiscal consolidation
 - Large adjustments required in major OECD economies
- Impact of global rebalancing on SA
- Fiscal measures and employment
 - Divergent international experience – lessons for SA
- Fiscal & monetary coordination –
 - Financial transactions tax?
 - Capital flows, reserve accumulation & sterilization
 - Policy lending?
- Comprehensive expenditure review
- Institutional aspects of government performance



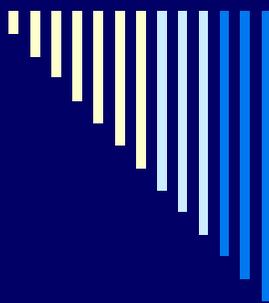
Macroeconomic & fiscal management

- Growth, investment and macro-fiscal sustainability
- Long-term planning, scenario-building
 - Demographic trends
 - Employment & human development
 - Climate change & implications for public policy
 - Technology & investment choices
- Debt management & monetary-fiscal management
- Global financial crisis, fiscal stimulus & long-run growth
- Public & private investment: crowding-out, crowding-in
- Global public goods, regional integration
- National accounts & the public finances: measuring the deficit & managing uncertainty



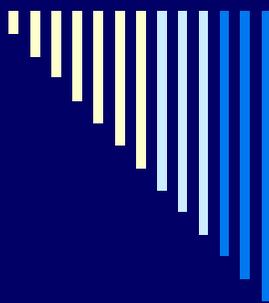
Financial sector economics

- Banking and financial sector regulation:
 - Capital adequacy
 - Prudential standards
 - Customer protection
- Credit market analysis, risk-management
- Role of development finance institutions
 - Housing
 - Land & agriculture
 - Industrial development, small enterprises
 - Student credit
 - Infrastructure investment
- Product regulation and market conduct
- Financial deepening, institutional vulnerability, financial fragility



Network industries

- Infrastructure planning
- Industry structure: regulation & competition
 - Transport
 - Communications
 - Energy – generation, transmission, supply
 - Water resources & services
- Tariffs: demand management, equity, efficiency
- Cross-border infrastructure networks: Inter-jurisdictional issues, cost-sharing
- Public utilities & local government finances
- Public-private partnerships

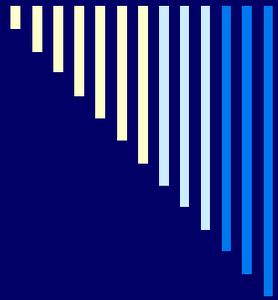


Social policy

- ❑ Social assistance & social insurance – impacts on income distribution, poverty & labour markets
- ❑ Demographic dynamics: social policy & household structure
- ❑ Education: access, quality, effectiveness
- ❑ Health services: impact on health outcomes, financing, institutional arrangements, technology
- ❑ Public and private services; centralised & decentralised governance

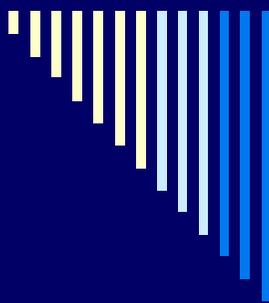
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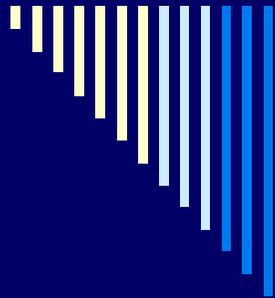
Pensions & the savings industry

- Industry structure: regulation, competition, governance
- Tax treatment of retirement funding arrangements
- Interaction between mandatory and voluntary savings & social insurance plans
- Behavioural underpinnings of welfare and social insurance policy
- Cost containment, risk-pooling & investment fund management



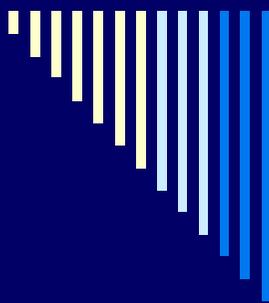
Industrial & sectoral economics

- ❑ Investment allowances, incentives, trade policy & competitiveness
- ❑ Economic development zones
- ❑ Sector development strategies
- ❑ Mining, beneficiation & industrial linkages
- ❑ Technology transfer, R&D
- ❑ Productivity & skills development
- ❑ Globalisation, industrial structure and trade policy



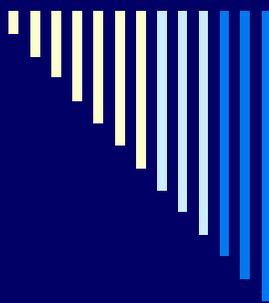
Agriculture and rural development

- ❑ Economics of land ownership & redistribution
- ❑ Land management, local government & rural development
- ❑ Agriculture and environmental economics – resource use, technology, productivity
- ❑ Agriculture, access to land & rural employment
- ❑ Market structure, competition, food security
- ❑ Biotechnology, phyto-sanitary standards, trade regulation



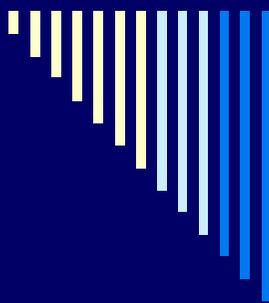
Taxation

- Income tax structure, impact on investment & labour markets
- Tax structure, incentives & income distribution
- Business taxes, incentives and investment allowances
- Tariff policy and industrial development
- Consumption taxes: incidence, impact & substitution effects
- Measuring the tax gap: evasion & avoidance
- International tax issues, tax harmonisation
- Local government taxation



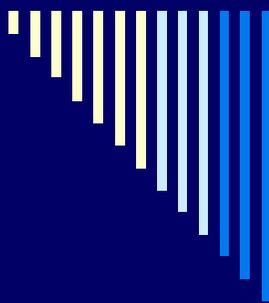
Expenditure policy

- Public goods & the rationale for public service provision
- Impact and effectiveness of public expenditure; incidence analysis
- Public expenditure & income distribution
- Public sector capital formation:
 - CBA and project appraisal
 - Financing investment
 - Public-private partnerships
- International, regional and local expenditure issues
- Municipal public finances



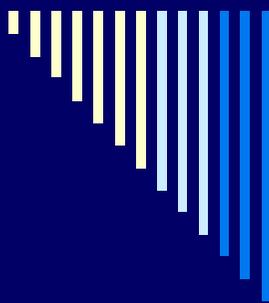
Law and the public finances

- Budget law & public financial management
- Constitutional economics:
 - Rule of law & property rights
 - Social & economic rights – progressive realisation
 - Intergovernmental fiscal arrangements
- Public interest law, special interest groups
- Public sector structure & governance: public administration & quasi-public entities
- Regulation of private provision of public interest goods



Governance, reporting & accounting

- ❑ Measuring and monitoring performance, accountability for service delivery
- ❑ Arms-length public entities, quasi-business enterprises
- ❑ Remuneration standards, rewarding performance
- ❑ Public reporting, disclosure standards: imperfect information & agency problems
- ❑ Accounting issues – accrual accounting for the public sector; accounting for public-private partnerships



For discussion

- How best to communicate topics to researchers and students
- Mini-workshop or newsletter?
- Access to data
- How to promote feedback loop between research & policy work
- Links between research & public debate