



Social and economic relevance

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University of Cape Town is acutely aware of its social context and a new wave of research, focusing on social and economic relevance, is reflecting this. With the spotlight very much on local issues, a series of new initiatives, along with more established projects, are bringing new perspectives to bear on a host of challenges from cybercrime to income dynamics.



The business of integrating research and social responsiveness

When Professor Don Ross was appointed as Dean of the Faculty of Commerce in 2010, one of the priority items on his to-do list was to reinforce and boost research and research capacity in the faculty.

Two years on, Professor Ross and the faculty have made substantial strides. He describes 2011 as a year of restructuring in the faculty, both at departmental level and in drawing up the kinds of incentives that would attract more academics to research. The faculty has also developed criteria for the appointment of research leaders, scholars who will lead integrated research groups – junior academics, postdoctoral research fellows, and senior postgraduates included – and also lead applications for major international research grants.

“The old days when an individual goes out and shakes a hundred thousand dollars out of a foundation have long gone,” says Professor Ross.

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Seeking out funding is an important cog in the faculty's plans. So it has appointed Professor Harold Kincaid, previously of the University of Alabama in the USA, to the School of Economics as its first grant facilitation and support officer. Professor Kincaid's role will be to help prepare applications for major international grants.

Always ambitious, the faculty is in the process of applying for funding and identifying partners for a number of premier projects. This includes three new research units currently applying for formal accreditation with the university, and the planned new African Institute for Financial Markets and Risk Management, where research will complement a master's degree programme.

Also a top priority at the moment is the Starting Chance Project, in which the faculty will support the Southern

Africa Sustainable Development Initiative (SASDI) in its goal to grow as many as 30 Cape Town crèches – currently underwritten by parents' monthly fees – into sustainable early childhood development centres. Partnering with the Western Cape government, SASDI and the faculty are hoping to raise as much as R150 million to set up these centres.

What is so appealing to the faculty about this project is the opportunity to marry social responsiveness with research, says Professor Ross. Such centres will need support for everything from drawing up business plans to setting up the necessary IT infrastructure, and will provide data for years' of publications.

“It is scaffolding on which we can integrate research and social responsiveness from across the faculty.”

Another unit that plans to marry these twin concerns of research and social responsiveness is one of the faculty's most recent additions, the Research Unit in Behavioural Economics and Neuroeconomics (RUBEN). More than that, RUBEN will harness a multidisciplinary cohort of expertise to explore a universal theme but with a very specific African focus.

RUBEN aims to become the first centre for experimental research in economics in Africa. It will combine expertise across a range of disciplines, the latest advances in functional magnetic resonance imaging, and behavioural experiments to measure phenomena such as attitudes to risk, trust and addiction, and so better understand the choices that people make.

More specifically, it wants to paint a picture of the particular choices that people make in Africa. “Many of the problems of development in Africa can be attributed to aversion to risk, fear of losses, and unwillingness to invest in projects that have higher returns but over longer time horizons,” says Associate Professor Justine Burns, RUBEN Director. “Yet, until now, the skills to measure empirically and to test the effects of risk and uncertainty, as people subjectively perceive them on a day-to-day basis, on development outcomes have not been available in Africa”.

Scholars affiliated with RUBEN have already contributed to a score of other projects, including the National Urban Prevalence Study of Gambling Behaviour and



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(with the faculty's social responsiveness call always in mind) the National Responsible Gambling Programme; studies on trust, risk, inequality, and economic growth; research that examined the relationship between addiction and reward among smokers and non-smokers; and one that investigated risk-aversion and risk-taking in a classroom setting.

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As befits a first-of-its-kind unit, RUBEN will dedicate resources for training to both its scholars and postgraduates.

Another new unit that is attracting attention in the faculty is the Unit for Digital Forensics Research. Founded on the long-running work of Adrie Stander in the Department of Information Systems, who has been running a postgraduate diploma course in digital forensics for the past five years, it is the only unit of its kind on the

continent. Graduates of the original programme have included members of the South African Police Service, banks, insurance firms, and legal and big-name audit firms. Ninety-three applications poured in for the 38 spots that could be accommodated in 2012.

Cybercrime, whether conducted on PCs or cellphones, doesn't just include financial crimes – itself conservatively estimated to stand at around R50 billion a year in South Africa. Digital forensics has also become standard in the tracking of child exploitation, human and drug trafficking, and even cyberterrorism.

“The legal people are beginning to see the value of this kind of work because,” says Stander, “for all practical purposes it is impossible to commit a crime now without an electronic component to it.”

But that work needs further human capacity. The unit will next aim to build research at both master's and doctoral level. The unit will also include a dedicated, non-shared facility that will help with the development of tools – software included – to tackle problems unique to Africa, covering areas such as psychological profiling, quality control, and national and international law.

Research groupings associated with this theme

■ Research Unit in Behavioural and Neuroeconomics (RUBEN)

RUBEN is an inter-disciplinary group of researchers who use economic experiments, often together with functional Magnetic Resonance Imaging (fMRI) imaging techniques, to examine the role that social, cognitive and emotional factors play in economic decision-making. In particular, the methodological approach in which the members of the team are experts allows the estimation of risk attitudes and time preferences of individuals, households, and communities in the field. RUBEN is currently the only centre for experimental research in economics on the African continent, providing training, research leadership and technical resources for the benefit of researchers across the continent. A key aspect of RUBEN activity is training. RUBEN hosts annual training workshops for scholars from the rest of the continent, and raises funds to cover all workshop costs for these participants. In addition, the unit aims to provide scholarships for four to six postgraduate students annually.

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■ Environmental-economics Policy Research Unit

The Environmental-economics Policy Research Unit (EPRU) was established in 2007 and forms part of the Environment for Development (EfD) initiative. EPRU strives to produce and disseminate policy-relevant research of a high academic quality on current environmental economic issues in South Africa. The main objective of the unit is to function as a resource where high-quality information and economic opinion on environmental issues can be sought. It aims to enhance environmental policy-making in South Africa through rigorous research and extension in order to attain sustainable development and poverty reduction. The EfD initiative operates in China, Central America, Ethiopia, Kenya, South Africa and Tanzania, focusing on environmental economics research, policy advice and teaching. Funding support is provided by the Swedish International Development Co-operation Agency.

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■ Advancement of Business Competitiveness Unit

The recently established Advancement of Business Competitiveness Unit aims to be the primary source of knowledge and support for the advancement of competitiveness of organisations in South Africa and the rest of Africa in both the private and public sectors. This means that while the grouping will produce and publish peer-reviewed research, the primary agenda of such research output will be to support the advancement of business competitiveness. The research will focus on undertaking surveys to map the current business practices in the various sectors of the South African economy with the aim of benchmarking them against best practices. This initiative will be taken to the rest of Africa. Using cases studies, the grouping will also undertake in-depth investigations of the business practices peculiar to the value chains of the various sectors. Both the surveys and cases studies will generate insights into the potential weaknesses of the value chains which hinder competitiveness in both the private and public sectors.

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Collaboration will feature strongly in the unit's endeavours, and the first national conference in digital forensics is planned for 2012.

Another spin-off initiative in the faculty that continues to thrive is DataFirst. Devoted to survey research in Africa, it was started by UCT's Professor Francis Wilson in 2000 as part of another of his creations – the Southern

Africa Labour and Development Research Unit (SALDRU). Manager, Lynn Woolfrey – who runs the award-winning unit with director, Professor Martin Wittenberg – describes DataFirst as a research policy interface, modelled on the national survey-data archives established in Europe and the USA in the 1960s. As with those archives, DataFirst aims to make essential survey data available to the country's research community, rather than just have it



Participants of the 13th Annual SALDRU Summer Training Programme in Social Science Research using Survey Data.

gather dust in state vaults and libraries. It also ensures that researchers have access to the raw data, instead of basing policies or proposals on reports that have already been packaged or interpreted with a specific goal in mind.

“We assist in repurposing the data,” summarises Woolfrey.

But even a cursory search through the archives quickly makes it clear that it's not only South African data that is to be found in the DataFirst trove. It also holds surveys from Burkina Faso, Ethiopia, Ghana, Kenya, and Tanzania, among other African nations.

And it's not just a storage facility. In an initiative with the Organisation for Economic Co-operation and Development, employees of DataFirst have, over the past years, been training national statistics offices across Africa in the use of its open access, survey-sharing software developed by the World Bank, building capacity even in low-resource conditions.

The unit also plays a vital role in making South African data more usable. Researchers in its Data Quality Project, funded by the Mellon Foundation, are working with local data producers to improve the quality of national datasets, and their published works assist with the appropriate usage of the data.

South African data held by DataFirst includes that coming from SALDRU's National Income Dynamics Study, or NIDS. The country's first national panel (or longitudinal) study, this survey – commissioned by the Office of the President – aims to track income, consumption, and expenditure of some 7 300 households (or about 28 300 individuals) over time,

starting in 2008. Surveys, or waves, are conducted every second year, and the third wave is scheduled for 2012.

NIDS also casts its net wider, tracking features such as poverty and well-being, household structure, fertility, and mortality, as well as vulnerability and social capital.

The study is, for all intents and purposes, a log of social mobility, explains SALDRU Director, Professor Murray Leibbrandt, who also holds the DST/NRF SARCHI Chair in Poverty and Inequality Research.

One of the challenges of the survey – and what occupies the NIDS office for much of the time between surveys – is keeping track of the same people; because they are, in a very literal sense, mobile.

“It's how people survive in this country,” says Professor Leibbrandt. “They move closer to labour markets, closer to schools. And there is no other survey in the country that tracks that movement, which is a crucial part of our behaviour.”

While it's still too early to draw too many conclusions, the insights gleaned from this one-of-a-kind survey into the lives of South Africans could shape policy for decades to come.

This is how the faculty likes it. Relevance and social responsiveness are helping to invigorate the culture of research in the faculty and position it to make a significant contribution to the African continent in the years ahead. Professor Ross says: Watch this space.