

HRD Terms of Reference

For PEC consultancies

Job Title: Data Analysis researcher

Background of this search: Latin America and the Caribbean (LAC) continues to be one of the slowest growing regions in the world. Between 1960 and 2019, the average per capita growth rate of real GDP in LAC was consistently below the world average. As such, while other regions have substantially narrowed the income gap with the United States, Latin America and the Caribbean has not. Boosting inclusive and sustainable income growth is essential for raising living standards, even more so in view of the pandemic that has devastated the region. The IDB is committed to inclusive and sustainable growth as explicitly stated in its Vision 2025. Slow growth can be traced to distortionary public policies that both impede the accumulation of factors of production (capital and labor) and reduce incentives to use those inputs more efficiently (to increase total factor productivity). Historically, the region has suffered from low inputs accumulation, but most acutely from low productivity. The policy reform agenda has long been well-understood – ranging from encouraging public investment and increasing fiscal stability to regulatory and institutional reform. Less well-understood is how to shift the political equilibria of countries to encourage citizens and politicians to embrace reform. The TC that finances this consultancy will yield new approaches to the communication and design of policy reform, consolidating recent advances in the political economy of reform and collecting new evidence on novel communication and design interventions.

Reforms can only happen if policy-makers are willing to enact them and citizens support them. Unfortunately, reforms are rarer in the region than ever. Polarization in the political system, low political party institutionalization, parties that are not programmatic, and fragmented actors make it very difficult to engage in transactions that would allow deals to make it to the decision table. Citizens distrust policymakers, therefore, they do not demand change that involves short term costs for long term benefits. Distrust feeds higher regulations, higher subsidies and more targeted transfers. Broad-based reforms are not on the agenda and when governments try to advance them, they are rapidly defeated on the street. Moreover, even incremental progress is hard to detect.

The TC would finance a series of projects to consolidate recent advances in the political economy of reform and to collect new evidence that will serve to provide more explicit guidance to policy makers that goes beyond “quick wins”, “simplicity and 30 second soundbites”, and “compensating losers”. Policy makers in the region have long been aware of these tactics, but none have been sufficient to accelerate reform. Novel solutions that will be investigated relate to the content, targeting and modality of communication strategies and information; citizen engagement and participation in reform processes; and the interaction of these with digital tools and social media to increase support for reforms. The underlying theme of this agenda is that common strategies of reform have been insufficient to overcome citizen mistrust in public officials – and each other. Hence, loser compensation fails because losers do not believe will be compensated; quick wins fail because they do not persuade citizens that long-term reform objectives are credible. Trust depends on reforms that reduce the informational and power asymmetries between citizens and government, one of the main conclusions of IDB’s flagship publication Development in the Americas 2021. Uninformed citizens have no reason to believe that governments will carry out their promises; powerless citizens have no ability to punish governments that fail to carry them out.

The Research Department (RES) generates new ideas to enrich the knowledge base supporting the policy agenda of the Bank and its member countries. To maximize the impact of its research, RES carries out activities that serve as inputs to Bank departments, governments, academia, and public opinion in the region. RES advises management on economic and development issues, conducts research and analysis on macro- and microeconomics trends, and oversees the development of the Bank’s quantitative and analytical databases. RES’s staff consists of a team of researchers with excellent academic credentials, superior research and policymaking experience, and expertise in different areas.

The team’s mission:

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This consultancy aims to support performing a literature review and data analysis of the LAC region. The consultancy will also involve some general support for the production of the policy briefs and working papers prepared.

What you'll do

Selected candidates will work with RES researchers and perform the following activities:

- Assist researchers in the preparation of research papers, reports, and presentations.
- Identify, compile, and organize databases.
- Perform econometric and statistical analyses.
- Prepare literature reviews.
- Participate in academic discussions on research findings.
- Provide support in project management or field experiments.

Depending on the merit of the intellectual contribution to the research agenda, the Research Fellow Program sometimes provides Fellows with the opportunity to co-author papers with RES researchers. After working in RES, Research Fellows typically go on to pursue their Ph.D. or Masters studies. In recent years, Fellows have gone to Harvard, MIT, Berkeley, Columbia, Brown University, University of Minnesota, University of Illinois at Urbana-Champaign, and others.

Deliverables and Payments timeline:

Payments will be made according to the following schedule:

- 30% upon delivery of the workplan (by February 15, 2022).
- 50% upon delivery of the progress report (by September 15, 2022)
- 20% upon delivery of the final report (by November 30, 2022).

What you'll need:

Citizenship: You are a citizen of one of our 48-member countries.

Consanguinity: You have no family members (up to fourth degree of consanguinity and second degree of affinity, including spouse) working at the IDB Group.

Education: Undergraduate degree in economics. Master's degree in economics, public policy, or related field preferred. Candidates should have a strong quantitative background. Prospects of engaging in doctoral-level studies preferred.

Experience:

- In applied research at a recognized university, research center, or government agency
- Strong background in econometrics, mathematics, and statistics
- Experience in applied econometric methodologies
- Experience with econometric packages such as Stata, MATLAB, Dynare, R, or EViews. Advanced programming level preferred
- Some basic programming experience (e.g., Fortran, Python, Perl, C) desirable

Languages: Command of at least two of the Bank's official languages: Spanish, English, Portuguese, and French

Core and Technical Competencies: Motivation to do research, ability to work independently, and willingness to participate in research teams. Strong analytical abilities as demonstrated by academic

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achievements and other personal accomplishments. Excellent writing skills in English and in one other Bank language

Opportunity Summary:

- Type of contract and modality: Product and External Services Consultancy (PEC), Lump Sum
- Length of contract: 12 months
- Starting date: February, 2022
- Location: Washington, DC
- Responsible person: Carlos Scartascini (RES/RES) will be in charge of coordinating and supervising the work of Research Fellows.
- Requirements: You must be a citizen of one of the IDB's 48 member countries and have no family members currently working at the IDB Group.

Our culture: Our people are committed and passionate about improving lives in Latin-America and the Caribbean, and they get to do what they love in a diverse, collaborative and stimulating work environment.

We are the first Latin American and Caribbean development institution to be awarded the EDGE certification, recognizing our strong commitment to gender equality. As an employee you can be part of internal resource groups that connect our diverse community around common interests.

We encourage women, afro-descendants, people of indigenous origins, and persons with disabilities to apply.

About us: At the IDB, we're committed to improving lives. Since 1959, we've been a leading source of long-term financing for economic, social, and institutional development in Latin America and the Caribbean. We do more than lending though. We partner with our 48-member countries to provide Latin America and the Caribbean with cutting-edge research about relevant development issues, policy advice to inform their decisions, and technical assistance to improve on the planning and execution of projects. For this, we need people who not only have the right skills, but also are passionate about improving lives.

Our team in Human Resources carefully reviews all applications.

TERMS OF REFERENCE**Survey data collection**

Regional

RG-T4022

The Political Economy of Reform. How to Make Reforms Happen

1. Background and Justification

- 1.1.** *Latin America and the Caribbean (LAC) continues to be one of the slowest growing regions in the world. Between 1960 and 2019, the average per capita growth rate of real GDP in LAC was consistently below the world average. As such, while other regions have substantially narrowed the income gap with the United States, Latin America and the Caribbean has not. Boosting inclusive and sustainable income growth is essential for raising living standards, even more so in view of the pandemic that has devastated the region. The IDB is committed to inclusive and sustainable growth as explicitly stated in its Vision 2025. Slow growth can be traced to distortionary public policies that both impede the accumulation of factors of production (capital and labor) and reduce incentives to use those inputs more efficiently (to increase total factor productivity). Historically, the region has suffered from low inputs accumulation, but most acutely from low productivity. The policy reform agenda has long been well-understood – ranging from encouraging public investment and increasing fiscal stability to regulatory and institutional reform. Less well-understood is how to shift the political equilibria of countries to encourage citizens and politicians to embrace reform. The TC that finances this consultancy will yield new approaches to the communication and design of policy reform, consolidating recent advances in the political economy of reform and collecting new evidence on novel communication and design interventions.*
- 1.2.** *Reforms can only happen if policy-makers are willing to enact them and citizens support them. Unfortunately, reforms are rarer in the region than ever. Polarization in the political system, low political party institutionalization, parties that are not programmatic, and fragmented actors make it very difficult to engage in transactions that would allow deals to make it to the decision table. Citizens distrust policymakers, therefore, they do not demand change that involves short term costs for long term benefits. Distrust feeds higher regulations, higher subsidies and more targeted transfers. Broad-based reforms are not on the agenda and when governments try to advance them, they are rapidly defeated on the street. Moreover, even incremental progress is hard to detect.*
- 1.3.** *The TC would finance a series of projects to consolidate recent advances in the political economy of reform and to collect new evidence that will serve to provide more explicit guidance to policy makers that goes beyond “quick wins”, “simplicity and 30 second soundbites”, and “compensating losers”. Policy makers in the region have long been aware of these tactics, but none have been sufficient to accelerate reform. Novel solutions that will be investigated relate*

to the content, targeting and modality of communication strategies and information; citizen engagement and participation in reform processes; and the interaction of these with digital tools and social media to increase support for reforms. The underlying theme of this agenda is that common strategies of reform have been insufficient to overcome citizen mistrust in public officials – and each other. Hence, loser compensation fails because losers do not believe will be compensated; quick wins fail because they do not persuade citizens that long-term reform objectives are credible. Trust depends on reforms that reduce the informational and power asymmetries between citizens and government, one of the main conclusions of IDB's flagship publication Development in the Americas 2021. Uninformed citizens have no reason to believe that governments will carry out their promises; powerless citizens have no ability to punish governments that fail to carry them out.

- 1.4.** *The Research Department (RES) generates new ideas to enrich the knowledge base supporting the policy agenda of the Bank and its member countries. To maximize the impact of its research, RES carries out activities that serve as inputs to Bank departments, governments, academia, and public opinion in the region. RES advises management on economic and development issues, conducts research and analysis on macro- and microeconomics trends, and oversees the development of the Bank's quantitative and analytical databases. RES's staff consists of a team of researchers with excellent academic credentials, superior research and policymaking experience, and expertise in different areas.*

2. Objectives

- 2.1.** *Selected firms will work with the TC team and perform the following activities:*

- *Assist in the design of a survey instrument and survey experiments*
- *Assist in the identification of suitable populations, and sampling strategies*
- *Bring the survey to the field and collect data*
- *Identify, compile, and organize a workable database*

3. Key Activities

- 3.1.** *Selected firms will work with the TC team and perform the following activities:*

- *Assist in the design of a survey instrument and survey experiments*
- *Assist in the identification of suitable populations, and sampling strategies*
- *Bring the survey to the field and collect data*
- *Identify, compile, and organize a workable database*

4. Expected Outcome and Deliverables

- 4.1.** *Survey instruments draft (February 2022)*

4.2. *Report identifying the sample population and sampling strategies (March 2022)*

4.3. *Report on the implementation of the survey (July 2022)*

4.4. *Complete survey database (August 2022)*

5. Reporting Requirements

5.1. *Carlos Scartascini (RES/RES) will be in charge of coordinating and supervising the work with the firm*

6. Acceptance Criteria

6.1. *The TC team will review all the materials and determine whether they comply with the requirements as a deliverable, approval must be given by the team leader, Carlos Scartascini.*

7. Supervision and Reporting

7.1. *Carlos Scartascini (RES/RES)*

8. Schedule of Payments

Payment Schedule	
<i>Deliverable</i>	%
1. Survey draft (4.1 and 4.2)	30%
2. Final Survey instrument (4.3)	30%
3. Collected database (4.4)	40%
TOTAL	100%