



Call for Research Proposals

Behavioral Economics in the Caribbean

RG-T4033

The Behavioral Economics Group (BE Group) at the Inter-American Development Bank (IDB) is an interdepartmental working group on behavioral economics. For nearly a decade, equipped with the tools and insights offered by psychology and economics, the IDB has been partnering with local and national governments in Latin America and the Caribbean (LAC) to promote knowledge related to individual and collective decision-making in the region. Through this work, we hope to serve our countries better and continue improving people's lives.

The Caribbean Country Department (CCB) is responsible for the promotion and development of IDB country strategies and programming in The Bahamas, Barbados, Guyana, Jamaica, Suriname, and Trinidad and Tobago and via the Caribbean Development Bank (CDB), the countries of the Organization of Eastern Caribbean States (OECS).

The department supports the process, negotiation, and administration of regional and country-specific projects and programs; leading and maintaining the relations of the IDB with member countries and the CDB; supporting the implementation of country-specific operations; promoting and coordinating the use of funds administered by the IDB or under parallel financing agreements; and monitoring the operation-related procurement activities of IDB borrowers and beneficiaries.

What are the goals of this call?

The Behavioral Economics Group and the Caribbean Country Department will fund innovative research that advances our evidence of the impact of behavioral economics tools on development in the six Caribbean countries of The Bahamas, Barbados, Guyana, Jamaica, Suriname, and Trinidad and Tobago.

This call for research proposals seeks to fund research studies that rigorously research nudge interventions in one or more of the six countries in CCB through an experimental economics methodology.

Which topics will be prioritized?

Productivity and growth have been lagging in CCB countries, and the pandemic has created additional challenges to growth. Thus, these funds will support behavioral interventions that improve:

(a) the effectiveness of COVID-related containment and vaccination activities

Background: The economic recovery in the Caribbean is highly dependent upon the evolution of the pandemic itself. Effective implementation of containment measures, combined with a broad-based vaccination program, is key for tourism and other sectors to return to more normal levels of activity. As vaccine supply improves, a constraining factor for these countries is vaccine hesitancy. Compliance fatigue with containment measures is another concern. Behavioral economics provides important insights into how to overcome these constraints. Work led by the IDB has shown the role of social norms in compliance (Martínez et al., 2021a), the importance of framing and issue salience for take-up of diagnostic and distance measures (Martínez et al., 2021b), and the role of trust in vaccination (González et al., 2021). Importantly, the IDB has pioneered the use of interactive quizzes for combating the pandemic. Preliminary results show their efficacy in changing perceptions and beliefs (Martínez et al., 2021c). These funds will finance the development of Caribbean-targeted tools to help governments leave the pandemic behind.

(b) the efficiency and effectiveness of public policies to spur long-term economic growth.

Background: Productivity and growth have been lagging in CCB countries. Creative policy design incorporating behavioral techniques can improve multiple areas of public sector performance, enhancing human capital outcomes and creating the foundations for inclusive and sustainable growth (Rapoport, Rojas Méndez and Scartascini, 2020). Previous work has shown that behavioral insights can have an effect on changing the behavior of civil servants to make them more responsive to citizens' needs and to comply with their tasks as determined by laws and regulations (e.g., Scartascini and Zamora, 2021). That work has also proven that it can help to guide better teachers' location decisions to reduce sorting (Ajzenman et al., 2020) and health workers' performance (Bernal and Martínez, 2020).

Behavioral insights have proven highly effective in improving human capital beyond the incentives of teachers and health-care workers. Behavioral insights have shown that they can increase the incentives for parents to send their children to pre-school (Mateo Díaz et al., 2020) and keep track of children's achievements and attendance (Berlinski et al., 2016). They can also increase youth attendance of higher education (Prada et al., 2020). Strengthening human capital requires a healthy population. Behavioral insights have additionally been successful for increasing prenatal care (Beuermann et al., 2020), increasing compliance with micronutrient treatments (Bernal et al., 2020), and reducing the prescription of unnecessary medicines (Torrente et al., 2020).

Behavioral interventions can increase productivity; for example, heuristic-based business training is more effective than traditional training tools (Arraíz et al., 2019). Behavioral interventions can also help to improve public finances in the region by increasing voluntary tax compliance, while at the same time achieving more equitable outcomes. There is plenty of evidence that messages work (Mogollón et al., 2015), that methods of communication matter (Ortega and Scartascini, 2015), that rewards can help but only if designed appropriately (Carrillo et al., 2021), and that making it easier to comply matters (Castro and Scartascini, 2019).

Who can present research proposals?

Any research institution (or individual consultant) including think tanks may present research proposals. Studies should focus on one or more of six countries in CCB. The call for research proposals aims to advance the state of the knowledge of the impact of behavioral economics tools and foster cooperation in the creation and exchange of results and best practices, with a view to creating a support network and promoting integration across LAC. Research teams or individual consultants are therefore encouraged to reach out and exchange ideas with governments in the region and other policymakers before submitting their proposals.

Once a proposal obtains funding, the research team should be open to feedback and lessons learned in neighboring settings through workshops organized by the BE Group and CCB to exchange the knowledge generated by the research proposals. In terms of dissemination, the BE Group and CCB expect the research team to share their results in seminars organized by the BE Group and CCB with governments, academia, and the private sector in the region. It is expected that the final study become an **IDB Working Paper** (in addition to being published by the research team in a peer-reviewed journal) and be part of the BE Group and CCB research repository.

What are the evaluation criteria?

A scientific committee composed of IDB specialists from different sectors will evaluate the research proposals according to the following criteria:

- I) **Relevance and innovation.** Does the research proposal address a knowledge gap? How does the study contribute to closing this knowledge gap? What innovation does the study propose to address the problem?
- II) **Data and methodology.** Does the proposal present a clear experimental research design and methodology? The call for proposals would consider alternative empirical methods (quasi-experimental techniques), but the proposal must include a strong quantitative approach.
- III) **Implementation capacity.** Does the researcher or team have the skills, capacity, and experience to deliver the proposed research project? Are the budget and research project plan realistic, and do they show a clear understanding of the topic to be addressed?
- IV) **Scalability and replicability:** Are the ideas and potential results applicable to other contexts? Do they address scaling opportunities and suggestions to overcome obstacles to scaling the project?

What pieces should the proposal contain?

a) Objective and research question: The proposal should specify the country or countries and the specific topic on which the research will focus, as well as the main research question(s).

b) Policy relevance and innovation: The proposal should specify the knowledge gaps that it aims to address, how the study contributes to closing the knowledge gaps, and what innovation the study proposes to address the problem (e.g., research question, methodology proposed, data, etc.)

c) Scalability and replicability: The proposal should describe how appropriate the proposed study is for wider implementation and scalability, acknowledging if there are barriers to scaling the study or if the ideas and potential results might be applicable to other contexts.

d) Data source(s): A detailed description of the data that will be used, including whether the datasets are publicly available or restricted. For the latter, the team should show that access to the data is possible and specify whether they can share the data with the IDB after the draft is completed.

e) Methodology: A detailed description of the research design and estimation strategy. In the case of studies that rely on quasi-experimental or experimental methods, the proposal should include a discussion of the identification strategy that will allow estimating causal effects. Proposals should include identification strategy validation tests (e.g., balance tests, tests of common trend, placebo tests, etc.). The proposal should include implementation and fieldwork activities, as well as a timeline and description of those activities.

f) Research team: The names of the researchers and their ability to meet the objectives of the project, including relevant prior experience. Each researcher's curriculum vitae (maximum 3 pages per researcher) should be included in a separate annex.

g) Execution period: A timeline indicating the activities that will be conducted within the context of the research work plan. The study should be completed in a maximum of 15 months.

h) Budget: A budget indicating the resources that will be used within the context of the research work plan. The budget should distinguish between amounts assigned to professional honoraria, data collection, implementation activities, overhead, and other major categories of research expenditures. Please describe other sources of funding, if any.

How are research proposals submitted?

Proposals are due **March 20, 2022** and should be submitted using the Web Submission Form that is provided in the Call for Proposals announcement. Proposals must be submitted in **English** and should not exceed 5 pages in length.

Coordination and Schedule

This research project will be administered by the Research Department (IDB/RES) and will be coordinated by Carlos Scartascini (IDB/RES), David Rosenblatt (IDB/CCB), and Diether Beuermann (IDB/CCB).

The tentative schedule of activities is as follows (exact dates subject to changes):

- **March 20, 2022:** Due date for **receiving proposals**. Proposing teams or individuals should ensure that the complete documentation is submitted to the scientific committee. Complete documentation includes all the information requested, the research proposal, budget, and curriculum vitae (CVs up to three pages long).
- **April 1, 2022:** Announcement of **selected research proposals**.
- **April 25, 2022:** Kick-off **Discussion Virtual Seminar** to discuss and refine the selected proposals and methodology to be used in the study.
- **May 1, 2022:** Due date for receiving a **revised version** of the research proposals.
- **November 30, 2022:** Due date for receiving a **first draft** of research papers, including the narrative, database, and preliminary results on the quantitative exercise.

- **January 31, 2023:** Due date for receiving a **second draft** of research papers. Supporting documents utilized in the study must also be received.
- **February 20, 2023: Second Discussion Seminar** to discuss the second draft of the research papers.
- **March 31, 2023:** Deadline for receiving a **final version** of research papers, and datasets utilized in the study. Studies that are of good quality at this stage will be considered for publication in the IDB Working Papers series. Research papers must follow the **IDB Manual of Style** for working papers.

How much is the funding?

The IDB will contribute up to **US\$50,000** (or its equivalent in local currency) – depending on the scope and complexity of the proposal – as a contribution to the total budget of each study. Research teams can apply for these funds to complement existing funding; to cover existing research activities; or implement and evaluate a pilot intervention if by the end of the term they are able to deliver a working paper.

References

- Ajzenman, N., E. Bertoni, G. Elacqua, L. Marotta, and C. Méndez-Vargas. 2020. “Altruism or Money? Reducing Teacher Sorting Using Behavioral Strategies in Peru.” IDB Working Paper No. IDB-WP-1143. August 2020. <https://publications.iadb.org/publications/english/document/Altruism-or-Money-Reducing-Teacher-Sorting-Using-Behavioral-Strategies-in-Peru.pdf>.
- Arráiz, I., S. P. Bhanot, and C. Calero. 2019. “Less Is More: Experimental Evidence on Heuristic-Based Business Training in Ecuador.” IDB Invest TN No. 18. July 2019. <https://www.idbinvest.org/en/download/8300>.
- Berlinski, S., M. Busso, T. Dinkelman, and C. Martínez. 2016. “Reducing Parent-School Information Gaps and Improving Education Outcomes: Evidence from High Frequency Text Messaging in Chile.” BID, Washington, DC. https://www.povertyactionlab.org/sites/default/files/research-paper/726_%20Reducing-Parent-School-information-gap_BBDM-Dec2016.pdf.
- Bernal, P., N. Ajzenman, S. Kettle, F. López-Bóo, and E. Iriarte. 2020. “Designing Behaviorally Informed Health Interventions: Adherence to Micronutrient Treatments in El Salvador.” IDB Technical Note No. IDB-TN-1993. BID, Washington, DC. <https://publications.iadb.org/en/designing-behaviorally-informed-health-interventions-adherence-to-micronutrient-treatment-in-el-salvador>.
- Bernal, P., and S. Martinez. 2020. “In-Kind Incentives and Health Worker Performance: Experimental Evidence from El Salvador.” *Journal of Health Economics* 70:102267.
- Beuermann, D. W., P. Garcia, J. Pérez-Lu, R. Anta, A. Maffioli, and M. F. Rodrigo. 2020. “Information and Communication Technologies, Prenatal Care Services, and Neonatal Health.” *Journal of Economics, Race, and Policy* 3, no. 1: 41–59.

- Carrillo, P. E., Castro, E., & Scartascini, C. 2021. Public good provision and property tax compliance: Evidence from a natural experiment. *Journal of Public Economics*, 198, 104422.
<https://doi.org/10.1016/j.jpubeco.2021.104422>
- Castro, E., and C. Scartascini. 2019. “Imperfect Attention in Public Policy: A Field Experiment during a Tax Amnesty in Argentina.” IDB Discussion Paper No. IDB-DP-665. BID, Washington, DC.
[https://publications.iadb.org/publications/english/document/Imperfect Attention in Public Policy A Field Experiment during a Tax Amnesty in Argentina en en.pdf](https://publications.iadb.org/publications/english/document/Imperfect_Attention_in_Public_Policy_A_Field_Experiment_during_a_Tax_Amnesty_in_Argentina_en_en.pdf).
- Gonzales M., D. Martínez, C. Scartascini. 2021. “Does Trust Matter for Vaccination? Experimental Evidence for Colombia, Mexico, and Peru.” [Unpublished manuscript]. IDB, Washington, DC.
- Mateo-Díaz, M., L. Becerra-Luna, J. M. Hernández-Agramonte, F. López, M. Pérez-Alfaro, and A. Vasquez-Echeverria. 2020. “Nudging Parents to Increase Preschool Attendance in Uruguay.” IDB Working Paper No. IDB-WP-1122. BID, Washington, DC.
<https://publications.iadb.org/publications/english/document/Nudging-Parents-to-Improve-Preschool-Attendance-in-Uruguay.pdf>
- Martínez, D., C. Parilli, C. Scartascini, and A. Simpson. 2021a. “Let’s (Not) Get Together! The Role of Social Norms on Social Distancing during COVID-19.” *PLoS One* 16, no. 3: e0247454.
- Martínez, D., C. Parilli, A. M. Rojas, C. Scartascini, and A. Simpson. 2021b. “Do You Have COVID-19? How to Increase the Use of Diagnostic and Contact Tracing Apps.” *PLOS ONE* 16, no. 7: e0253490.
<https://doi.org/10.1371/journal.pone.0253490>.
- Martínez, D., and C. Scartascini. 2021c. “Changing COVID-19 Vaccination Attitudes in Mexico with an Online Behavioral Intervention.” [Unpublished manuscript]. IDB, Washington, DC.
- Mogollón, M., D. Ortega, and C. Scartascini. 2021. “Who’s Calling? The Effect of Phone Calls and Personal Interaction on Tax Compliance.” *International Tax and Public Finance* 28:1302–28.
<https://doi.org/10.1007/s10797-021-09655-4>.
- Ortega, D., and C. Scartascini. 2015. “Don’t Blame the Messenger: A Field Experiment on Delivery Methods for Increasing Tax Compliance.” IDB Working Paper No. IDB-WP-627. BID, Washington, DC. <https://publications.iadb.org/en/publication/12336/dont-blame-messenger-field-experiment-delivery-methods-increasing-tax-compliance>.

- Prada, M. F., C. Méndez, A. M. Rojas, C. Piras, G. Elacqua, M. Bustelo, A. Juscamaita, and A. Montoya. 2020. “Promoviendo la educación superior entre jóvenes vulnerables con un enfoque de género.” BID, Washington, DC. <https://behavioral.iadb.org/index.php/es/our-projects/promoviendo-la-educacion-superior-entre-jovenes-vulnerables-con-un-enfoque-de-genero>.
- Rapoport N., A.M. Rojas, P. Zamora, and C. Scartascini. 2020. “Behavioral Insights for Foresighted Public Finance.” BID, Washington, DC. <https://publications.iadb.org/en/behavioral-insights-foresighted-public-finance>
- Scartascini, C., and P. Zamora. 2020. “Incentivos para servidores públicos. El rol de los insights conductuales.” BID, Washington, DC. <https://behavioral.iadb.org/index.php/es/our-projects/incentivos-para-servidores-publicos-el-rol-de-los-insights-conductuales>.
- Torrente, F., J. Bustin, F. Triskier, N. Ajzenman, A. Tomio, R. Mastai, and F. López-Bóo. 2020. “Effect of a Social Norm Email Feedback Program on the Unnecessary Prescription of Nimodipine in Ambulatory Care of Older Adults: A Randomized Clinical Trial.” JAMA Network Open 3, no. 12: e2027082.