

## **Understanding the Informal Economy and Associated Behaviors in Economic Agents: Case of Bolivia, Ecuador, Paraguay and Suriname**

### **A Research Project**

RG-T4569

### **Summary**

This Call for Research Proposals seeks to understand the factors leading to high levels of informality in **Bolivia, Ecuador, Paraguay and Suriname**. The project will involve diagnosing the conditions that favor informality, such as socio-economic structures, regulatory frameworks, and behavioral biases. By examining existing literature and data, and generating new statistics specific to these countries, the research will provide a comprehensive understanding of why informality prevails in certain environments. Following this diagnostic, a one pilot targeted intervention will be designed aimed at mitigating the root causes of informality and assessing their effectiveness. The outcomes of these intervention will be documented, highlighting the key lessons learned and offering actionable recommendations. This initiative could pave the way for subsequent projects to replicate and scale successful strategies across other regions upon request.

The research initiative will employ a multidisciplinary approach, leveraging expertise from economics, sociology, and behavioral sciences to explore the multifaceted nature of informality including economic, social and regulatory dimensions, as well as potential behavioral biases. Additionally, the project will utilize both qualitative and quantitative methods to gather comprehensive data. Surveys, interviews, and focus groups will be conducted with key economic agents, including informal workers, business owners, and policymakers, to gain first-hand insights into the challenges and motivations that drive informality. The goal is to translate this rich, multi-dimensional knowledge into effective policies and interventions that foster sustainable development and inclusive growth in Bolivia, Ecuador, Paraguay, and Suriname and potentially in other countries as well.