



Final Evaluation Report

***Research Project: Macroeconomic Volatility and Regional
Fiscal and Monetary Policies in Latin America, Asia, the
Caribbean and the Pacific***

Global Development Network

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Note: This evaluation is the product of the Monitoring and Evaluation Unit of GDN. Francesco Obino, an external consultant, is the principal author of the evaluation report with contributions from GDN staff. The results have been produced on the basis of surveys and data provided by GDN's M&E unit and project staff. Management oversight was provided by Savi Mull and Vasundhra Thakur.

Executive Summary

The report evaluates the professional and academic achievements of the two teams of researchers from Latin America and the Pacific region who were awarded jointly by GDN and IDB to conduct research on “Macroeconomic Volatility and Regional Fiscal and Monetary Policies in Latin America, Asia, the Caribbean and the Pacific”. The achievements are assessed for the project period (April 2013 - November 2014), based on baseline and end-line surveys of grantees, and substantive feedback by academic mentors and an external expert.

Both teams show significant professional development as a result of the grant, and a growing commitment to plan and engage in structured research dissemination, including with high-profile policy makers and regional as well international academic audiences. This is significant given the researchers’ previous exposure to research collaboration, including internationally, but very limited engagements in structured research dissemination. The support received during the project period is posed to shape the scope and quality of future professional engagements of team members within and outside academia.

Despite important methodological limitations, academically the teams have also have been instrumental in opening up to empirical enquiry an important, policy-relevant but largely understudied topic, with likely significant repercussion for the research community in the region and policy stakeholders, in the mid- and long-term. In the short-term, the qualitative feedback provided by mentors will prove instrumental to advancing the scholar’s research agenda, to which they have committed themselves beyond the project.

Background of the Project

In 2012, the Inter-American Development Bank (IADB) and the Global Development Network (GDN) launched a joint call for proposals for collaborative research grants on Macroeconomic Volatility and Regional Fiscal and Monetary Policies in Latin America, Asia, the Caribbean and the Pacific regions.

The competitive research grants had two objectives: first, to produce policy relevant knowledge on the link between monetary/fiscal policies and macroeconomic volatility, at the regional level, in the selected geographical areas; second, to support meaningful academic collaborations that develop in a globally interconnected way.

Along with the research grant, GDN provided project management support, support in the form of mentorship by subject-matter experts, it organised a peer-review workshop for grantees and offered travel grants to attend academic and policy events related to the research undertaken.

In total, two teams were selected, for a total of five researchers from four different academic institutions spread across three countries: Argentina, Trinidad and Tobago, and Fiji. The first research grant was awarded to scholars Baljeet Singh and Hong Chen based at the University of the South Pacific, Fiji, and disbursed between April 2013 and July 2015. A second grant was awarded to the Argentinian and Trinidadian joint team - to scholars Sebastian Auguste and Magdalena Cornejo from the Universidad Torcuato Di Tella, Argentina, and separately to scholar Anthony

Birchwood from the University of the West Indies, Trinidad and Tobago and disbursed between April 2013 and July 2015. The research grants were administered by GDN and funded by the IDB.

Scope, Methodology and Limitations of the Evaluation

This evaluation focuses primarily on the *professional and academic development of research grantees* throughout the project period, and - to a more limited extent - on the contribution of grantees to *academic economic knowledge on macroeconomic vulnerability in small island states*.

To do so, the evaluation leverages two sources:

- i. it analyses and discusses **self-reported perceptions of grantees** regarding professional strengths and capacity-building needs, policy influence and academic impact, professional gains and the appropriateness of the support received, based on two online (structured) surveys administered before and after the actual implementation of the project;
- ii. further, it discusses the academic mentors' **final assessment of the written research outputs** submitted by the two teams to GDN and IDB, and a **synthesis report on the research findings** prepared by an external expert on the submitted reports.

Drawing on both sources, this evaluation report:

1. draws a cross-cutting profile of the grantees (as a baseline) to then assess the extent to which the project contributed to the professional development of grantees;
2. it discusses the teams' substantive academic achievements; and
3. finally, it looks at the grantees' relative appreciation of GDN support activities as part of this GDN-IDB grant.

As it is the norm with reference to structured surveys administered to a small number of respondents, a systematic quantitative evaluation is not possible. Small-n data collection, instead, allowed the evaluator to tease out significant qualitative insights on the medium-and long-term impact of a project, based on academic outcomes' quality, self-reported career advancement of the grantees and the team's perceptions regarding any change in their individual capacity to influence policy stakeholders and conduct quality research.

This exercise met specific limitations with reference to this GDN-IDB project: there was missing data for two out of four respondents (for a total of two responses at baseline and four at end-line) and very synthetic answers were provided by the grantees on the large majority of questions, making it difficult to interpret contradictory data. The inferences presented in this report relate only to data that could be corroborated across different questions, and its conclusions are bound to be more limited (in breadth and depth).

Profile of Grantees (Baseline)

Qualifications and language skills

All grantees are **qualified academics** with a doctorate in economics and econometrics, with only one of the principal researchers having obtained the PhD degree during the grant period itself. None of the team members are native English speakers, but for all English is the **main language of research dissemination** and, in all cases except one, the *only* language used for research dissemination. All declare a 'good' (but not 'excellent') working knowledge of English.

Professional Exposure

Researchers from both teams had **at least two previous experiences of collaborating in an international research project**, and at least one experience attending an academic conference organised outside their base country. They attended events in a number of capacities: all respondents acted as presenters, discussants, and peer-reviewers at national and international academic events. It is significant to notice that the researcher with the largest exposure to international conferences (attending five since 2005) attended exclusively events organised by GDN or the Oceanic Development Network (ODN), one of GDN's Regional Network Partners. All researchers reported **long-term membership in at least one research network or association**, which they leverage to build their professional network and advance their research agenda.

Professional Experience

For the Principal Investigators of the two teams, the GDN-IDB grant was **not the first experience leading policy relevant research**: the lead researcher of the Fijian team acted as principal investigator in three previous policy relevant projects, and the Argentinian-Trinidadian led five. Previous projects are described in the baseline as small-team research arrangements (involving up to five co-researchers) funded either by the government or by non-profit entities (all non-academic institutions) and despite targeting varying audiences (as diverse as government, interest groups and civil society groups) they engaged in significantly similar –and similarly limited– dissemination efforts: typically the publication of a policy-brief. Only in one case a media contribution (newspaper article) or an academic event (conference) was mentioned. All projects relied on **descriptive statistics as a core analytical technique**, and a few cases used both primary data collection (survey) and multivariate analysis. Neither of the principal investigators had ever served as peer-reviewer for academic journals.

Professional Strengths

A mixed picture of growing professional confidence and a growing professional network, including outside academia, is reflected in the self-rating exercise researchers conducted both in the baseline and end-line surveys. On a four-point qualitative scale, researchers rated as 'high' their *theoretical knowledge of research methods, subject knowledge* and *communication skills*, and between 'high' and 'very high' their *ability to extract policy recommendations* and *statistical analysis skills*. Their *professional visibility* (a mark of mid-career academic professional achievement), however, ranked relatively lower, between 'high' and 'medium'.

In sum, the baseline data describes a level of experience and professional exposure typical of early and mid-career academics in contexts where funding for academic research is scarce but demand for research exists nonetheless, drawing academics towards research projects outside of academic institutions, including at the regional level. Against this background, the GDN-IDB grant, the first GDN funding opportunity for members of both teams, stood out as the **largest (per individual) research grants accessed thus far** and the **first opportunity to access structured academic mentorship after beyond formal PhD training**.

Professional capacity building (during the grant)

The end-line grantee survey asked team members to assess, retrospectively, their professional capacity building needs *before* the GDN-IDB grant. In a rather honest response, grantees reported 'high levels' of capacity building needs for 4 out every 5 dimensions listed. **A high demand for capacity building was identified unanimously in key areas** such as *research methods, data analysis, dissemination for policy impact* and *policy networking*. Relatively lower (but still high) priorities – in terms of capacity building - included *research communication, academic networking* and *academic writing*. Interestingly, areas such as *design of policy relevant research* and *dissemination planning*, two areas of professional competence that GDN targets as typically falling outside of researchers' formal professional horizon, were identified as low priority area by two-thirds of respondents.

Against this picture, **grantees judged that their needs were met 'to a high degree' (3 out of 4) across all competency areas, with only one of four end-line respondent being on average only 'moderately' satisfied**. Positive change was attributed directly to the GDN-IDB project with regard to improved *theoretical knowledge of research methods* and *subject knowledge* (2.8 out of 4, or 'highly'), with a more ambiguous mark (2.3 out of 4, or just above 'moderately') with regard to grantee's *ability to extract policy recommendations*. The latter, however, must be read against the relatively short duration of the grant and the long-term, iterative effort underpinning research competences linked to policy influence.

Self-ratings regarding professional skills 'after the project' throw more light on grantee's experience. Self-ratings on *theoretical knowledge of research methods* (with scored a high attribution marks) went from 'high' (in the baseline) to above 'medium' (in the end-line), and *ability to extract policy recommendations* dropped (by over one point out of four) from above 'high' to below 'high'. Interestingly, *research communication* and *statistical analysis skills* (on which respondents were prompted only in the baseline survey) are respectively 'high' and above 'high', and the *capacity to conduct peer review* (on which respondents were prompted only at end-line) – a significant indicator of a researcher's professional confidence - ranked below 'high'. *Subject knowledge* remained unchanged from the baseline, at 'high', signalling an overall lowering of respondents' reference scale. *Professional visibility* is the only area to have recorded a slight average increase across grantees. In sum, if the survey shows a sensible increase in the teams' professional confidence (understood in a traditional sense), **the comparison of baseline and end-line data also suggests a deeper understanding among grantees of the complex task of influencing policy as an integral part of a researcher's work – particularly through**

research design and communication. This trend of lower self-ratings at end-line on competencies related to policy influence is not uncommon in evaluations of comparable projects at GDN.

Significantly, in one of the very few open comments submitted, a team member expressed his satisfaction with the project in terms of professional impact, in the following words:

'The GDN team has been making great efforts in encouraging researchers to pursue high standard research work.'

Research Outputs and Dissemination

For both teams, the GDN-IDB grant translated in **multiple research outputs**: two working papers and a policy brief at one end, and one policy brief, one newspaper article and a working paper (with plans for its submission to national and international journals, and as a book chapter) for the other. At the time of the end-line survey, every team member had already presented the research twice at academic conferences and once at policy roundtables, showing a clear effort to identify different stakeholders and reach outreach targets through different platforms. **The findings of the research of both teams have also being distributed (electronically) to, and discussed (personally) with, potential policy makers.** In one case, the research has been discussed with civil society organisations.

Overall, these efforts point to a **potential trend towards both academic publishing and structured engagement of diverse audiences**, in clear contrast with the 'one-research one-output one-target' approach documented in the baseline, with reference to previous projects.

Most recently, both Sebastian Auguste, Principal Investigator of the Argentinian-Trinidadian team, and Anthony Birchwood, Principal Investigator of the Caribbean team presented their papers at The Caribbean Future Forum on Disruptive thinking. Bold action. Practical solutions (5-8th May 2015, UWI & The Hyatt, Trinidad and Tobago).

The Fijian team organised a one-day Regional Policy Dialogue on "Macroeconomic Volatility and Regional Fiscal and Monetary Policies in the Pacific", on July 2014, at the School of Economics of the University of South Pacific (USP), hosted by the Oceania Development Network. Beyond professor-level scholars from USP and Fiji National University, the high-level event featured presentations by the Resident Representative of the International Monetary Fund, the Governor of the Central Bank of Solomon Islands, and representatives from the Fiji Ministry of Strategic Planning.

Research Outcomes and Academic Contribution

Overall, all respondents declared themselves to be committed to the research agenda developed under the project, beyond the end of the grant. While no specific achievements in terms of direct policy impact were recorded at the time of the end-line survey, grantees qualified their contribution in terms of filling a gap or starting a debate on macro-economic volatility that was not addressed before. One researcher mentioned that the findings were cited in the Fiji Economic Update (the national

economic data bulletin), and another is working on publishing the findings in peer-reviewed journals. Significantly, three out of four respondents (end-line survey) believe that their research contributed 'to a large extent' *towards a greater understanding on macroeconomic policy issues in the Latin American and Pacific Island regions*, and the fourth holds that it did 'to some extent'. The two respondents who provided a comment highlight the novelty of the research, and the importance of the policy dialogue that was built around its findings:

'Our research on growth volatility is the first work done for the Pacific region. The policy dialogue conducted in mid-2014 has attracted great interest from policy makers, researchers and international institutions in the region.'

'It helped to push research in this area. It promoted policy discussion.'

The **feedback from the academic mentors** provides an additional, valuable perspective on the extent to which the grant achieved its objectives, through technical insights on the academic level of the teams' research outputs - as a premise for credible visibility and influence. With reference to the three working papers submitted at the end of the grant period, the mentors qualify the research efforts as 'interesting', and at times 'evidenc[ing] real technical capacity and probably important intuitions'. At the same time, they highlight important gaps, particularly with reference to the authors' capacity to weave together theoretical frameworks and empirical research – a comment that applies to all three working papers submitted. In all three cases, mentors recommend – with varying degrees of urgency – a further effort to bring closer together a) a clear articulation of the paper's specific focus, b) a compelling justification for the teams' methodological choices, and c) an exhaustive and critical discussion of the relevant academic literature. For all three papers, this gap translates, according to the mentors, in the papers' limited *immediate* 'publishability' on high-quality academic platforms, with one of the papers being simply in 'draft form' (this final paper was submitted only after mentors had submitted their feedback).

This critical feedback must be interpreted in the broader context of the GDN-IDB grant, across the project's double goal:

- i) to build the professional capacities of researchers that can make the most of structured support, in light of their research agenda and career stage, and
- ii) to carefully and effectively balance the potential policy relevance of a research with its academic strength.

While the short duration of the grant and the timeframe of this evaluation do not allow to fully grasp the impact – including academic – of the project on the work of the teams, mentors' critical feedback will likely prove critical in guiding the researchers in further advancing their professional and academic agenda.

This interpretation is reinforced by the **synthesis report** of the grant's research outputs, drafted by an external expert. This reports highlights that the studies contributed significant empirical knowledge on a topic that is largely unexplored

with reference to island economies. Among the findings that external expert highlights are:

- “the need to improve governance level and to adopt expansionary fiscal policy stance to mitigate volatility” in the Pacific Region;
- the fact that “monetary policy failed to act as a countercyclical policy instrument to tackle volatility, though it has been effective in inflation management[...]” with “fiscal multipliers [being] very highly insignificant and [...] not [...] persistent;
- “the significance of public finance in Barbados and Belize in coping up with shocks, especially in the context of passive monetary policy stance and a hard peg of their currency with the US dollar”;
- “the need for rule based fiscal policy [as] the next step of strategy in the region” particularly “given the passivity of monetary policy stance”.

The synthesis report qualifies these findings as important, particularly as they point to future avenues for *research*, *methodological application*, and *policy engagement*. In particular, the author recommends a different methodological approach to overcome the fact that “the short time series of the region restricts immensely a meaningful analysis using the time series methodology.”

GDN Support (Usefulness and Value)

Throughout the project, GDN supported researchers on both research and project management. This support included interactions with academic mentors, participation in GDN’s 2014 Global Development Conference in Accra, Ghana and travel grants to other events. A one-day peer-review workshop was also organised in Paris (May 2014) with grantees, GDN’s project management team and GDN and external experts. In the end-line survey, grantees were asked to evaluate and comment on the relative contribution of these different tools and platform.

In terms of usefulness, researchers ranked the *GDN conference* as the most useful support activity, followed very closely by the *grant* itself, the *peer review workshops* and *GDN administrative support* (respectively at .3 and .5 points away, on a 5-point scale). *Mentoring* ranked the lowest; with 1.3 points distance from the *GDN conference* and 1 point from the closest other activity.

When prompted in terms of *value* for each support activity, instead, the *mentoring* ranked as (highly) valuable as the *GDN conference* and the *peer-review workshop* (3.3 out of 4, above ‘high’), and all three followed closely the *grant* and *GDN’s support* (3.5 out of 4, between ‘high’ and ‘very high’).

These data highlight grantees’ equal needs for administrative support in the grant implementation and opportunities for academic growth, with *mentorship* falling short of making a distinct contribution.

Conclusions

The results of the evaluation are mixed, reflecting the limitations of the data mentioned at the outset and the lack of nuances in many of the responses.

Given the short duration of the project, an assessment of the extent to which the project achieved its objectives requires (possibly) a longer timeframe, and more data, giving the research findings a chance to percolate, and (if at all) make a tangible difference in policy debates – past a first rewarding exposure of research dissemination. Some of the academic limitations of the papers, highlighted by the mentors and in the synthesis report, also point to the fact that it might be too early to evaluate the project in terms of the *production of transferrable, policy relevant, quality knowledge*. The research is ‘interesting’ (according to the mentors) and relevant (something which is reflected in a grantees’ initial positive experience with policy outreach), but grantees clearly still face the challenge of taking forward academically compelling research in a context where they can access very limited long-term academic support, and – likely – they have as many opportunities to work outside academia (with different standards and priorities) than in it.

What emerges clearly, however, is that grantees have gained both confidence and a more articulate understanding of how to gear research towards policy influence, including in terms of a *deeper and broader professional identity as researchers*, which is directly related to the impact area of increased visibility of Southern researchers in the relevant policy arenas. The structured dissemination activities undertaken prove a proactive attitude that goes far beyond the traditional image of academic research, including in the field of economics, particularly for early/mid-career researchers.

Given both teams’ previous access to non-strictly academic funding and projects, the most significant achievement of the project for both teams might lie, in the short-term, in sharpening their understanding of what it takes to work across academic and non-academic settings, without compromising on research rigour. In the long-term, the precious opportunity to ‘open up’ this specific area for empirical enquiry, too, will likely prove strategic, with many future directions for research emerging for the teams and researchers in the region from both the reports’ academic achievements and their limitations.