

Terms of Reference: **Research Assistant at World Bank research group**

DESCRIPTION OF THE POSITION

The purpose of this position is to assist [Clément Joubert](#) with one or several of the ongoing academic research projects described below, and, possibly, new projects on the topics of labor informality, gender and social protection. The position is for full-time work over the summer months (May 2024-August 2024) but could start earlier, possibly on a part-time base. The position could potentially be extended to a year-long position (May 2024 – June 2025). Work location may be at the World Bank's Washington headquarters or remote.

RESEARCH PROJECTS

Imperfect information and non-participation in Social Pensions: This project investigates why many individuals eligible for a social pension do not receive it, with a focus on imperfect program awareness and knowledge of the program. The project exploits a unique database that combines a longitudinal household survey of Chilean households containing detailed pension knowledge information with linked administrative data on the pension rights and social pension applications of the survey respondents.

The nature of informality and small firm taxation in LMIC: This project aims to assess the relative roles of different economic mechanisms that have been hypothesized to explain why most employment relationships around the world are informal, despite higher wages and profits associated with formality. The Roy model of comparative advantage (Roy 1951) can explain formal-informal wage gaps with heterogeneity in observed and unobserved returns to skills in the two sectors. In search-and-matching models, search frictions can uphold wage gaps by generating locally monopolistic power (Meghir et al. 2015). Wage gaps can also compensate for non-pecuniary differences between formal and informal employment (Rosen 1986).

Using data from Brazil and Mexico, this research project proposes to develop and structurally estimate a model that nests these different mechanisms, leveraging recent identification results in the literature that have not yet been applied to this question (Taber and Veljin 2020). The estimated model will allow us to quantify the role of each mechanism, which is necessary to understand the elasticity of formal employment to fiscal and social protection policy, an important subject of concern for policy maker and World Bank operations. We hypothesize that search frictions, acute self-selection based on heterogeneous skills, or strong non-pecuniary preferences for one type of employment can reduce the mass of workers who are marginal with respect to the fiscal incentive structure and yield low elasticities of formal employment. The estimation will exploit variation in the design of special tax regimes for small firms in LMIC, which aim to promote formalization, such as Mexico's *Régimen de Incorporación Fiscal* (RIF). The structural model will be used to simulate such tax regimes. Predictions of the model will be confronted to informality patterns around the introduction of RIF in Mexico, and counterfactual policy designs (with different tax rates or eligibility criteria than those chosen in actuality) will be simulated to understand their fiscal and welfare implications.

The Effects of Divorce Legalization on Marriage, Fertility and Female Employment: With the 2004 Civil Marriage Act, Chile is to date the last country to make divorce legal. Prior to the Chilean reform, informal separation and (in rare cases) marriage annulment were the only ways to escape a marital union. Both options left women economically vulnerable, especially if they had children and interrupted

employment histories. The new law established women's right to child support and financial compensation for home production during marriage. This research project studies how the institution of divorce affects marriage, fertility and employment decisions. Child support, alimony and the ability to remarry act as insurance mechanisms by mitigating the negative consequences of separation, particularly for mothers facing high career interruption penalties. These provisions affect economic incentives to "invest in the marriage" in the form of children and specialization in home production. Lowering the cost of exiting marriages could also reduce their expected duration and overall economic value which could shift the incentives to marry and the choice of partners. To the extent that individuals anticipate these changes, educational investment could also be affected upstream. We plan to investigate how the introduction of legal divorce influenced (i) separations, (ii) incentives to marry, (iii) fertility, (iv) female labor market outcomes, and (v) female educational attainment.

ACTIVITIES

The consultant will be supervised by and work in collaboration with Clément Joubert (World Bank research group, DECHD unit).

The tasks the consultant will be responsible for may include any aspects of academic research, such as :

1. Reviewing and summarizing relevant literature, organizing the bibliography in Zotero.
2. Working to obtain and review data files, producing data cleaning programs and documentation.
3. Estimating reduced-form econometric models.
4. Programming the solution and estimation of structural economic models.
5. Assisting in interpreting the results.
6. Presenting findings in appropriate equations, tables, and charts.
7. Assisting in the drafting of an academic working paper.
8. Maintaining a reproducible project folder in Github
9. Assisting in the preparation of original survey instruments

DELIVERABLES

The deliverables for this assignment will be, as applicable:

- Documents summarizing the relevant literature.
- All files related to data cleaning, data analysis and model estimation (datasets, programs, documentation of work) allowing to reproduce results.
- Tables and charts portraying the outputs of the data analysis
- Materials created for dissemination of results
- Any other documents or files created under the different tasks

SELECTION CRITERIA AND REQUIREMENTS

To complete the tasks noted above, we are looking for an intern/short-term consultant with the following desired qualifications:

- A master's degree or equivalent in a relevant discipline (economics, public policy, social policy, or a related field) or PhD students in their thesis phase.
- Strong data and analytical skills; advanced proficiency with STATA or R; demonstrated ability to work with household survey data; ability to create and maintain clean and user-friendly research reproducibility packages in Git/Github; proficiency in a programming language (Matlab, Fortran, Python)
- Excellent analytical and quantitative skills including a strong econometric background, and general economic knowledge. Demonstrated track record of working with economic data and analytical tools and models to conduct economic analysis and understanding of underlying statistical concepts.
- Good writing skills, with the ability to produce user-friendly written outputs.
- Interest in and knowledge of social protection policies and labor economics is desired.
- Knowledge of Spanish is a plus.

DURATION OF CONSULTANCY AND ESTIMATED SCHEDULE

The desired duration of the consultancy is at least 17 weeks covering May-August 2024 (85 days) but is extendable to an earlier starting date and later end date.

REPORTING OBLIGATIONS

The consultant will report at least biweekly to Clément Joubert (DECHD).

PAYMENT

The research assistant will be hired as a Short Term consultant and paid at a daily rate, determined based on skills and experience, as per normal World Bank HR procedures. For current and previous STCs, the current rate with expected natural increase will be used.

APPLICATION

Interested applications should send a short statement of interest, writing sample and a coding sample such as a STATA dofile to cjoubert@worldbank.org. We hope to fill this position shortly.