

 Early Warning System

IADB-RG-T4022

The Political Economy of Reform. How to Make Reforms Happen



Quick Facts

Financial Institutions	Inter-American Development Bank (IADB)
Status	Approved
Bank Risk Rating	C
Borrower	Regional
Sectors	Law and Government, Technical Cooperation
Investment Type(s)	Advisory Services, Grant
Investment Amount (USD)	\$ 0.45 million
Project Cost (USD)	\$ 0.45 million



Project Description

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.



Investment Description

- Inter-American Development Bank (IADB)



Contact Information

ACCOUNTABILITY MECHANISM OF IADB

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IIC)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IIC is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at <http://www.iadb.org/en/mici/mici,1752.html> (in English) or <http://www.iadb.org/es/mici/mici,1752.html> (Spanish).