

Technical Competency Framework

Economics Cadre

1. Introduction

About the Advisory Cadres

DFID advisers help identify, generate and utilise the best evidence, knowledge, technology and ideas to improve the effectiveness and impact of the UK's aid programme. Advisers have key roles in programme design, management and evaluation, and in the broader development and implementation of policy. They have strong links with development networks, research organisations and professional bodies both in the UK and internationally. All advisers understand the potential of digital technology to improve the reach and value for money of development interventions. They integrate digital effectively in programmes, and use digital tools to work smarter, and to collaborate and communicate effectively

There are thirteen professional cadres with a combined total of more than 850 accredited advisers, around a third of the total DFID workforce. The majority of these advisers are on-cadre.¹ The Economics and Statistics cadres are linked to government-wide advisory services.² All DFID advisers need to continually update and refresh their skills, through their cadre programmes of continuing professional development (CPD), in line with the latest trends in global development, poverty reduction and UK policy. Advisers are expected to undertake a minimum of 50hrs per year of relevant continuing professional development.³

How the framework should be used

Each cadre framework follows the same design, and is used for adviser recruitment, performance management, Technical Competency Assessment (TCA), quality assurance, career development and workforce planning. The framework may also be used by other government departments and external partner organisations for collaboration and partnership working.

The Economics Cadre

Economics is concerned with the production, distribution and consumption of goods and services subject to constraints. In developing countries, economics is concerned with the process of convergence to developed-country incomes, the allocation of scarce resources across different groups, public policy, the development of institutions, and the operation of firms and self-employment. This affects how and where people work, what they earn, what they consume and how interventions change their incentives and actions, including the differentiated impacts on men and

¹ That is working in posts where at least 40% of their time is spent on technical work, and 10% of their time is spent undertaking work for the wider cadre. Accreditation to the cadre can be maintained for up to two posts or five years in off cadre posts, as long as professional development is continued.

² The Government Economic Service (GES) and the Government Statistical Service (GSS).

³ 50 hours if staff work full time. CPD requirements are proportional for part time staff.

women. The significance of the political economy in determining economic outcomes and the feasibility of particular economic reforms is becoming increasingly recognised – including in relation to fragile and conflict affected states.

The economics cadre is the largest in DFID, comprising of around 140 on-cadre posts, roughly half of which are based in the UK. Economists work right across DFID, and at all levels. Cadre members are all trained in macro, micro, international economics and econometrics, and are members of the Government Economic Service. Many have also developed specialist knowledge in regions or topics – such as public financial management, poverty measurement, tax, growth, jobs, structural transformation, diagnostics, trade, urbanisation, climate change, gender, inclusion, inequality or the investment climate. Economists also have particular expertise in dealing with International Financial Institutions such as the World Bank and IMF and in utilising a range of aid instruments – such as financial aid, project aid and different forms of concessional lending. Many economists also play programme management roles, using skills in commercial awareness, financial management, risk management, and VFM as well as developing relationships with a range of partners.

All economists are required to be able to:

- Keep abreast of developments in economic theory & practice.
- Identify opportunities for economic analysis to make a contribution to policy development and appraisal.
- Select and apply appropriate economic concepts, use model-based arguments and other standard techniques to address issues and problems.
- Apply economics to offer workable solutions, taking into account opportunity cost and impact assessment; incentives; the specific political and conflict context - including as related to policy advice, diversity and distributional implications.
- Assess the reliability and relevance of evidence and give objective evidence-based advice.
- Synthesise technical papers.
- Communicate complex technical ideas and arguments in ways which non-economists can readily understand.

Competencies

The competencies for the economics cadre fall into the following types:

Core Competencies:

1. **Shared Advisory Competency.** This competency is common to all DFID advisory cadres and describes the essential skills required to be an adviser in DFID. These can be used alongside the primary competencies in job specific recruitment, and will be tested at recruitment to the cadre (accreditation) or promotion within a cadre (TCA).
2. **Primary Competencies:** All advisers accredited to the cadre will demonstrate these competencies and CPD should be used to maintain and improve them.

Job Specific Competencies:

3. Certain posts in DFID may require staff to acquire skills in specific areas and in a range of important cross cutting issues. Examples of these post-specific competencies are given in section 2 to illustrate the types of experience that may be requested by recruiting departments.

Advisor Grades

The Civil Service competency framework provides a short narrative and examples of the desired behaviours of civil servants at different grades. Advisers are expected to demonstrate the appropriate level of civil service competencies for their grade. While the technical competencies remain the same across all grades, what changes are the desired behaviours, and the levels of risk, complexity and responsibility they will be expected and able to cover.⁴ For example:

- **B1(D)/A2L advisers** are expected to meet the key competency areas and be able to provide sound technical advice in the areas of which they have experience. They will be able to design, manage and lead clearly defined projects, policy issues and technical processes with limited levels of risk and complexity. They are able to establish credibility with counterparts.
- **A2 advisers** should be able to lead project and programme design, management and oversight and be able to operate at country and or departmental level independently. They should be aware of the relevant evidence in their technical area and be able to provide sound technical advice and support and lead technical discussions. This will include some level of technical strategic leadership. They are able to establish credibility with senior counterparts.
- **A1 technical advisers** are expected to be able to represent DFID in technical discussions at the highest levels. Be able to design, manage and oversee the most complex, high risk and high value projects and advise on complex technical and political issues. They will be able to apply their generalist leadership capabilities such as seeing the bigger picture, and setting direction in their technical work. They are able to establish credibility and influence at the most senior levels, including with external organisations.

The cadre specific competencies are underpinned by the principles of the [civil service](#), [international](#), and where appropriate the [Policy Profession](#) skills and knowledge frameworks. These civil service wide competencies provide the foundation upon which the DFID technical competencies are built. In the delivery of technical expertise advisers **must** demonstrate the core values of the civil service and the behaviours set out by these broader frameworks.

⁴ For economics, an explanation of GES competencies for B1 (D) is [here](#), for Grades 6 and 7 is [here](#) and SCS is [here](#). Some cadres have technical benchmarks to guide the grading of posts and other processes which outline the levels of experience, technical depth and understanding required at different grades.

2. Competency Summary

| | Type | Economist Competencies |
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| Core Competencies | Shared Advisory Competency | SA1: Advisory Competency (i) International Development. (ii) Develop and implement policy. (iii) Use evidence to inform policy and programming. (iii) Design and manage programmes and projects. |
| | Primary Competencies | P1: Macroeconomic knowledge Understanding the economy as a whole including; <ul style="list-style-type: none"> • growth measurement, trends, drivers, and diagnostics, • fiscal policy, budgeting, taxation and debt, • monetary policy and exchange rates and regulation |
| | | P2: Microeconomic knowledge Understanding the behaviour of firms or households including; <ul style="list-style-type: none"> • importance of choices and incentives, • demand, supply, markets and competition, • core rationale for government intervention, • core project appraisal skills, • sectoral/market analysis. |
| | | P3: International economics Understanding the interaction with the global economy including; <ul style="list-style-type: none"> • balance of payments, • international and regional trade, • investment, international finance, aid flows and debt, • migration. |
| | | P4: Econometrics and data Understanding data sources and econometric techniques including; <ul style="list-style-type: none"> • Regression analysis and Random Controlled Trials. |
| | | P5: Effective communication for economists Being able to communicate complex technical ideas and arguments in ways which non-economists can readily understand. |
| | Job Specific Competencies | Certain economist posts may require staff to acquire skills in specific areas including: <ul style="list-style-type: none"> • Political economy – including what shapes key social and political institutions, how power is exercised and by whom, factors that drive and perpetuate exclusion, the incentives which shape elite behaviour and how development interventions may affect these incentives. • Gender dimensions of development- including legislation, UK and international commitments, gender inequalities, and the differential effects of interventions on men and women. • Conflict and fragile states – including the factors causing and exacerbating conflict and fragility, the actors involved and the relationship between conflict and aid programming. • Climate and environment – including vulnerability to climate change, environmental degradation, loss of habitat and depletion of natural resources. • Public Financial Management and the financial sector. • Policies, reforms and development assistance in social sectors such as health and education. • Policies, reforms and development assistance in productive sectors such as agriculture, forestry, rural livelihoods, natural resources, manufacturing and export industries. |

3. Competency Detail

REQUIREMENT

A postgraduate degree (Master's or PhD) in economics or related discipline that includes macro, micro, international economics and quantitative methods is a requirement for all DFID economists.⁵

SA1: SHARED ADVISORY COMPETENCY

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| (i) | International Development. Understand the processes, institutions and organisations that shape the changing international development context in which DFID operates, including the Sustainable Development Goals, ODA rules, UK legislation and government structures, and the roles of multilateral organisations and processes in development. |
| (ii) | Develop and implement policy, including open and collaborative policy making and scaling-up policy solutions. |
| (iii) | Use evidence to inform policy and programming. Analyse and critically appraise a wide range of data and evidence and engage with and implement high quality evaluation processes and design projects in a way that enables DFID to learn from its projects and programmes. |
| (iv) | Design and manage programmes and projects. Have skills to undertake the Senior Responsible Owner role, including working with partners/suppliers, understanding and practising risk management, financial management, commercial awareness and value for money at all stages of the programme cycle. |

P1: MACROECONOMIC KNOWLEDGE

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| <p>Economics knowledge required:</p> <ul style="list-style-type: none"> the derivation, use and limitations of AS and AD analysis supply-side economics aggregate demand and demand management inflation – causes and control Solow/neo-classical growth model business cycles public finances endogenous growth theory micro-foundations of macroeconomics monetary policy regimes fiscal policy topics sustainable growth <p><i>plus for DFID:</i></p> <ul style="list-style-type: none"> development macroeconomics including inclusive growth diagnostics commodity cycles and their effect on developing economies domestic debt dynamics | <p>Enabling Economists to:</p> <ul style="list-style-type: none"> provide advice on macroeconomic policy, taking into account the political and development context and its likely impact on poverty analyse public expenditure and its management system, including issues related to external assistance, medium term fiscal frameworks, budgeting of capital and recurrent expenditure, and debt management work with the IMF and other partners to support macro-economic management. interpret and communicate macroeconomic data (including national accounts, aid, fiscal, monetary, balance of payments, debt and foreign exchange) diagnose constraints to inclusive growth and assess the political economy of reform |
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⁵ The broader GES entry requirement is a 2:1 undergraduate degree with at least 50% of economics in the final two years, or a post graduate diploma, or a Master's degree in economics.

P2: MICROECONOMIC KNOWLEDGE

Economics knowledge required:

- traditional constrained maximisation problems
- traditional microeconomic issues of decision and choice
- the interdependency of markets
- production
- how markets work
- (neo-classical) welfare economics
- public choice theory
- appraisal and cost-benefit analysis
- game theory
- real options analysis
- principal-agent problems
- adverse selection and moral hazard
- behavioural economics

plus for DFID

- poverty analysis and welfare
- institutional economics and the relevance of incentives and market and government failures to the way in which developing-country institutions operate
- political economy of budget processes
- impact assessment and evaluation of development interventions
- labour economics in developing country contexts

Enabling Economists to:

- provide advice and input into programme design on the microeconomic aspects of public expenditure management, including impact of revenue, taxation and other policies on incentives, income distribution, and poverty
- provide advice on market efficiency, including the implications for competition and regulatory policy
- lead on cost-benefit analysis and value-for-money (VFM) analysis across DFID programmes

P3: INTERNATIONAL ECONOMICS

Economics knowledge required:

- gains from trade
- Heckscher-Ohlin theorem
- protectionism/liberalisation (including the economic issues arising from trade preferences and trade in services including intellectual property)
- international distributions
- inter-dependency
- exchange rate regimes
- purchasing power parity
- capital markets (including debt relief and the role of international institutions such as the IMF, World Bank and WTO)
- customs unions/free-trade agreements
- optimal currency areas

plus for DFID

- international debt and capital flows and restrictions, including portfolio and foreign direct investment flows, and
- trade and growth

Enabling Economists to:

- provide advice on the role of international economic linkages in development processes (growth and poverty impacts), including trade, finance and technology transfer
- use this understanding to develop DFID programmes related to these areas

P4: ECONOMETRICS AND DATA

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| Economics knowledge required: <ul style="list-style-type: none">• the nature of econometrics and economic data• multiple regression analysis• interpreting results• Gauss-Markov – violations and remedies• discrete dependent variables• using Excel and econometric software <p><i>plus for DFID</i></p> <ul style="list-style-type: none">• RCTs and the effects of sampling bias• poverty and results monitoring techniques• National Accounts | Enabling Economists to: <ul style="list-style-type: none">• apply theory & techniques for the measurement & analysis of poverty• access, interpret and use data and evidence to explain economic growth and poverty |
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P5: EFFECTIVE COMMUNICATION FOR ECONOMISTS

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| Competency required: <p>Understand the needs of a non-specialist audience at all levels within the civil service.</p> | Enabling Economists to: <ul style="list-style-type: none">• communicate complex technical ideas and arguments in ways which non-economists can readily understand• synthesise and present technical arguments from a range of sources both verbally and in succinct prose• communicate with non-economists with credibility and authority, conveying the relevance and impact of economic concepts without the use of specialist terminology. |
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