

# FY2014 Research Principles of The Institute of Developing Economies, Japan External Trade Organization (IDE-JETRO)

## I. Fundamental Principles

As a national think tank conducting basic, comprehensive research studies that contribute to the expansion of trade and the promotion of economic cooperation with the developing world, the Institute of Developing Economies (IDE) performs research that forms the basis for Japan's trade policy and economic cooperation.

IDE conducts world-class research employing two research methods: area studies that involve both trend analysis and structure analysis of developing countries and regions in Asia, the Middle East, Africa, and Central and South America with a focus on the local area, and development studies based on quantitative empirical analysis grounded in leading theories. This places the institute as a leader in research on developing countries. It also enables us to offer research results founded on historical and structural analysis as well as quantitative analysis, which has high added value as the basic information for policymakers and the industrial world.

The institute provides basic research analysis for understanding future economic trends and risks by intensifying its research on emerging countries. In addition, we extend our research activities to least developed regions and actively carry out pioneering research on countries with less experience as research study subjects.

Research studies are divided into the three categories of (1) "Policy Proposal Research" that covers topics in a manner that is highly responsive to the needs of the policy authorities, (2) "Analytical Research that contributes to policy proposals" which covers issues in anticipation of the policy authorities' latent medium-term policy needs and regional social needs, and (3) "Basic, Comprehensive Research that forms the policy proposal research". Moreover, the institute engages in international joint research with international organizations and research institutes in various countries.

In order to grow the understanding of developing countries' industry and people, and to maintain and improve the level of scholarship in the academic world, the institute globally disseminates its research findings, high value-added knowledge, information, statistical data and outlooks to provide basic material to governments for policy proposals and policy decisions. The dissemination of research results is fostered through (1) policy briefs that we prepare, briefing activities for policy personnel, and IDE forums, (2) enhanced Web communications, (3) symposia, lectures, seminars, and workshops that we provide in Japan and overseas as well as presentations of papers at meetings of experts and gatherings of academic societies, and (4) publications and peer-reviewed journals.

As a research library specialized in developing countries, the IDE Library continually

collects, organizes and offers materials in multiple languages, from academic materials to government publications, statistical documents, newspapers, and journals of various countries. The library also strives to expand its services for users.

IDE endeavors to gather together more researchers and their work and also to expand its research network. Together with leading the discussion on strengthening economic cooperation in Asia and other regions, the institute functions as a platform for policy discussions among researchers in Japan and developing countries. Moreover, utilizing our abundant knowledge and research findings on developing countries, we conduct (1) training programs for specialists in both theory and practical capabilities and (2) capacity development and network building with core administrative officials and researchers in the developing world.

The institute strengthens its research management function in order to implement strategic research projects based on needs and to quickly disseminate its cutting-edge research findings and information to those who will benefit in the various sectors. In addition, we actively work to create synergies by collaborating with the Overseas Research Department and others at JETRO. Furthermore, the unification of the publishing and sales business of IDE and the related sections at the headquarters will be also promoted.

The ERIA Support Office assists the activities of ERIA (The Economic Research Institute for ASEAN and East Asia) together with the Overseas Research Department as well as JETRO Bangkok.

## **II. Action Principles**

### **(1) Research Projects**

IDE carries out [1] Policy Proposal Research, [2] Analytical Research that contributes to policy proposals, and [3] Basic, Comprehensive Research that forms the basis for policy proposal research. By focusing not only on trade and investment but also diverse political and social subjects concerning developing countries, we seek to understand the overall picture in developing countries and regions.

#### **[1] Policy Proposal Research**

In collaboration with related ministries and agencies such as the Ministry of Economy, Trade and Industry as well as with departments of JETRO, IDE actively offers policy proposals and business opportunities for economic and social development to trading partners' governments and industrial circles.

For example, the research project "Business and Human Rights in Emerging Markets – For Designing Japan's CSR Strategies" analyzes how companies, especially Japanese

companies putting emphasis on CSR to boost their competitiveness, should consider how they incorporate human rights into business activities in developing nations with meager legal systems. Other projects of Policy Proposal Research are as follows;

“The Middle East in Political Transition and Japanese Security Policy in the Gulf Region”

“Trade in Value-added Analysis: An Extension to Developing Economies (II)”

“Study on Possible Pathways to FTAAP (Free Trade Area of the Asia-Pacific)”

“How to Escape the Middle Income Trap: Strategies toward High Income Economies”

“Real Politics of Development Assistance”, etc.

## [2] Analytical Research that contributes to policy proposals

In order to develop the core business of the third medium-term plan, “contributions aimed at strengthening Asian economic cooperation,” IDE works on research issues that anticipate the potential and medium-term policy needs and the social needs of policymakers. Specifically, the following three issues will be prioritized in the third medium-term plan.

Our priority research areas include the issues that are required for the economic growth of emerging nations, in particular those in areas related to demographics and innovation, such as the environment, energy savings, employment, social security, social development and aging, which are faced by countries attempting to transition from low income to mid-to-high income levels. Concurrently, IDE prioritizes comparative political and economic analysis and international relations, as applied to the markets and industry of emerging nations. Specifically, research projects for this year include “The Impact of Myanmar’s Reforms in the Post Military Regime”, “Venezuela under the Chavez Administration”, “The Politics of Redistribution in New Democracies”, “An Evidence-Based Study of the Innovative Anti-Poverty Practices and Market Institutions”, “Product-Related Environmental Regulations and Trade”, “Land and State in Africa”, and “An Interdisciplinary Analysis of ‘Human Trafficking’ in Asia”.

As recurring analytical research, IDE engages in analysis of trends in Asia, the Middle East, Africa and Latin America. In particular, the political instability resulting from the democratization of the Middle East, the threats of terrorism, and the rise of the new economies, which have led to changes in security and the global order, have had a significant impact on the politics and international relations of developing countries. In order to engage with these impacts, IDE has opened a new Economic Research Group in the

Middle East Region. Besides “Yearbook of Asian Affairs”, “Latin America Report”, and “Africa Report” (revived as a web journal in 2013), another web journal entitled “Middle Eastern Review” has been newly published. It attempts to improve our provision of situational analysis and information in regard to these regions. Furthermore, the development of the Geographic Simulation Model (GSM) has progressed to the point that we can now proactively engage in research into the benefits of economic integration in East Asia. Additionally, research projects which quickly respond to hot and emergent issues in domestic/international communities will be conducted occasionally.

Besides all of the above, IDE also conducts joint research with international organizations, sharing knowledge to meet the needs of government, industry and academia. Not only do we engage in joint research with UNIDO for developing a regional Trade Compliance Report in Asia, we also promote joint research projects with Japanese/international universities and research institutions with the objective of refining and applying value-added trade analysis based on the International Input-Output Analysis which IDE has developed.

[3] Basic, Comprehensive Research that forms the basis for policy proposal research

With a grasp of the latest trends in academic research and the needs of industry, government, and academia based on an understanding of the current conditions surrounding developing countries and regions, the institute implements basic research studies focusing on the following two topics:

### ***Economy and Industry***

“Deeper Understanding of Development Mechanisms of Economies in Emerging Nations”  
The role of newly emerging and developing nations is becoming increasingly significant. The deceleration of economies in the developed world has impacted those of the emerging nations, and the global economy, including the regional framework, is gradually being transformed.

Under such circumstances, diverse research will be conducted to deepen our understanding of mechanisms of economic policies, changes in onsite business activities, and poverty reduction as well as the influence of limiting factors for economic growth, such as resources, environment and industrial manufacturing.

### *Politics and Society*

#### “Investigation of Multiple Factors behind Political Stability and Social Development”

In a globalizing world, political stability and social development are still considered as significant issues for developing nations. In order to focus on these issues, macro-political trends such as establishment of democracies and the possibility of transformation of authoritarian regimes will be analyzed. Also, research regarding social movements and the structure of profound problems that society faces will be diversely conducted based on the situations of individual countries with a cross-regional perspective.

### (2) Communication and Dissemination of Research Findings

IDE disseminates its findings in response to needs through publications, lectures, seminars, and its website to the public, policy authorities, the business world, and academia. The specific procedures are as follow:

- [1] In continuation from the previous year, for the purpose of reflecting findings and the institute's resources in policy making and business planning, we will place emphasis on the preparation of policy briefs. By targeting the influential key persons in policy formation, such as core members of the government, major companies and the media, IDE forums will be held on themes related to trade policy and economic cooperation for interactive discussions.
- [2] Bearing in mind the timeliness of themes and content, we will upgrade our website to be more useful for policy making and business, with emphasis on analytical methods and data with high added value. To widely disseminate research findings, we plan to increase the accessible contents while improving website pages devoted to particular themes.
- [3] Moreover, we will actively provide other events such as symposia and lectures in Japan and overseas, present papers at meetings of experts and academic society meetings as well as engage in publication activities and submit papers to external peer-reviewed journals. Through seminars and lectures, for example the newly launched public summer lectures in Osaka, we respond to the needs of various sectors and regions in Japan and overseas. By providing lectures, we will strengthen our collaboration with JETRO to use their extensive network so that we can adaptively arrange lectures in Japan and overseas. Concurrently, collaboration between the headquarters and domestic/overseas offices needs to be expanded for interaction among researchers at IDE and staff members at the headquarters.

[4] Furthermore, we promote our research work through the supporter network by providing forums and by providing research publications and an up-to-date online database.

### (3) IDE Library

As a research library on developing country studies, the IDE Library collects, organizes and offers academic documents as well as materials in multiple languages, including government publications, statistical documents, newspapers, and journals of various countries. The library also builds its collection of materials and information on developing countries.

In order to enhance the convenience of non-visiting users, the library provides information, valuable data and access to useful materials and information through its website. At the same time, it aims to contribute to the further dissemination of research findings by expanding academic information databases such as the Archive of IDE Publications (AIDE) and the Academic Research Repository at the Institute of the Developing Economies (ARRIDE).

It also attempts to raise its name recognition and utilization through the JETRO Business Library, inter-library cooperation, and effective PR activities such as organizing library events in other libraries.

Regarding market testing, the library continually works on smooth management of operations based on the specifications.

### (4) Research Partnerships and Networks

For strengthening our capabilities in information gathering and analysis, we dispatch researchers to research institutions and universities in developing countries as well as research institutions covering developing countries in Europe and the US. This is aimed at acquiring an understanding of economic, social and political conditions in developing countries and associating with the latest economic theories. We also invite researchers with outstanding research achievements as visiting research fellows and experts.

Furthermore, in order to increase its visibility, IDE promotes research networking with domestic/international research organizations by utilizing the opportunities afforded by international conferences, efficient collaborations of research projects, and advancement of research management skills.

### (5) Human Resources Development

As an intellectual contribution of IDE, we operate the IDE Advanced School (IDEAS) with the aim of training Japanese development experts working for international organizations conversant with both theory and practical capabilities as well as promoting the capacity building of officials in administrative and public institutions in Asia and Africa.

### (6) ERIA Support Project

ERIA (The Economic Research Institute for ASEAN and East Asia) is an international policy research/political advisory institute contributing to the economic integration of East Asia. With the cooperation of 16 countries attending the East Asia Summit, it was founded in June 2008 by a Japanese initiative. IDE, in cooperation with the ERIA Support Office, implements various projects with the objective of contributing to comprehensive growth of the Asian economic region and Japan. To achieve this objective, we collaborate with ERIA, the Ministry of Economy, Trade and Industry, the Overseas Research Department, and overseas offices (in particular JETRO Bangkok) as well as a network of 16 research institutes including IDE.

### (7) Securing Competitive Funds and its Utilization

IDE effectively applies external funding. In order to enrich its research activities, usage of new funding sources that utilize existing research and researchers are valued, such as consignment research projects with international organizations and governmental agencies as well as competitive funding, for example Grants-in-Aid for Scientific Research (KAKENHI).