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# I . FY2013 Research Principles of the Institute of Developing Economies, Japan External Trade Organization (IDE-JETRO)

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## 1. 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 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 it to offer research results founded on historical and structural analysis as well as quantitative analysis, which has high added value as the basic material for policymakers and the industrial world.

The institute provides basic research analysis for understanding future economic trends and risks by intensifying research on emerging countries. In addition, we extend the research activities to developing regions and actively carry out pioneering research on countries with less research experience and studies.

Research studies are divided into three categories: [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' that covers issues that anticipate 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 understanding of developing countries' industry and people, and to maintain and improve the level of scholarship in the academic world, the institute globally disseminates the research findings, high-value-added knowledge, information, statistical data and outlooks to provide basic material to governments for policy proposals and policy decisions. The information is communicated through [1] preparation of policy briefs, briefing activities for policy personnel, and IDE forums, [2] strengthening of Web communications, [3] providing of symposia, lectures, seminars, and workshops 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 strives to accumulate 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 its abundant knowledge and research findings on developing countries, the institute conducts: [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.

Also, the institute strengthens its research management functions to implement strategic research projects based on needs and to quickly disseminate the latest research results and information to those who will benefit in various sectors. In addition, we actively engage in efforts to boost synergies by working to strengthen

cooperation between the research division and administrative division.

## 2. Action Principles

### (1) Research Projects

The institute 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 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 the headquarters' departments, the institute actively offers policy proposals and business opportunities related to economic and social development to trading partners' governments and industrial circles.

#### [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 anticipating 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:

"Formation of the East Asia Economic Zone and Related Issues"

"Market and Industry Analysis of NIEs"

"Comparative Political and Economic Analysis and International Relations of Developing Countries"

Among the topics above, IDE particularly focuses on analysis of the development strategy and various issues regarding the formation of the East Asian economic zone. The issues include how to address the serious economic disparities among those countries and regions that face rapid institutional economic integration driven by the conclusion of the FTA/EPA, for example. Moreover, we address the significant issues for developing nations in the economic development process, for example, the environment, energy conservation, employment, social security, social development, demography, aging society, as well as innovation.

Besides the research analysis of single countries or areas, the institute will clarify the multi-disciplinary problems with significant impacts on the politics of developing nations and international relationships such as political destabilization in the Middle East due to ongoing democratization, the threat of terrorism, the transformation of security, and the international order caused by emerging countries.

In ordinary analysis research to be undertaken during the medium-term plan, the institute will promote the construction of the Geographical Simulation Model (GSM) and actively utilize its analysis of effects of economic integration in East Asia, together with promoting existing research projects including international industry analysis and trend analysis. Analysis of long-term economic growth in Asia will also be implemented to predict East Asian market trends including household consumption by age bracket.

In addition, collaborative research utilizing the knowledge of international institutions as well as local governments will be continued in order to respond broadly to the needs at various levels of government, industry, and the academic world. We will undertake research flexibly to respond swiftly to sudden issues of concern in Japan and overseas, as appropriate.

[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 the Environment**

“Understanding the mechanism of economic development of emerging and developing nations”

While the economies of developed countries are sluggish and recovery from the financial crisis is slow, emerging countries are becoming key players in the world economy. Diverse research will be conducted to understand the important mechanisms behind movements at companies and economic policy making processes in the globalizing world economy, and how factors constrain economic growth such as resource management and environmental problems.

#### **Politics and Society**

“Exploring factors to facilitate the stabilization of the political system and society”

Among developing nations, some countries are under authoritarian regimes while others face revolutions or rapid changes in social structure, and lack the capacity to respond flexibly to changes in politics and society compared with developed and mature countries. Empirical studies will be conducted to explore the influential factors for stabilization and destabilization of politics and society, as well as the specialties of social policies in those countries.

## **(2) Communication and Dissemination of Research Results**

IDE disseminates the results in response to needs through publications, lectures, seminars, and its website to all levels of society, including policy authorities, the business world, academic circles and experts. The specific procedures are as follows:

[1] In continuation from the previous year, for the purpose of reflecting research results 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 results, we plan to increase the accessible contents while improving website pages devoted to particular themes.

[3] Moreover, we will actively hold other events like 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, we respond to the needs of various sectors and regions in Japan and overseas, for example, the newly started public summer lecture in Osaka. For holding 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 with the headquarters and domestic/overseas offices needs to be expanded for interaction among researchers at IDE and staff at headquarters.

**(3) IDE Library**

As a research library on developing countries, the IDE Library collects, organizes and offers materials in multiple languages, including government publications, statistical documents, newspapers and journals of various countries. It strives to expand its services for users. The library also builds its collection of materials and information in electronic form and actively transmits information concerning library materials.

In order to enhance the convenience for remote users and non-visiting users, the library provides information, valuable data and access to useful materials and information through the website. It also attempts to raise its awareness and utilization through the JETRO Business Library, inter-library cooperation, and effective public relations like organizing library events in other libraries.

Distribution of research findings via expanding academic information databases such as the digital archive of IDE Publications, AIDE and academic research repository, ARRIDE will also be a part of the contributions.

**(4) Research Network and Human Resources Development**

As part of the research study activities at the institute, we dispatch researchers to research institutions and universities in developing countries, and to research institutions for developing countries in Europe and the U.S. to acquire an understanding of economic, social and political conditions in developing countries, to associate with the latest economic theories. We also invite experts with outstanding research achievements as visiting research fellows and experts.

As the intellectual contribution of IDE, we operate the IDE Advanced School (IDEAS) with the aim of training Japanese development experts conversant with both theory and practical capabilities working for international organizations, capacity building of officials in administrative and public institutions in developing countries, and networking with these institutions.

**(5) Securing Competitive Funds**

In order to enrich the research, new funding sources will be needed; the institute diversifies the financial sources by utilizing accumulated research, securing competitive funds as joint research with international organizations and government agencies as well as Grants-in-Aid for Scientific Research (KAKENHI).

**(6) Strengthening the Research Management Function**

The institute will strengthen its research management function for planning and implementing strategic research projects and quickly provide the latest research results to various sectors.

**(7) Strengthening Collaboration between the Research Departments and the Operation Departments**

The collaboration between the research departments as well as overseas offices needs to be strengthened to increase synergies by expanding research projects and dissemination of research results. Moreover, the institute will further promote initiatives to increase the efficiency of management operations.