

## **FY2012 Research Principles of the Institute of Developing Economies, Japan External Trade Organization (IDE-JETRO)**

### **1. Fundamental Principles**

As a national think tank that conducts basic, comprehensive research studies which contribute to the expansion of trade and the promotion of economic cooperation with developing countries and regions in Asia and the rest of the 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, one being area studies which involve trend analysis and structure analysis of developing countries and regions in Asia, the Middle East, Africa, and Central and South America, etc., with focus on the local area, and the other being development studies based on quantitative empirical analysis grounded in the leading theories. This places the institute as a leader in research on developing countries and enables it to offer policy makers and the industrial world research results founded on historical and structural analysis as well as quantitative analysis, etc., which has high added value as basic material for policy and business decisions.

Research studies are divided into three categories: (1) 'policy proposal research' which 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 that anticipate the policy authorities' latent medium-term policy needs and regional social needs and (3) 'basic, comprehensive research that forms the basis for policy proposal research'. Moreover, the institute engages in international joint research with research facilities in various countries and international facilities.

The institute globally communicates the resultant research results, high value-added knowledge, information, statistical data and outlooks to provide basic material to governments for policy proposals and policy decisions, to promote understanding of developing countries' industry and people, and to maintain and improve the level of scholarship in the academic world. The information is communicated through (1) preparation of policy briefs, briefing activities for policy personnel and others, and IDE forums, (2) strengthening of Web communications, (3) holding of symposia, lectures, seminars, and workshops in Japan and overseas as well as presentations of papers at meetings of experts and gatherings of learned societies and (4) publications and peer-reviewed journals.

As a library that specializes in research on 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, and the library strives to expand its services for users.

The institute endeavors to maintain and expand the pool of researchers, their accumulated research and an enhanced research network. Together with leading the discussion on strengthening economic cooperation in Asia and other regions, the institute acts as a platform for exchanges concerning research on developing countries around the world by providing a place for policy discussions among foreign and Japanese researchers. Moreover, utilizing its abundant knowledge and research results on developing countries, the institute holds training programs to nurture specialists in development so they will be well versed in both theory and practical capabilities and to build networks of core administrative officials and researchers concerned with developing countries in the Asian region.

The institute strengthens its research management functions to plan and carry out strategic research projects based on needs and to quickly communicate the latest research results and information to those who will benefit in various sectors. In addition, we are actively engaging in efforts to boost the synergy effects by working to strengthen cooperation between our study sector and our project sector.

## 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 also on diverse subjects that concern developing countries, such as political and social subjects, we endeavor to understand the overall picture in developing countries and regions.

#### (a) 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 engages in study of the below-mentioned research topics in a manner that is highly responsive to the needs of policy authorities. Together with contributing to Japan's trade policy, the institute actively offers policy proposals and business opportunities related to economic and social development to trading partners' governments and industrial circles.

In FY2012, the institute undertook two new research themes, 'analytical research on international trade from the perspective of added value', which aims to cooperate with international bodies and to disseminate the idea of added value trade, and 'the essence of "the trap of middle-income countries" and policy issues to overcome it' which explores the essence of the 'trap of middle-income countries' in ASEAN's developed countries and in South and Central American countries as well as ways to overcome it.

Moreover, as part of support for ERIA, the institute has started a Myanmar support project that carries out research which contributes to infrastructure development and industrial growth.

The Construction of an Asian Research Network (Subsidized)

ERIA/IDE-JETRO/UNIDO Joint Research Project "Green Growth in Asia"

"The Rise of China and India and the Implications for East Asia"

"Building an International Peace-keeping System in the Middle East and the South Asian Regions"

'Trade in value-added: a new metric of international trade'

'How to Escape Middle Income Trap: Strategies toward High Income Economies'

Etc.

(b) Analytical research that contributes to policy proposals

To play a part in 'contribution to strengthening economic cooperation in Asia, etc.', which is a core project of the third period medium-term plan, the institute is engaging in research topics that anticipate the policy authorities' latent medium-term policy needs and regional social needs. Specifically, the institute will continue to invest resources in the following three topics which are set as priority areas in the third period medium-term plan and to carry out research studies on them.

'Formation of the East Asia Economic Bloc and Its Issues'

'Market and Industry Analysis of NIEs'

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

Among these, the institute will continue multifaceted analysis of domestic and regional gaps that continue to exist, issues in the formation of the East Asia Economic Bloc such as international labor mobility, and growth strategies in East Asia where rapid economic integration is progressing institutionally and in the real world, for example in

trade deregulation.

Furthermore, the institute will place priority on issues that are tied to economic growth in areas such as the environment and energy saving, social development, population movements as seen in the aging of society, and innovation which countries face in the process of shifting from developing countries to middle- and high-income countries.

The institute also categorizes problems and offers accurate analysis of issues that seriously affect politics in developing countries and international relations, such as political destabilization due to democratization in the Middle East, terrorism threats, and security and transformation of the international order due to the rise of NIEs.

In our ordinary analysis research to be undertaken during the medium-term plan, we will promote the construction of the next-generation economic 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 in Asian countries. We will also implement analysis of long-term economic growth in Asia that will enable prediction of the East Asian market trends that includes household consumption by age bracket.

In addition, we will continue to do collaborative research utilizing the knowledge of international institutions as well as local governments, etc., and will 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 emergencies of concern in Japan and overseas, as appropriate.

(c) 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 and based on our understanding of the current conditions surrounding developing countries and regions, we implement research studies on the following two topics as the preferred themes for basic research:

‘The Search for the Basis of Sustained Economic Development’ (economy and environment)

With the economies of advanced countries in a slump, it is vital for the sake of the global economy that developing countries attain sustained economic growth. In regard to this type of sustainable growth, it is necessary to pursue multifaceted research concerning the basis that supports such growth, including farmers and companies which are the basic operators, access to infrastructure construction and the international distribution network, and responses to resource and environmental problems.

‘Outlook for Conflict Resolution and Construction of Stable Governments and Societies’  
(government and society)

Among developing countries, while some countries are experiencing regime changes and social unrest that pose enormous issues in terms of sociopolitical stability, other countries face unconventional problems accompanying social development. So, it is necessary to pursue multifaceted research for the construction of stable governments and societies.

In examining these themes, we will actively focus on regions that are likely to attract increasing attention henceforth, such as the Mekong region and countries where research has been scant heretofore, and will implement pioneering research.

(2) Communication and Dissemination of Research Results

We disseminate our results in response to need through publications, lectures, seminars, our website, and so forth, to all levels of society, including policy authorities, the business world, academic circles and experts, etc. Our specific policy is as follows.

(a) In continuation from the previous financial 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. We will also hold IDE forums for persons who are influential in policy formation, such as core members of the government, major companies and the media, on themes related to trade policy and economic cooperation, etc., for bidirectional sharing of opinions.

(b) Bearing in mind the timeliness of themes and content, we will strengthen our website from the viewpoint of what is useful in policies 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.

(c) Moreover, we will actively hold symposia and lectures, etc., in Japan and overseas, present papers at meetings of experts and academic society meetings, engage in publication activities and submit papers to external peer-reviewed journals. Through seminars and lectures, we are responding to the needs of various sectors and regions in Japan and overseas, such as by holding a new summer lecture open to the public in Osaka. For holding lectures, etc., in Japan and overseas, we will strengthen our collaboration with JETRO to use their extensive network so that we can arrange lectures adaptively. Concurrently, we will also strengthen our collaboration between the headquarters and offices in Japan and overseas so that IDE researchers and

headquarters' staff in charge of studies can work together as lecturers.

### (3) IDE Library

In addition to the academic materials that one would expect in a specialized library which plays a role as shared infrastructure for research 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, and the library strives to expand its services for users. The library is also building its collection of materials and information in electronic form and is actively transmitting information concerning library materials.

We are boosting the convenience of users in distant locations and those who cannot physically visit the library through a satellite installed in the JETRO Business Library, and we are improving usage of the collection by effectively transmitting information concerning collection materials. As part of this, while further enhancing the contents of the electronic library, we are promoting introduction of new materials and an alert service (for arrival of new journal issues and distribution of new materials and data).

In addition, we are endeavoring to increase activities with other research libraries by enhancing the system for bilateral cooperation, not only for inter-library loans of materials but also for holding exhibits and lectures in cooperation with other libraries.

### (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 US to acquire an understanding of economic, social and political conditions in developing countries, to learn theories of economics, to boost the level of research, to build and expand the research network and to raise the name recognition of IDE. We also invite experts in research on development and on developing countries and regions with outstanding credentials as visiting research fellows and development experts, etc.

As part of the institute's intellectual contribution utilizing its abundant knowledge and research results concerning developing countries, we operate the IDE Advanced School (IDEAS) with the objective of producing Japanese development experts who are well trained in both theory and practical capabilities and with the objective of building a network with administrative institutions and public institutions in developing countries in the Asian region.

**(5) Securing Competitive Funds**

For new funding sources to enrich the research of the institute, we are diversifying our sources by utilizing accumulated research and pools of researchers and securing competitive funds in the form of consignment studies from international institutions and government agencies, etc., as well as subsidized scientific research projects.

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

The institute will strengthen its research management function so that it can plan and implement strategic research projects based on need and quickly transmit the latest research results to those who will benefit in various sectors.

**(7) Strengthening Collaboration between the Research Departments and the Study and Project Departments**

We will strengthen the collaboration between the institute and the study and project departments as well as overseas offices and will endeavor to boost the synergy effects by expanding research projects and dissemination of results. Moreover, we will further promote initiatives to increase the efficiency of management operations.