TRADE, EMPLOYMENT AND COMPETITIVENESS (TEC)

Executive Summary

I. Introduction

- Scope of Review
- Background of TEC

II. Approach and Strategies and Programme Level

- Scope of Programme and Relevance of Issues
- Geographical Focus and Relevance
- Choice and Involvement of Partners
- Selection and Balance of Activities

III. Outputs, Reach and Impact

- Quality of Outputs
  - Reach/Dissemination
- Impact

IV. Overall Assessment

Annex I: Documentation
Annex II: People Consulted
Executive Summary

By concentrating on research on international trade and finance which puts forward the issues from a Southern perspective, and also in helping to develop the capacities of South negotiators to hold their own in an increasing complex field, TEC is undoubtedly contributing to the aims of IDRC in a very important way.

Much of the work of TEC is of a regional and cross-regional nature and most of these programmes, which incorporate projects in several countries, are managed by strong Southern research institutions. It manages a large number of networks, most of which to bring together researchers and policy makers, and which aim to encourage North-South and well as South-South interaction, as well as interaction between strong and weak researchers. This it has done rather well.

TEC supported projects have had considerable success as will be seen in the Section on Outputs, Reach and Impact. They include: support to a high-level trade network in Latin America which is being drawn upon for advice by several governments as well as the OAS; the assistance to the Government of South Africa in setting up of trade research and policy unit; the support at the request of Agricultural Ministers of several Africa countries of an Agricultural Trade Network; the success of the G24 project in alerting the Group of 24 to emerging issues in their ongoing dialogue with the international financial institutions (IFIs), and in providing solid, technical analysis from a southern perspective on topics that have hitherto been largely the domain of these IFIs; in reaction to the Asian Crisis, and at the request of the Government of Thailand, support to a project which analyzes investor sentiment in Thailand, and has been so successful that it is being replicated in Mexico; and the establishment of a high-level advisory group on Global Economic Governance.

In general, TEC has made good use in its projects of high-level and internationally known advisors from both North and South. It has also published many books and articles through internationally known commercial publishers which has brought recognition to its work. More recently, however, it is turning away from very academic publications and concentrating more on those, such as policy briefs, which are more useful to busy policy makers.

While TEC has a clearly focussed objective - namely research from a Southern perspective and the building of capacity of Southern trade negotiators - it is seeking to bring this about in a very diverse range of ways which puts a strain on its limited human resources. It should be encouraged to work through this dilemma so that it can be more effective through concentrating on fewer types of activities. In particular, it needs support in meeting the dilemma of remaining at the ‘cutting edge’ of the field by taking on non-traditional trade issues (such as finance) without over-extending itself to an even greater extent.

In general, this is a strongly led team which has accomplished a lot in a short period of time in a field which is of obvious importance to Southern countries.
I. INTRODUCTION

Scope of Review

The review of the Trade, Employment and Competitiveness (TEC) Programme Initiative was undertaken so as to provide an independent perspective on this part of IDRC’s work. This meets the obligation to the Board of Governors for external comment, as well as providing input to IDRC Programs Branch Management and to the PI team itself. It is aimed at assessing the relevance of the issues chosen by the PI as well as the strategies adopted in addressing them. It also comments on the nature and quality of outputs arising from the activities supported to date; the extent to which people, groups and organizations have been involved in and affected by these activities, and any existing or potential changes that have or are likely to come about. Attention is also given to the synergy between individual projects within the PI and between TEC and other PIs, as well as to the human resources available to undertake the tasks set out in the Prospectus.

The review was carried out by a two-person team within the limited time of 22 person days. Given this time constraint, it obviously was not possible to evaluate specific activities in depth. Thus, the review concentrates on the programme as a whole, using as examples a few projects which were examined in greater detail. As time did not allow field visits to be made, it was necessary to rely on documentation supplied by the PI - mainly the Prospectus, two annual reports, progress reports, project proposals, appraisal and reports, trip reports, and studies and other materials produced as project outputs. This was supported by discussions with relevant team members and some people who currently are or previously were associated with the programme in some way. The analysis was informed by the review team’s knowledge of the trade and competitiveness field. It was also possible for the review team to meet with the entire PI at the time of the OPM in April which was useful especially in terms of forming an overall view of dynamics and direction. In addition, the review team leader was able to participate in a two day meeting on global economic governance which gave first hand experience of the process undertaken in establishing a new global network, and of the calibre of people consulted.

The rest of this Section gives the background to the TEC Programme so as to set the review in context. In Section II, we comment on the overall research approach in terms of: scope of the programme and relevance of the issues addressed; geographical focus and relevance; choice of and relationship with partners; and selection and balance of activities and strategies in terms of meeting the objectives outlined in the Prospectus. Section III seeks to match results to objectives and comments on the nature and quality of these results at the level of outputs, reach and impact. A final section gives an overall assessment of the PI and comments on the relevance of future plans as outlined in documentation and by discussions with PI team members and non-IDRC experts.
Background of TEC

Although IDRC has a long history in macro-economic policy, its attention to trade policy has been more recent arising mainly from the emergence of trade issues as a subject of major importance in the international arena, and one in which there are existing and potential inequities between countries and regions. The need for research and IDRC involvement in this area has become more obvious with the Uruguay Round talks, the establishment of the WTO and the many new issues which it brings to the negotiating table, and the perceived differences in the capacities of the North and the South to understand and negotiate new agreements. Within this context, several earlier programmes (or parts of programmes) which dealt with international economics and policy making processes were merged in 1997 into the Trade, Employment and Competitiveness Programme Initiative. These included parts of the Economics and Technology Policy Programme and the Capacity Building and Analysis in Economics (Africa) Programme.

While these programmes contained many elements which TEC could usefully incorporate and continue to support, there were also elements which did not fit neatly into the trade focus. This presented a challenge for the new PI in terms of coming up with a coherent programme which would clearly carve out a niche for itself in this increasingly important field of research. Although TEC was created at a time when self-contained programmes were being encouraged, internal changes have meant that the PI has needed to detract from its original intent of modelling itself on MIMAP. While MIMAP was able to develop a very coherent programme over a decade without concern for relationships to other PIs and to Secretariats and other corporate needs, TEC has needed to compromise in order to take these into consideration.

In spite of the above, TEC has done a good job in developing a programme which focusses on increasing research capacities in Southern countries to assist trade negotiators from the South to better understand traditional and new areas of trade policy and to make the most of emerging global opportunities.

In so doing it distinguishes itself from those of the many other agencies involved in trade policy in several ways. First, while there is a large and increasing body of work on international trade, much of this is done by international agencies and Northern researchers and tends to be biased towards their interests. There is a real niche for IDRC in supporting research - especially on the new trade agenda - which puts forward the thinking of Southern researchers and policy makers. Second, much of the research undertaken is geared towards the objectives of the organizations supporting it rather than being in support of building research capacity and the capacities of Southern trade negotiators. By focussing on the latter, TEC is taking a lead in building up a core group of researchers who are familiar with current trade issues. Third, while many other agencies have a narrowly defined approach to trade policy which concentrates on conventional economic theory, IDRC is able to draw on its wide range of experience and expertise in a variety of disciplines which are especially important in dealing with new issues such as intellectual property rights, labour standards and the environment which the WTO is bringing into the trade agenda. In addition, while it is not a new issue, there is very little understanding among trade researchers and policy makers of the relationship between gender
and trade. By its support to projects in Latin America, Africa and globally, TEC is trying to make this relationship clearer and more explicit. Although the TEC team does not encompass all of these areas of expertise among its members, it can and does draw upon other PIs to provide them.

II. APPROACH AND STRATEGIES AT THE PROGRAMME LEVEL

TEC’s Mission and Objectives are well stated in the Prospectus and in its Annual Reports. In short, its mission is to level the playing field in international trade agreements through increasing access of Southern trade negotiators to research on issues which are of priority to them and which reflects a Southern - rather than a Northern - perspective. It sees this as being particularly important given the quickly changing nature of trade and the emergence of new issues on which Southern researchers and policy makers have little knowledge. It seeks to bring this about in three ways: improving developing country negotiation and bargaining skills; contributing to the design of instruments, processes and procedures that allow developing countries to better profit from global opportunities; and assisting developing countries to promote coherence between their domestic economic policies and their international trade policies. The inclusion of domestic policies is deliberate since for developing countries to participate effectively in the world economy, not only do they have to be prepared to participate in international and regional fora to articulate their interests and perspectives, they also have to adapt domestic policies to take account of developments in the international arena and honour commitments made.

Achieving these objectives depends mainly on the strategic decisions taken at the programme level and on the quality of performance at the country or project level. This section reviews major strategic decisions at the programme level including: choice and relevance of issues; choice and relevance of countries/regions; choice and involvement of partners; and choice of and balance of activities/strategies. The ways in which these strategic choices have played themselves out at the project level in terms of outputs, reach and impact are reviewed in Section III.

Scope of Programme and Relevance of Issues

The major focus of the PI is to build research capacities in developing countries which enables trade negotiators and other policy makers to better understand trade issues and to bargain for better positions from the basis of well informed research which properly reflects the concerns and positions of their own countries - rather than those of Northern countries or international agencies and their consultants. The ultimate aim is to have a core of indigenous researchers in the South (both within and outside of government) who are well versed in trade policy issues and who can be drawn upon by Southern policy makers, and also international agencies, on a sustained basis.

This is an important and relevant area of concentration for IDRC given the lack of interest, mandate or capacity of other agencies to pursue such objectives. However it still covers many issues, and there are still strategic choices to be made. For example, should TEC cover all of the non-traditional issues on the WTO agenda - or only some of them and which ones and for what reasons; should
concentration be on global agreements only or also include regional agreements which are often in conflict with each other. While the TEC team are aware of the various options open to them, it is not always clear where emphasis should be placed and many debates are on-going rather than resolved. For example, should TEC concentrate mainly on trade, or should it also cover international finance which is, in any case, very much a part of the WTO agenda on trade;

Although there was an internal brainstorming exercise on whether new, non-traditional trade issues should be included in the TEC portfolio, and issues papers are being commissioned on non-traditional trade issues to provide a basis on which to choose priorities, there are still some important decisions to be made.

Some progress has been made in the past year in that one set of choices which seem to have been successfully debated and resolved is that of whether to incorporate international finance - as well as trade policy - in TEC. This has been raised especially since the onset of the Asian Financial Crisis and the increased realization that finance and investment have just as great, if not a greater impact on a country’s economy than trade policy. The strategy of bringing together a small group of some of the world’s leading thinkers and practitioners in the field of international economics and finance (meeting held in Ottawa in June 1999) provided an excellent basis for making a well informed decision on this matter, and provided valuable inputs on why TEC should incorporate support for research on international finance and investment and how it should go about doing this. The continued involvement of this high-level group in developing and implementing a new programme on ‘global economic governance’ - which incorporates the important issue of a new global financial architecture - should go a long way in terms of ensuring its success.

Other important issues remain unresolved. For example, the PI is aware of the fact that there is little or no research capacity on new trade issues in the South, and while some strategies are being tried out such as co-opting leading researchers/research institutions in the North to initiate research projects which would incorporate (and hopefully increase capacities of) Southern researchers and institutions, these are still at an experimental stage. Also, it is unclear as to whether Southern negotiators for the moment have more concern in bettering their understanding of traditional trade issues rather than learning about new ones.

**Geographic Focus and Relevance**

As with many other PI s, limited resources make it difficult to focus on all three geographic regions at once. TEC has a well conceived plan which emphasized Latin America in Year One, Africa in Year Two and Asia in Year Three. Some existing projects - mainly from the Capacity Building in Economic Programme were still being implemented in the Africa Region during Year One, but no new Africa projects were started until Year Two. In the case of the Asia Region, the onset of the Asian Financial Crisis resulted in activities in that region being brought forward with support to a project on Investment Sentiment in Thailand.
The projects supported in Latin America and Africa reflect the differing regional realities, and particularly the differing research capacities. Thus, in Latin America, where there is strong (albeit uneven) research capacity, there has been an emphasis on producing high-level research which contributes to knowledge on international and regional trade and finance issues, and to networking activities which promotes exchange of research ideas and findings. In Africa, where research capacities are weaker, there has been much more focus on capacity building, and on the use of networking as a capacity building tool. In both cases, there is a emphasis on regional or sub-regional projects as opposed to single country projects, and in building up regional research capacities or a body of research which can be utilized by policy makers and researchers in many countries rather than just one.

A strong point of the TEC programme is the extent of cross-regional fertilization. For example, there is a planned replication of the LATN project in Southern Africa, and the Investor Sentiment Project is being replicated in Mexico. It will also be replicated in South Africa and possibly in Brazil. It will be important to record the constraints faced in transferring models to other regions (e.g. there is already difficulty in finding a suitable organization in SADC to host a LATN-type project), and to highlight the adaptations made and comparability of results achieved. TEC is also planning to transfer projects between countries within regions. For example, the TIPS model is to be replicated in Uganda and possibly in Egypt (in collaboration with SMMEIT).

While TEC stresses global issues, very few projects are global (as opposed to cross-regional) in terms of coverage. At the moment, global projects are the G24 project, the Finance and Trade Network, and the new Global Economic Governance Network. Some projects which were designed to be global in nature (e.g. LATN) found very quickly that in order to achieve any concrete and meaningful results, they would need to concentrate on one region initially. The option of building up regional projects in each of the regions which then can be linked with each other does seem to be a preferred option.

**Choice and Involvement of Partners**

TEC has a range of partners - mainly in the South - which include research institutes, universities, government departments, and international agencies. It also brings in Northern institutions in two ways. First, as we have seen above, as 'cutting edge' issues such as IPRs-Biodiversity, culture and technology are covered, it is likely that sound Northern institutions will be used to initiate and manage research, which will maintain it Southern focus. Second, there has been a tradition of using Northern institutions and researchers strategically in TEC’s work, such as the TIPS connection with CEPR, the North-South composition of Global Economic Governance, and the use of Canadians in LATN and in the Mercusor Network. Although the need to do more work with NGOs is mentioned in the Prospectus, there is still little headway made in this direction. One also needs to ask what type of NGO is most appropriate for TEC - those which are research-oriented or those which are involved in advocacy on trade and related issues?
There has been a tension as to whether to work with strong researchers/institutes which can produce top-notch research which is credible in the international arena and can make its mark in commenting on conventional wisdom from the North and from the IFIs and international agencies, or whether to work with weaker institutions and researchers to help build capacities in the area of trade policy. TEC has taken the approach of working with both types and linking the weak and the strong through networks. A recent paper prepared for the Latin America region distinguishes between three types of researchers: those who have a strong international reputation, who IDRC has worked with for years and who can produce credible, high quality research; younger researchers who are trained in trade policy research but do not have international exposure or links with IFIs; and young professionals who do have many opportunities and international linkages. It concludes that IDRC should still work with the first category, but that much more attention now needs to be given to researchers in the second category who should be brought into the fold through networking and partnering with mature researchers. This linking of strong and weak institutions and researchers is also evident in the Africa Region where TIPS is increasingly acting as a training ground for the SADC countries.

In the Africa Region, there are far more weak institutions than strong ones, and ways of strengthening them from outside the region are also important. Some of the ways in which TEC has supported TIPS in this respect through sabbaticals and linking with experts and researchers involved in projects elsewhere deserves mention here. However the project on Structural Adjustment in Africa involved only African scholars.

The ways in which partners have been able to involve the ultimate beneficiaries of the research in the development and implementation of projects is very important. In the case of most TEC projects, it is the policy makers who are the intended users of research, and so their involvement would seem to be crucial. In many cases, policy makers are the ones who have actually requested support from IDRC. For example, it was DTI which formulated the TIPS proposal to help respond to its need for more relevant research to inform its policies. In other cases, although policy makers have not been directly involved from the beginning (e.g. LATN), the existing links between the researchers and policy makers (and the credibility of the researchers) has resulted in considerable interest on the part of policy makers in using the research results once they become available.

An ultimate aim is for Southern research partners to be able to carry on their work after the end of IDRC support. In this regard, thought has been given at the start of many projects such as LATN and TIPS as to their eventual institutional affiliation and means of financing. The Mercosur Network has also given thought to future financing and institutional issues. In the case of TIPS, although it was originally thought that it might be absorbed into DTI, experience to date suggests that it is better situated outside of government, although it is still hoped that government funds for TIPS will increase over time.

With respect to Canadian partners, several projects have been successful in bringing in Canadian researchers or institutions in some capacity, although this has been limited by the TEC objective of supporting Southern views in the trade agenda. Other roles have been found for them such as in
dissemination of findings and outputs in Canada and globally. For example, IISD and the North/South Institute play this role in the LATN project. Canadian researchers also play a role in some of the advisory committees attached to individual projects, although again, emphasis is placed on having high visibility Southerners on these.

A major strength of TEC is that it puts a great deal of weight on its advisory committees, most of which are of a very high calibre indeed. For example, the LATN committee includes both the Director of ECLAC and Secretary General of UNCTAD. The newly formed advisory committee on global economic governance is of equally high quality and standing. While each major project has its own advisory committee, initial plans to form a committee at the programme level have been postponed until such time as the TEC programme is more coherent and can utilize the expertise and experience of outside advisors to better effect.

**Selection and Balance of Activities**

In seeking to achieve its objectives, TEC adopts a fairly wide range of strategies including: thematic studies, country studies, modelling, appraisals of trade agreements from differing perspectives, scholarships, training, collecting and disseminating information, policy dialogues, and networking, although there is very heavy emphasis on networking: between researchers; between researchers and policy makers; between countries; and between regions. In their various ways, these strategies and activities contribute to the three main goals of TEC which are: capacity building; contribution to knowledge, and informing/influencing trade policy.

There is obvious tension between these three goals. For example, high scientific quality of research which contributes to knowledge suggests supporting experienced researchers while capacity building suggests working with less experienced researchers and institutions. In addition, many pre-TEC projects emphasized high quality research which resulted in peer quality publications of a very academic nature. These were seen as sufficient output in themselves and it was assumed that they would eventually have some impact on thinking and policy debates. Since the formation of TEC, much more emphasis has been placed on linking research directly with policy making which again suggests the need for different strategies. We agree with the TEC team that gearing research more directly to the needs of policy makers is the right way to go, but share their concern that this is increasingly more difficult as you move away from country projects. For example, while it is very easy for the manager of a country based project such as TIPS to establish and maintain day to day contacts with officials in DTI in South Africa, this becomes more difficult for the Manager of a regional project, and almost impossible for the Manager of a global project. One way of overcoming this problem, and one which TEC seems to be going the right way in addressing, is having sufficiently well connected advisors from a relevant range of countries attached to the regional and global projects.
III. OUTPUTS, REACH AND IMPACT

Outputs

The TEC Prospectus anticipated the following outputs of which many are have been achieved or are likely to be achieved within the Prospectus period or within an acceptable time period beyond that. They include:

At the policy level: policy papers targeted at relevant decision makers nationally and internationally have been produced, and seminars and workshops were held where national and international decision makers participated and interacted with project researchers. Achievements have included: the two international fora convened by the LATN project and the very successful fora held by TIPS.

At the capacity building level: there has been a spread of knowledge from senior to junior researchers; from North to South as well as within the South, and between researchers and practitioners in government and non-governmental organizations. Achievements have included: the remarkable work of TIPS through its policy dialogues and Annual Fora, and also the work of the Africa and GATS Project which is bringing together eight country teams comprising governments, NGOs and private sector. The AERC project on Africa and the World Trade System is also a good example of successful capacity building as indeed is the AERC itself.

At the technical level: publications have been produced which establish credibility of work in advanced research organizations in developed and developing countries, international organizations and academic circles. Achievements include: several books published by well-known commercial publishers in conjunction with IDRC. These include: African Perspectives on Structural Adjustment; Bargaining and the Environment; Financial Reform in Developing Countries; G24 Research Programme; and Africa and the World Trading System.

In order to assess the types of outputs coming out of the Programme (as well as those which can be anticipated during the remainder of the three year period), and to be able to comment on the relevance and quality of these outputs in terms of meeting the PI’s objectives, four projects were looked at in depth. These were: Trade and Industry Policy in South Africa (TIPS), the Latin American Trade Network (LATN); Investor Sentiment in Thailand; and African Perspectives on Structural Adjustment. These give a good coverage of trade as well as finance issues; of regional networks and thematic networks; of traditional trade issues and new ones; of pre-TEC projects versus very recently developed TEC projects; and of research-generation projects versus research absorption projects.

Trade and Industry Policy in South Africa (TIPS)

This is a special project in the sense that it is an IDRC Secretariat which works very closely with TEC and which demonstrates the ways in which a close working relationship between a Secretariat and a PI can be mutually supportive and beneficial. Established in 1996, in direct response to a request
from the South African Department of Trade and Industry for support in strengthening its capacity to negotiate effectively in the international trade arena, the aims of TIPS are to: (a) address DTI's short term policy needs by providing immediate policy support (through access to policy advice and commissioning of policy studies), as well as seconding professional into the Department; (b) strengthen external linkages between DTI, the academic community, labour and private sector through establishing a Trade and Industry Policy Forum, issue-specific working groups, a newsletter and electronic communications; and (c) build new research capacity within South Africa in trade and industrial policy through in-service training and internships at DTI, research grants to academics, sabbaticals, sponsorship of guest lectures, seminars, scholarships and summer and winter schools.

The Government of South Africa saw this as a crucial element in its plans to create a competitive industrial structure in order to establish a stronger and more diversified manufacturing base for export purposes through increasing its ability to benefit from new trading opportunities under the WTO and increasing its ability to attract foreign investment and export-led growth. Basically, the idea was to supply DTI with the ability to absorb completed research and draw out policy implications, and to draw on and strengthen existing research capacity within and outside government to undertake new research to address current policy issues.

Given that TIPS was starting from a very weak base in that South Africa entered the international trade arena much later than its SADC partners and had little or no experience in trade negotiations, it has achieved a good deal in the short three years that it has been operating. A Secretariat, which operates out of the ROSA Office has been established, staffed and attracted significant funding from other donors. Several research papers have been commissioned and disseminated; staff have been seconded to DTI, and existing staff of DTI have been given training; over 20 policy workshops have been held on a variety of topical issues; working groups have been formed; two very successful and high profile Annual Fora (on regional and bilateral trade agreements in South Africa, and on industrial restructuring) have been held with another scheduled for September 1999; and two winter and summer schools for DTI staff and researchers have been held which provided intensive training on time series econometrics and on international economics and the WTO (taught by the ex-Chief Economist of the WTO).

TIPS has had its problems. One is that of attracting sufficiently high calibre international experts to spend significant amounts of time with DTI. Another is that of the dilemma faced in having to provide quick delivery of policy support to government which, although it provides credibility in government has meant a sacrifice in the quality of work. Finally, although it has been able to bring together government and the research community, it has less successful in bringing the private sector on board. Never the less, it has achieved many of its expected outputs.

Factors contributing to its success include: the recruitment of a very strong Director who has close working relationships with the senior management of DTI; a team within DTI who come fairly recently from an academic background and who understand the value of research; and strong backing from government which has helped to attract external funding and also provides a very favourable working environment. While there is obviously a strong demand for the services of TIPS by DTI,
original plans for it to be eventually absorbed by DTI have been changed. In many ways, TIPS will probably be most effective if it continues to stay at arms length from government. However, it is very important that DTI begins to take on more financial responsibility for it.

Another factor in the success of TIPS has undoubtedly been its close relationship with TEC. As will be seen above, the objectives of TIPS fit very closely with those of the TEC PI which has been able to offer technical and financial support in a number of ways. First, it has been able to help TIPS to bring in external expertise through its networks and activities. For example, many of TEC’s partners have been involved in the Annual Fora which have brought a great deal of credibility to TIPS within South Africa and within the region as a whole. It is also now trying to provide a solution to TIPS problem of attracting longer term expertise for DTI by funding a two year sabbiticant. Second, it has hosted several of its international seminars and conferences at TIPS which have attracted a lot of attention and provided a fora for South African policy makers and researchers to debate current issues on international trade. Third, TEC has positioned TIPS to implement components of several of its Africa regional projects including GATS in Africa and Economic Policy Making in Africa, and has recently helped it to secure a one million dollar grant from USAID to establish the regional database component of a large project on An Industrial Strategy for Southern Africa. And fourth, it is assisting TIPS to present itself as a model for replication in other countries such as Uganda and Egypt, and to use its new experience and expertise in providing training and information for other SADC countries. In all, this appears to be an excellent example of how an IDRC Secretariat and a PI can work together in a mutually supportive way.

Latin American Trade Network (LATN)

The Latin American Trade Network (LATN), initiated in March 1998, has convened a group of leading researchers and policy officials from several Latin American countries and international institutions, to work on a research and policy agenda of analyzing and responding to ongoing changes in international trade relations. Originally conceived as a global project, it was decided to confine this initially to Latin America where is could build on extensive IDRC support for trade related work in the region including to FLACSO, which is the coordinating institution.

The network aims to: (a) support the process of agenda-building and policy formulation in Latin American countries, in response to the emerging trends and issues in the international trade system; (b) harness the existing research capacity and contribute to the human resource development in Latin American countries to engage international trade negotiations; and (c) strengthen collaboration among the participating institutions with a view to sustaining the long-term goals of the network.

LATN is commissioning a range of research studies which will be debated by policy makers, NGOs and private sector at the national and regional level and which will be made widely available in Latin America and elsewhere through publications and other means of communications including the LATN web-site. The studies fall into three groups: (a) issues that overarch the project such as the preconditions or trade coalitions to emerge, bargaining in an environment for ever-changing coalitions; and systemic compatibilities given the multitude of regional and international agreements
that now exist; (b) a range of emerging issues in world and regional trade agendas (such as the environment, competition policy, services, agriculture, and labour standards) from a Latin American perspective; and (c) country case studies which aim to identify optimal or feasible national responses in the context of the current international trade relations regime.

Although still at an early stage in implementation, there are already signs that value is being placed by governments and international agencies on the research findings and research capacity being built through the project. For example, the Argentina government has requested assistance agricultural trade policy, while several governments in the region, as well as the OAS, have requested LATN to assist in improving their understanding of new issues on the trade agenda including services. In addition, the WBI (formerly EDI) is collaborating with LATN to customize its global WTO issues training course for the region. There is also already evidence that the LATN team will be in demand to assist in replicating the LATN model in other parts of the world, with TEC intending to use it as a prototype initially in Southern Africa.

Problems faced by LATN include that of the variation of economies within the region - including vast and relatively wealthy countries such as Argentina and Brazil as well as smaller and very poor countries such as Honduras and Guatemala. Research capacities also vary between countries and the project has a balancing act to play in terms of utilizing the wealth of very competent trade economists available as well as including less experienced researchers so as to build further research capacity in the region. Attempting to include the latter accounts for the somewhat variable quality of the research studies produced to date.

Strengths of the project include: coordination by a strong regional research institution with which IDRC has worked for many years (finding similar partners in Africa may make it harder to replicate there); a very strong project manager who is well known internationally; a very high level advisory committee which includes high level officials from key international agencies including ECLAC, UNCTAD, WTO, IMF and IDB; and inclusion of prominent researchers from a wide range of countries in the region who have excellent contacts with key policy makers who respect and place value on their research findings.

A participant at the meeting remarked that a World Bank Official commented on the fact that IDRC’s neutrality is of great value to Southern countries.

African Perspectives on Structural Adjustment.

This project pre-dates TEC. It was approved by IDRC in November 1994. The project, which was included in TEC’s portfolio is a good example of examining macroeconomic policy initiatives from the perspective of South. The major tenets of Structural Adjustment were developed by western academia or by International Financial Institutions. By the end of 1970s a large number of developing countries, including most countries in Africa had adopted SAP in one form or other. When these policy initiatives did not yield the desired result in the countries adopting SAP, the criticisms were raised mainly by Western intellectuals. The addition to this by a group of African scholars who
examined the macro economic and social development issues from an African perspective, was supported by TEC.

Organization and process of execution of this project truly reflects the approach to the developmental issues from the perspective of developing countries. The project was prepared by a steering committee of African scholars who met in Nairobi in May 1994. Substantive comments were received from relevant units of IDRC. The project was approved by the Center in Nov. 1994. It was housed in the Council for Development of Social Science Research in Africa (CODESRIA). Nearly 30 African scholars were involved in developing the project. IDRC can take credit in supporting this large and complex study. The participating scholars looked into different aspects of structural adjustments and their implications for long term development. The aspects of sustainability, equity and governance were examined in great detail. The outcome was a fine publication, aptly titled as ‘African Perspectives On Structural Adjustment : Our Continent Our Future’. One benefit of locating this project in CODESRIA is that it helped in creating an environment of more balanced and more rigorous research in a leading African institution

The worth of this publication could be enhanced by systematic dissemination of the messages, not only among IFIs and the developed countries but, more importantly, among the policy makers in the developed countries. TEC should give high priority to organize reviews, discussion and debate on this work, particularly in Africa.

Assessing Investor Sentiment.

Once TEC decided to include discussion of Finance together with Trade as a part of its mission, the behaviour of investors naturally acquired considerable importance. Received theory makes rather general assumptions on the behaviour of investors in response to policy changes. This project poses, and attempts to answer, three important questions: to what extent do portfolio investors play the role assumed by the policy makers; how does the category of investors and the institutional regime where they operate influence their behavior; if there is a mismatch what are the implications for financial policies and financial markets.

It was a prudent decision to locate this project in Asia and there too in Thailand. As Thailand was the first country to face the crisis - since the middle of 1997 - there was sufficient experience to fall back upon. It was equally important that the project was located in the Institute of South East Asian Studies, Singapore where the researchers have close contacts with the policy makers in this region and have handled projects in similar areas. The success of the project was further assured with the active participation by the Thailand scholars and policy makers. Indeed the project came about at the direct request of the Government of Thailand to examine this topic. Although the output from this project is not available at the time of this review, its worth is well established as evidenced by the interest shown by the other countries, particularly Mexico, to launch a similar project.

This project fulfills two of the three basic objectives of TEC. It contributes to knowledge in an area which is important and yet not fully explored. It also addresses an important and immediate question
of policy and therefore contributes to ‘creditable’ policy formulation. At this stage capacity building, the third major objective of TEC, is not in forefront. However, once this project is replicated in a few countries there will be a corpus of knowledge to share with other developing countries.

**Quality of Output:**

The quality and relevance of the outputs referred to above can be assessed in terms of: scientific quality; relevance to intended users; and capacity building.

*Scientific Quality/Technical Excellence:* there is evidence of the sort of quality which helps to establish IDRC as a leader in the field and which results in other agencies coming to IDRC and its partners for advice and assistance, or in picking up ideas for replication. A large number of publications are published through commercial publishers and get widely distributed to Northern academic institutions and international agencies. In the future, as more weight is placed on materials such as policy briefs and manuals which have direct relevance to policy makers, emphasis on academic publications can be expected to decrease. In addition, with more emphasis being placed on building research capacity through working with less experienced researchers and research institutes, the quality of research will undoubtedly become more variable.

*Relevance to Intended Users:* there is an abundance of evidence that the outputs of the projects and activities are valuable for the intended beneficiaries (particularly trade negotiators.) TIPS is much used by DTI and LATN has been asked for advice by the Ministry of Agriculture in Argentina and by several governments and the OAS for advice on trade and services. The Mercosur Network, the Agricultural Network and Assessing Investor Sentiment all built intended users into the project design process, often because users initiated discussions with IDRC in the first place. While there is evidence that research is more likely to be used by policy makers if they are built into projects from the beginning (as was the case with the G24 project and TIPS), LATN demonstrates that policy makers can still be brought in at a later stage, providing the necessary links exist between them and the researchers and that the latter are well enough known and respected by the former.

*Capacity Building:* TEC projects have strengthened entities and individuals in various ways. Obvious examples are TIPS, LATN, and the Agricultural network in Africa --- although in all cases more thought needs to be given to long term sustainability; One example of where TEC has really contributed to capacity building is that of the COMESA project where a research unit has now been established in the COMESA Secretariat.

**Dissemination and Reach**

TEC has been remarkably good in its dissemination and reach. Its publications through well-known commercial publishers are widely known and acknowledged. In addition, its high level advisory boards at the project level give it very great credibility in the field. The time would appear to be right, however, for the creation of a programme level Board which could assist TEC in bringing about a greater coherence in its work.
At the level of networking, TEC excels itself at national, regional and global levels. At the national level, TIPS is a very good example of bringing together government, private sector, NGOs and academia. At the regional level, LATN certainly links junior and senior researchers within the South as well as bringing in Northern experts. And, at the global level, the newly formed network on global economic governance brings together some of the best known and respected names in the field.

Impact

As we have seen above, many of TEC’s outputs have assisted their intended beneficiaries. Ultimately, however, we are interested in the changes which the use of these outputs has brought about. Noteable among these are: (a) the establishment of a research unit within COMESA as a result of Phase I of the IDRC-supported COMESA project; (b) the use of the G24 project outputs by the IFIs which has instilled a Southern perspective into their discussions; (c) the use made by several governments in Latin America and the OAS of the research capacity built through the LATN project; and (d) the major impact made by TIPS in strengthening the understanding of DTI of trade policy and the trade policy making process. The last two achievements are ones which are rightly being considered by TEC for replication. Projects such as these would be extremely useful in other countries/regions. There is also a less tangible but significant contribution which an initiative such as African Perspectives on Structural Adjustment is making in terms of imparting confidence amount scholars from the South to grapple with complex macroeconomic policy issues on their own. In addition, through it support to the Investor Sentiment Project, TEC has alerted policy makers in the South to new realities in international trade and finance in a scientific way.

IV. OVERALL ASSESSMENT

TEC’s projects are highly relevant to current research needs. However, this is a vast field and TEC needs to consider how it might focus its support. Given its very limited person-power, it will be difficult to cover the entire range of trade issues, or to manage a very large number of networks, projects and other research initiatives. We cannot help observing that the total strength of TEC in terms of manpower is only equivalent to 2.7 person years, and no one is working full-time on this PI. Adding international finance to TEC’s agenda this year is important, but will mean added burdens for the TEC team. In light of this, and while recognizing the importance of taking on some more of the WTO++ issues in order to stay at the ‘cutting edge’ careful thought needs to be given to how this can be done within the capacity of the existing team.

In general, while TEC has a clear objective in what it wants to achieve --- strengthening the capacity of Southern trade policy negotiators - it appears to have a much less clear focus in terms of how it is going about doing this. One way in which a clearer approach could be accomplished is through supporting the replication in other regions and countries of some of its more successful projects such as TIPS and LATN. .
Annex I. List of documents consulted for TEC PI review

General PI Documents:

- Management Review of the Twelve Program Initiatives with Board-Approved Prospectuses (with specific comments on TEC PI), October 2, 1998.


Latin American and Trade Network (LATN)(03392)

Project Documents:

- “Latin American Trade Network (LATN): Objectives and Members” (project brochure).
- “Research Program on International Economic Institutions: Objectives and Projects,” (project brochure).
- “Leading Issues in International Trade Relations: Objectives and Design,” (project brochure).
- “Possible Global Environmental Institutions: Exploring the Developing Country Interests: Objectives and Design,” (project brochure).

Newsletters and Policy Briefs:

“LATNexos,” Publicación de la Red Latinoamericana de Comercio Internacional (LATN) con el Apoyo del CIID/IDRC, Numero Uno, Marzo de 1999.


Research Papers:


Assessing Investor Sentiment (04229)

Project Document:

Research Paper:

Trade and Industrial Policy Secretariat (TIPS) (03071)

Project Documents:
- Trade and Industrial Policy Secretariat (TIPS) Board Meeting Agenda, Tuesday, 2 June 1998, IDRC-ROSA Boardroom.
- Trade and Industrial Policy Secretariat (TIPS) Board Meeting Agenda, Friday, 12 March 1999, IDRC-ROSA Boardroom.

Newsletters:

TIPS Working Papers:
Papers Presented at the TIPS Conferences:

G-24 Technical Support Services III (02881)

Project Document:

Publication:
African Perspective on Structural Adjustment (01993)

Project Document:

Publication:

Economic Policy Making and Implementation in Africa (55299)

Project Document

Evaluation of Key Issues in the TEC PI (04479)


ANNEX 11. PEOPLE CONSULTED

Within IDRC

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