

Trade Research Capacity-Building Needs of Research Institutions —Cambodia Case Study *

Hing Vutha, Research Associate at CDRI, assesses the current trade research capacity and the need for building trade research capacity of research institutions in developing countries in the Asia Pacific region, and provides overview of linkage between research institutions and policymakers in Cambodia.

The proliferation of global, regional and bilateral economic interactions and integration has made the international trade environment increasingly complex. This challenges policy makers in developing countries and least developed countries (LDCs) to devise coherent trade policies that assure sustainable economic growth and development. Given human capacity limitations, policy makers in many countries operate at a great disadvantage in trying to ensure that their countries obtain favourable terms during technical negotiations. Many look to research institutions to provide the necessary analytical and technical support that is missing within the relevant government departments. Research institutions themselves also frequently face capacity constraints and are not able to play this role as effectively as would be desirable. Little research or information is available about the needs of these research institutions, their existing trade research capacity and how this differs across countries.

This article sets out to assess the need for building the trade research capacity of research institutions in LDCs and low-income developing countries in the Asia-Pacific region, and to identify innovative ways in which some countries or organisations in the region have addressed, or are addressing, these needs. Specifically, the article attempts to investigate the existing linkage between research institutions and policy makers in Cambodia.

Trade Research Capacity Building: Rationale

Quality research and analysis are fundamental to effective trade policy making and negotiations. As Gloria Pasadilla (2005) of the Philippines Institute for Development Studies concludes in her recent ARTNeT Policy Brief: "If good preparation is key to successful trade ne-

gotiation, adequate research capacity is its locksmith." Pasadilla also identifies institutional capacity as one of three critical elements for efficient trade policies. This capacity includes (1) the ability to prepare technical backgrounds, research and analysis; (2) the capacity to carry out negotiations; and (3) adequate knowledge of the relevant trade laws. In summary, the policy brief argues three propositions that underpin the importance of trade research and the rationale for and design of a survey conducted by CDRI:

- (i) Effective trade policy and trade negotiations must begin with solid research and analysis.
- (ii) In developing countries, but particularly in LDCs, the major stakeholders, such as government and the private sector, often lack the capacity for either macro-level or sectoral trade-related research.
- (iii) If LDCs and developing countries are to participate in trade negotiations more actively on an equal basis, building national trade research capacity, both for government and for policy-oriented research institutes and think-tanks, needs particular attention from the governments of the Asia-Pacific region.

Key Findings of the Survey on Trade Research Capacity Building Needs

CDRI surveyed twenty-four research institutions from 13 countries: Bangladesh, Bhutan, Cambodia, Fiji, Indonesia, Laos, Mongolia, Nepal, Papua New Guinea, the Philippines, Sri Lanka, Thailand and Vietnam. There were 12 from independent non-profit institute/centres, five from governmental institute/centres, two from university-affiliated institute/centres, four from academic institutes/centres, and one from an independent profit-making institute. The key findings can be summarised as follows:

- Research institutions in the Asia-Pacific have a high level of education, research experience, ability and skills (except modelling expertise). Research institutions in LDCs and in countries with lower GDP per capita tend to have a significantly lower capacity in trade research than those in developing countries and countries with higher GDP per capita.
- Almost all research institutions need to further develop their trade research capacity. Their needs include long-term trade research training programmes, long-term access to technical advisers and trade experts, and wider access to trade data and literature.
- The need for capacity development varies among research institutions. Those in LDCs and in countries with lower GDP have stronger needs to develop capacity than those in other developing countries and countries with higher GDP per capita.
- The key impediments for research institutions in conducting international trade research of relevance to policy makers are: (1) lack of funding, (2) lack of skills, (3) lack of access to trade data, (4) lack of

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links with trade research institutions in other countries and (5) limited availability of relevant IT hardware.

- The solutions proposed by research institutions to address these needs include (1) long-term and ongoing trade research training programmes, (2) long-term provision of technical advisers and trade experts, (3) more financial assistance and support for trade-related research projects, (4) deepening partnership programmes with research institutions, international organizations and academia and (5) institutional facilitation and coordination to manage specialised research networks more dynamically.

Linkages between Research Institutions and Trade Policy Makers in Cambodia

The Historical Development of Research Institutions in Cambodia

Research institutions in Cambodia evolved only as recently as the early 1990s as Cambodia emerged from more than two decades of war and isolation from the international community. A few emerged initially as independent non-profit organisations with the primary objectives of strengthening the capacity of Cambodians to manage national development and economic reconstruction. The first of these, the Cambodia Development Resource Institute (CDRI), was established in 1990 to respond to the needs of Cambodia in making the transition from a centrally planned to a market economy and the normalisation of relations with the international donor community. It first operated as a training facility, located in the Ministry of Planning, for government officials to acquire English language and computer skills. In 1993, it was reconstituted as an independent development research and policy institute. The Cambodian Institute for Cooperation and Peace (CICP) was founded in 1994 as a non-government organisation working closely with the Ministry of Foreign Affairs to enhance the ability of government officials to promote regional and international cooperation.

Since the mid-1990s, in response to political and economic developments, institutions have turned their focus from training and capacity building to research and policy programmes. Their research findings and outputs are widely disseminated to inform government policy makers, development partners such as multilateral and bilateral development agencies, the private sector and civil society organisations. Since then, research institutions in Cambodia have functioned as an independent source of research output and policy options for policy makers and government. They also provide advice and support for development practitioners working with multilateral and bilateral development agencies and non-government organisations in areas such as macro-economics and trade, regional economic integration, globalisation and the WTO, governance and decentralisation, agriculture and rural development, poverty reduction, natural resources and environment and international cooperation.

Despite these positive developments, research institutions in Cambodia remain embryonic and relatively poorly equipped, with limited human and capital resources. The lack of skilled personnel with substantial research expertise and lack of research funds are still common constraints. Most research institutes depend on external financial assistance from international and bilateral development agencies, international foundations and international NGOs to support operations and to conduct research. This makes their research programmes more reactive than pro-active, or more supply/donor-driven than demand-driven, and means that very limited resources are available for effective longer term capacity development.

Trade-Related Research Institutions, Their Existing Capacities and Needs

Trade is a relatively new research area for institutes in Cambodia, although CDRI has conducted trade-related research since the late 1990s. Trade issues have become a higher priority for the government and its development partners in recent years, particularly with Cambodia's accession to the WTO in 2004. The number of independent institutes that dedicate resources to trade research is still very limited, while government institutes that conduct policy-relevant trade research and analysis are virtually non-existent. Along with CDRI, there are currently two other independent research institutions undertaking trade-related research and associated activities: the Economic Institute of Cambodia (EIC), and CICP. There is also one high-level government body, the Supreme National Economic Council (SNEC), which dedicates some resources to trade policy making and research. The Department of International Trade within the Ministry of Commerce is responsible for government trade policy and its implementation, including WTO negotiations and compliance, but has a very limited research capacity and largely relies on the research and policy outputs of others.

Generally speaking, research institutions in Cambodia face severe human capacity limitations for trade research in terms of advanced education in trade, research experience and core skills. The typical educational level of trade researchers is master's degree, and the average research experience of trade researchers is less than two years. In research skills, it appears that most trade researchers are capable in qualitative analysis, research proposal writing and knowledge of international and national trade issues. However, there seems to be a crucial gap in quantitative analytical skills and modelling expertise such as simulation, Computable General Equilibrium (CGE) and Global Trade Analysis Project (GTAP), important tools used to quantify and assess social and economic impacts of trade policies.

It is generally agreed that there is an urgent need to build trade research capacity among research institutes in Cambodia. This means strengthening advanced education in trade, increasing research experience and improving research methodologies and related skills. The

most important and urgent needs are: (1) ongoing and long-term access to research skills training programmes, (2) access to technical advisers or trade experts, (3) research exchange programmes and fellowships, (4) access to experienced mentors and (5) advanced education in trade through short-term training courses (typically three to six months) and scholarships for postgraduate study.

Links between Research Institutions and Trade Policy Makers

Relationships between research institutions and trade policy makers in Cambodia exist at many levels, from top policy makers and senior management to middle and lower level officials and research staff, in both formal and informal ways. First, in some cases, senior policy makers are active members of the boards of directors of research institutes. This type of linkage is very useful in ensuring strategic directions consistent with the government's development strategies. Second, various senior management and research staff are involved in policy consultation mechanisms, such as technical working groups, to devise government policy and strategy and to provide comments on draft strategy and policy documents. Third, links exist through research institutes providing trade-related services to policy makers, ranging from trade research studies, fact-finding, surveys and trade policy briefs to trade policy dialogues or forums. Fourth, policy makers and senior government officials have regular interaction with research institutions through their participation in dissemination seminars and trade policy dialogues.

Although research institutes and policy makers are increasing their mutual interaction, there is still a considerable gap in linking research with policy, especially at middle and lower levels. The major factors causing this gap are (1) lack of effective mechanisms and institutional arrangements to facilitate communication between researchers and policy makers, (2) lack of regular formal consultation between top, middle and lower level officials and research staff and (3) capacity limitations among researchers and policy makers.

To bridge this gap, it is necessary to have ongoing joint capacity-building programmes designed and implemented to strengthen the capacities and skills of researchers and policy makers. There should also be regular formal meetings between middle and lower level trade officials and research staff in order to understand better emerging trade issues and challenges, as well as to find ways to work more cooperatively and effectively in dealing with these challenges. Institutionally, long-term partnership programmes between research institutions and high level and middle level government institutions should be further strengthened. Research institutions should be provided adequate access to policy consultation and dialogues on trade policy and legal and implementation challenges, as well as wider access to trade policy documentation and trade data.

Cambodia Case Study: Key Findings

- Trade plays a key role in Cambodia's economic development and, after its recent accession to the WTO, Cambodia is facing a very demanding compliance programme in policy and institutional reform.
- Public policy makers, particularly in the Ministry of Commerce, and policy influencers such as the private sector and civil society organisations, have an urgent need for access to ongoing reliable, high-quality policy-relevant research from institutions that can cooperate effectively with them.
- Existing trade-related research institutions have great potential, but very limited current capacity, to provide policy-relevant research to policy makers and influencers.
- For real mutual capacity to be built, research institutions and policy makers need deep, long-term, well-resourced programmes that are institutional and programme-based, rather than short term and project-based.

Conclusions

It is obvious that research institutions in the Asia-Pacific have significant trade research capacity in terms of education, research experience and skills, but still need to develop further capacity. Their needs range from long-term trade research training programmes to long-term access to technical advisers and trade experts, and wider access to trade data and literature. Greater resources and policy interventions need to be directed to developing trade research capacity and to addressing impediments facing research institutions. International organisations, national governments, international and bilateral development agencies, well-established research institutions, international foundations and academia should all play a more dynamic and supportive role in this regard. Also, international organisations that are working with international trade policy and national governments should interact with research institutions on trade policy by providing them a regular presence in trade negotiations and high-level trade policy meetings. More importantly, more resources need to be allocated to support capacity development in trade research, especially for institutes in war-ravaged LDCs like Cambodia, where research institutions are inadequately equipped with human and capital resources, the capacities and skills of trade research institutions and of policy makers remain relatively weak and linkages between research and policy making are limited.

References

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