

Part VII

Research agenda that matters to developing country policymakers

Chapter VII

RESEARCH AGENDA THAT MATTERS TO DEVELOPING COUNTRY POLICYMAKERS: REPORT FROM THE POST-DOHA RESEARCH AGENDA FOR DEVELOPING COUNTRIES WORKSHOP

The Macao Regional Knowledge Hub (MARKHUB) in Support of Sustainable Trade and Development held its first workshop, entitled “Post-Doha Research Agenda for Developing Countries”, on 30 and 31 October 2006. The objective of the workshop was to discuss current and upcoming research questions on trade policy reforms of importance to developing countries in the Asia-Pacific region. The workshop included a presentation of papers and discussions on the following topics:

- Multilateral governance of global trade;
- Regionalism as a challenge to multilateralism;
- Services liberalization as a development opportunity;
- Non-tariff barriers and the role of WTO in taming them;
- Behind the border measures and their impact on further liberalization; and
- Trade liberalization and poverty reduction.

The workshop concluded with a panel discussion involving Patrick Low, Christopher Findlay and Evan Due, and a floor discussion involving Simon Evenett, Biswajit Dhar, Ramesh Sharma, Gloria O. Pasadilla, Mustafizur Rahman, Rajesh Sharma, Andrew Stoler, Myrna Austria and Florian Albuero. The discussions dealt with the importance of selecting research topics and devising analytical frameworks that would produce research relevant to decision-making by policymakers, and which would contribute to their work on sustainable trade reforms in developing countries of Asia and the Pacific.

The underlying premise of research under the MARKHUB project is the regional relevance of trade policy and its applicability to current and emerging issues in trade policymaking in developing countries. The identification of topics was driven by the fundamental question of “what information would a contemporary policymaker need when making decisions and designing policies in the area of international trade”. The ensuing discussion resulted in a number of research topics being proposed that would strengthen policy responses and measures over the short, medium and long term.

In summary, a process of more research-based and informed policymaking would require, *inter alia*:

- Information on trade policymaking in other countries – trading partners, including processes, key players and stakeholders and their interaction, and institutional settings;
- Empirical evidence together with analyses of economic and social impacts of various scenarios of multilateral trade negotiations under the Doha Development Agenda;
- Empirical evidence together with analyses of the economic and social impacts of bilateral and regional trade agreements;
- Systematic information on constraints and opportunities for forming regional horizontal and vertical linkages in the production and supply of manufactures, particularly in relation to the high economic growth rates of China and India;
- Estimates of the impacts of trade liberalization on the poor, and in particular the impacts of distributional changes on the various categories of poverty;
- Evidence of the impact of regulatory systems and behind-the-border measures on economic efficiency.

To provide such inputs into policymaking, research should focus on: (a) regional and multilateral trade liberalization; (b) liberalization of services trade and impact of services on economic reform; (c) non-tariff barriers and behind-the-border barriers; (d) the movement of people; (e) democratization of trade policy design; and (f) advances in methodology.

(a) Regional and multilateral trade liberalization, including:

- More analytical work, including number crunching, to tackle the impacts of different types of preferential agreements (e.g., WTO+, WTO-) and allow for a sound comparative analysis and derivation of policy recommendations;
- Analytically-friendly databases that would allow some econometric and quantitative analysis;
- Consideration of the political-economy approach in studying the dynamics of the negotiating process;
- The study of sectoral agreements at the regional/bilateral level (e.g., services, investment and labour mobility), and the possibility of pooling them into wider and more comprehensive schemes/frameworks;
- Assessment of the extent to which WTO is a viable instrument for further trade liberalization.

(b) Liberalization of services trade and impact of services on economic reform, including:

- Assessment of the extent to which GATS can induce further liberalization in services;

- Subsectoral studies (air transport, logistics and distribution services, and mode 4 in relation to poverty);
 - Measurement issues and data collection related to services;
 - Empirical studies of the links between economic development and service sector liberalization.
- (c) Non-tariff barriers and behind-the-border barriers, including:
- The systematic study of these barriers, including inventories of measures/barriers;
 - The impact of mutual recognition agreements on conformity and trade;
 - The identification of lead factors relevant to harmonizing standards.
- (d) The movement of people. This includes:
- The impact of demographic differences in the region on movements of labour and (regional) management of labour movement;
 - The implications of increasing population in urban areas;
 - The implications of shifting demography on trade in health and education services provision (across all GATS modes of delivery).
- (e) Democratization of trade policy design. This includes:
- The role of interest groups and lobbying in policy design, particularly the role of consumers, producers, legislators (parliamentarians) and policymakers as well as their interactions;
 - Political economy of trade policy formulation in major economies (including the United States, the European Union and Japan);
 - Institutional settings and economic change;
 - The impact of interregional linkages on process and quality of policy design;
 - Assessment of resistance to trade policy reform.
- (f) Advances in methodology. This includes:
- Expanding the measurement limits;
 - A more extensive use of case studies that are based on systematically collected evidence;
 - Primary data collection using survey instruments;
 - Cost-benefit analysis;
 - Estimation of data reliability.

P.S.

MARKHUB has own web-page at <http://www.must.edu.mo/markhub> hosted on the Macao University of Science and Technology website. The web-page provides information on:

- purpose and objectives of MARKHUB;
- list of events such as research workshops or policymakers' consultations;
- publications including the MARKePAPERS – working paper series;
- links helpful to policymakers and researchers alike;
- and contacts for further information both at the local partner – Macao University of Science and Technology and ESCAP.