**"From Research to Policy and Back"**
or
**"From the Power of Ideas to Ideas of Power"**

**Address to Pierre Elliott Trudeau Foundation**
**Retreat of Scholars and Mentors**
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Introduction

Let me say at the outset that it is a tremendous honour to be speaking to this distinguished gathering of Trudeau Foundation scholars and mentors. I'd like to start with a sort of disclaimer. The North-South Institute, an independent, not-for-profit think tank was created in 1976, when Pierre Elliott Trudeau was Prime Minister. The1970s, a decade of considerable global economic turmoil, also gave birth to the "North-South dialogue" in a series of high-level summits between industrial and developing countries. Prime Minister Trudeau was among the most enthusiastic world leaders animating this dialogue. However, contrary to the belief of some, Trudeau was *not* associated with the creation of the North-South Institute.

That being said, what Trudeau strived for in the world arena, exemplified by his passionate engagement in the North-South dialogue, resonates deeply with the mission and work of the Institute. So do the Foundation's four themes, inspired by Trudeau's ideals—human rights and dignity; Canada and the World; Responsible Citizenship; and People and the Natural Environment.

We gather here today at a time of multiple crises. The financial crisis is deepening, despite the stimulus implemented by the U.S., Europe, Canada, and other countries and the international initiatives launched by the Group of Twenty last November. The world economy is in a shambles, facing the worst downturn since the Great Depression.

There continue to be huge threats to world peace and security focused in the Middle East, and South and Southwest Asia, not to mention conflicts in Africa. Over three million lives have been lost due to civil strife in the Democratic Republic of the Congo. In the Sudan, a genocidal war continues unchecked.

The menace of climate change is gathering momentum, inflicting devastation on our planet. The world's poorest people, who are least to blame for climate change, are among those who are suffering most due to hurricanes, flooding, drought, and food insecurity.

However, these threats are also urgent opportunities for those with the ideas, imagination and initiative to resolve these issues and to bring about change.

I have been asked to talk about the nexus between ideas and policy, that is, to address the question: How do good ideas get turned into policy, helping to make the world a better place? After some reflection, I concluded that this is not the right question that should be posed to those considering how to use their brain-power in the real world. Looking at how ideas can influence policy only captures part of the two-way, dynamic relationship between them. Policy influences ideas in both direct and indirect ways. And the question of how ideas turn into policy does not address the issue of how ideas are born through research, which is the fundamental purpose of The North-South Institute and many other think-tanks.

Thus, if you permit me, I will talk about the broader relationships between research and policy, in both directions—to address the questions: How does research influence policy, and policy influence research? The latter question may be less intuitively significant, but for think-tanks and research organizations, it is at least as important as the former.

From Research to Policy
The first of these interrelationships—from research to policy—may conjure up the following wonderful picture. You are a dedicated, bright researcher toiling away to gather evidence, subjecting it to analytical scrutiny and hypothesis testing, to give birth to new ideas that have compelling policy implications. Once implemented, such policies would undoubtedly serve the public interest and make the world a better place. Before you know it, the policy-makers are beating a path to your door, demanding copies of your report even before it goes public, and ready to introduce whatever policy changes are necessary to put your brilliant ideas into effect.

Does the world work like this? Sometimes it can, but typically it does not. (Sorry!). The reasons are not difficult to grasp, and relate to the complex process of policy-making. Policies are made through consultation, deliberation, political debate and compromise. If they wish to make a difference, researchers must participate in this process, along with pressure-groups, political parties, and the media.

In a recent paper John White of the U.K.'s Overseas Development Institute[1] admits that it is difficult to feed evidence-based research into development policy and practice. Policymakers, White says, tend to be influenced by their values, experience, expertise and judgment. Research often plays little or no part.

Moreover, White argues that politicians typically do not understand or are unable to use research evidence even if it is available. A rule of thumb in Ottawa has it that "If you can't say it in a page, it won't be read by the Minister." This of course may or may not be true of any particular Minister. But if the one-page executive summary of your research report *is* read, however, there is no guarantee that it will be understood if it is couched in jargon or uses abstruse concepts.

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[1] John White, "Impact of research on policy and practice." See http://capacity.org, issue 35 (Dec. 2008).

To overcome these obstacles, White suggests that would-be researchers aiming to influence policy need to focus on current policy problems and have clear objectives; engage closely with policymakers throughout the process; understand the political factors which may enhance or impede uptake; and invest heavily in communication and engagement activities with key stakeholders. Most of all, perhaps, researchers need to present evidence with simple, compelling stories. We try to apply these insights in our work at The North-South Institute.

Currently at the Institute we are engaged in a project on "Policy Responses to Unfettered Finance in the Global Economy." We have spelled out our objectives, and are engaging with policymakers and other stakeholders in a series of three workshops over the next year in New York, Geneva and Delhi. We are cognizant of the political factors that may enhance or impede receptivity to ideas that come out of the research and workshops, and will engage with both practitioners and civil society stakeholders to ensure that our messages are targeted and disseminated. Last but not least, we have a communications strategy aimed at spelling out our key messages clearly and simply in the mass media.

Let me now digress. There is a larger issue concerning the "public interest". It is rare for any policy to succeed in making all members of society better off, even though policymakers often justify their actions on this basis. More common are policies that make some but not all people better off, or policies that make some better off ("the winners") and others worse off ("the losers").

Change occurs in response to pressures from society.  But political economists have told us that policy change is more easily introduced (or restricted) by small well-organized groups of stakeholders who stand to make significant individual gains (or losses). Policy change is more difficult for large disorganized groups, or the general public, whose individual gains or losses may be smaller[2].

A classic illustration of this proposition comes from trade policy. Protection in the form of tariffs, subsidies or non-tariff barriers benefits favoured industries enormously through profits and incomes that can be spectacularly inflated. Removing such obstacles would benefit the general public in the form of somewhat lower costs or taxes, but the difference may be imperceptible.

Policy-oriented research can be skewed by this asymmetry. Small, powerful and well-financed pressure groups can fund "research" aimed at confirming or opposing policies in order to serve their own interests. The example of the tobacco lobby comes to mind. For many years tobacco companies successfully resisted restrictions on smoking. They attempted to refute or suppress claims that smoking causes lung cancer, even though these claims came from evidence-based research. A more current example is the possible relationship between cellphone use and brain cancer, with the cellphone industry now playing a similar role to the tobacco lobby in previous years.

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[2] Mancur Olson, *The logic of collective action: public goods and the theory of groups.* Cambridge, MA: Harvard University Press, 1971.

As a result "the public interest" is a tricky concept, typically riddled with heterogeneity—the interest of the public as a whole can be less than the sum of its parts, particularly when there are winners and losers. Policymakers often agree to measures that favour well-organized, powerful special interest groups while neglecting or penalizing others. As a result, policy incoherence—policies at odds with each other—is typical rather than unusual. For example, until very recently, the federal government collected more in tariff revenues on imports from developing countries than it provided to them in foreign aid. You could say we took back more than we gave poor countries.

The challenge for both policymakers and researchers is to weigh the distribution and extent of gains and losses from different policies, and try to frame policies, when viewed together, that are as coherent as possible.

Research can help tip the balance toward greater policy coherence. Let me illustrate briefly with an example from some research we did on the inconsistency between trade liberalization and health promotion policies. Industrial countries, particularly those that host a large pharmaceutical sector, have pursued an agenda of patent protection for drugs through the World Trade Organization (for example, via trade-related intellectual property provisions or "TRIPS") and through bilateral trade agreements.

These agreements are typically negotiated by trade officials without input from health ministries, resulting in higher drug prices and reduced affordability of drugs for the poor in developing countries. Our work suggested a number of avenues to overcome such inconsistencies: dialogue and joint fact-finding between the trade and health ministries; more policy leadership by health ministries; institutional collaboration mechanisms such as inter-ministerial committees involving the health ministry; engagement of stakeholders such as patients and medical personnel; and collecting relevant evidence (for example, on the impact of trade policies).

Together these factors would make it more likely that trade liberalization reforms at the very least will not worsen health outcomes or social conditions conducive to ill-health[3]. This work subsequently led to the production of a tool-kit aimed at better equipping health officials in developing countries to deal with challenges posed by trade liberalization and negotiations. We were pleased that our research resulted in such a practical outcome in this case. Usually it is difficult to identify specific outcomes that are directly attributable to your research.

For instance, here is an example from our research which has not yet achieved a desirable policy outcome. We have been working with South American and Canadian aboriginal communities for the past few years to help deepen understanding about mining developments in or around the communities' ancestral lands. The objective is to strengthen their abilities in consultations with mining companies with a view to ensuring that the communities' rights and wishes are respected.

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[3] Chantal Blouin, "Trade policy and health: from conflicting interests to policy coherence." *Bulletin of the World Health Organization*, March 2007 85 (3).

What has emerged from this work is a strong affirmation of the principle of "free, prior and informed consent" by aboriginal communities before mining development is initiated. But we have encountered push-back from governments, international organizations, and implicitly, the mining industry. We continue to try to engage these bodies to discuss the underlying issues, and hopefully persuade them to agree to the principle of free, prior and informed consent, but have not yet succeeded.

One final challenge confronting researchers needs to be mentioned. This relates to funding. (Parenthetically, funding is a constant preoccupation for researchers—I shall be mentioning this preoccupation again in my remarks.) If research can only be undertaken when adequate resources are made available, researchers first have to raise the required funding. This is easiest where the researchers share common assumptions and objectives with funders. But it is often difficult convincing funders, particularly when they are also policymakers, if they perceive that the research challenges existing policies or raises issues considered by policymakers as "not yet on the radar-screen". Researchers are thus often in a dilemma: funding is not available for issues anticipated by researchers, but as soon as they emerge onto the policymakers' radar-screens, analysis is often required in very short order, and while there may be funding, there is also more competition for it.

A current example is a project we are undertaking on enhancing domestic resource mobilization in sub-Saharan Africa. Think of this project as helping African countries and aid donors to define "exit strategies" from chronic aid dependence. There are a number of other benefits to enhancing self-reliance through domestic resource mobilization, not least of which is its contribution toward exercising greater "ownership" over domestic policy, something I return to shortly. Surprisingly, we may have been too far ahead of the curve with this project, since we have had a hard time engaging policymakers in aid agencies, who are more preoccupied with delivering current aid programs than in looking ahead to a "sunset" for such programs. As a result, fundraising for this project has been challenging.

From Policy to Research
Let me now turn to the reverse linkage—how policymakers can shape research. In the real world policymakers can have a crucial role in determining whether and how research is designed and the impact it has on policy. Often this occurs through commissioned research aimed at resolving issues perceived by policymakers as key. *Under the right circumstances*, such research can have a direct and beneficial impact on policy. Moreover, besides providing a "ready market" for the research, at least with the agency commissioning the work, this linkage has another advantage—usually the contracting agencies provide funding for the work.

To take an example from the Institute's work, we were invited by CIDA to investigate whether and how gender equality can contribute to conflict prevention and peacebuilding. We were asked to reconcile two distinct sets of policy objectives—achieving sustainable peace, and promoting women's rights—and thereby contribute to greater policy coherence. We found that the issue of gender equality is not considered either in the literature or by policymakers as having much of a role in post-conflict peacebuilding

strategies. However, on the basis of available evidence we concluded that strengthening gender equality and women's rights will also strengthen the capacity of fragile states, and mobilize political will, to provide basic services and protect populations in post-conflict situations. What have we achieved? We have helped put gender equality on the agenda of policymakers concerned with development in fragile states, at least in Canada. This may not seem like much, but it is actually a huge step forward.

But sometimes those in a position to influence research can do so to serve their own interests rather than those of the general public. I've already alluded to the debates over the impact of smoking and cellphone use. Perhaps it is not surprising that private companies sometimes act in this way, notwithstanding ever-mounting exhortations to the private sector to demonstrate "corporate social responsibility".

It is more surprising when public policymakers shape research in ways that may hurt rather than helping the supposedly ultimate beneficiaries. Let me give an example from the world of development research, much of which is generated in the North–in or on behalf of agencies such as the World Bank and the IMF. Policies emerging from this research are implemented not because they are intellectually compelling, but because they are tied as conditions to foreign aid, debt relief, or to loans from the international financial institutions. Recipient countries with little bargaining power have had no choice but to accept the policy strings attached to external assistance. I am referring here to the structural adjustment policies that were imposed during the 1980s and 1990s, and the policy framework that became known as the "Washington Consensus".

While these policies have more recently been disavowed by the international financial institutions and the major aid donors, there is an underlying issue relating to how research is shaped by these particular policymakers. In 2006, an in-depth evaluation of the development research conducted by or on behalf of the World Bank was undertaken by an eminent panel of academics, chaired by Angus Deaton of Princeton University[4]. While the panel considered much of the Bank's research to be of high quality, their overall assessment was very critical. The evaluators found, among other things, that World Bank researchers were under pressure not to say things that go directly against the Bank's policy prescriptions for developing countries, and that researchers were often told to prove that the Bank's development programs work. This can hardly be described as dispassionate research that is meant to help developing countries.

There is another dimension to this problem. Relationships between researchers and policymakers within any country are complex enough, as I have suggested. But these relationships become profoundly more complex, and fraught with overtones of political meddling, when there are cross-border relationships—when for example the research and policy directions emanate from the North but are aimed at shaping policy in the South.

Thankfully, Northern policymakers have realized that policies generated in this way have often not worked and sometimes have had disastrous consequences. Accordingly aid

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[4] Abhijit Banerjee, Angus Deaton, Nora Lustig, Ken Rogoff, with Edward Hsu. "An evaluation of World Bank research, 1998-2005" (September 24, 2006).

donors have gradually accepted the need for developing countries to take ownership of, indeed exercise leadership over, their development strategies. Acknowledgement by donors first surfaced in the "Paris Declaration" of 2005 at a High-Level Forum on Aid Effectiveness. It was most recently articulated last September in the "Accra Agenda for Action", the declaration of the most recent High-level Forum.

But how can developing countries exercise such ownership and leadership? Research can play a critical role by helping developing countries identify policies that work for them economically, socially and politically. But such research should be undertaken by the developing countries themselves, not by an offshore network of international agencies and Northern "experts".

In 2008 NSI completed a three-year project on "Southern Perspectives on Reforming the International Development Architecture". One of the key conclusions emerging from this project, which involved working with a team of Southern researchers, under the guidance of a Steering Group of Southern thinkers, practitioners and activists, was that reforming the development policy framework is at least as important as reforming the development architecture or increasing aid effectiveness. Put otherwise, our Southern colleagues maintained that "Doing the right thing" is more important than "Doing things right" in matters of development cooperation[5].

But if Southern "ownership" is taken seriously, what works for one country may not work for another. Different countries with different institutions and histories must be expected to do things in ways that work for them. In other words, the other side of genuine ownership is *diversity*: we may not necessarily approve of the ways Asians organize their affairs, but if it works for them, we should not be critical. If on the other hand the ways Africans organize their affairs is not working for them, we should not simply jump into the breach and tell them what they must do.

Professor Norman Girvan of the University of the West Indies, a member of our "Southern Perspectives" project team, argued that the starting point for changing how policies are generated is an up-ending of what he called the current "development knowledge hierarchy" that privileges Northern research at the expense of Southern and indigenous knowledge. The latter more accurately reflects developing country historical, political and social contexts which is so often lacking in research undertaken in the North. If this "up-ending" is to take place, Girvan recommended that considerable investment must take place in research institutions and development knowledge centres in the South.

What Norman Girvan articulated in our "Southern Perspectives" project is also reflected in the work of a growing number of scholars of development, for example Dani Rodrik of Harvard University in his recent book *One Economics, Many Recipes*[6]. What both

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[5] Roy Culpeper and Bill Morton, "The international development system: Southern perspectives on reform." Policy document. Ottawa: The North-South Institute, 2008.
[6] *One Economics, Many Recipes: Globalization, Institutions and Economic Growth.* Princeton and Oxford: Princeton University Press, 2007.

researchers and policymakers must confront is a move away from one-size-fits-all universal truths and policies such as the "Washington Consensus" that prevailed between the late 1980s until the early years of this decade. Instead, researchers and policymakers must embrace a world of considerable diversity.

There are other ways in which the link from policy to researchers is less perverse, but not very attractive from the viewpoint of those researchers seeking policy change. Instead of creating new ideas or contributing to policy coherence, policymakers often seek the help of researchers to implement the current policy agenda. Typically this kind of work is put out to competitive bidding, for example, in evaluations of programs or institutions. Much of this work comprises the bread-and-butter of consulting companies. Research organizations and think-tanks are sometimes invited to bid. Occasionally NSI tenders a bid if we consider there is enough "research" content consistent with our own priorities, enough learning opportunities, and, indeed, enough funding to make it worth our while. The bottom line is that this kind of work can yield a number of dividends, but policy change is not usually one of them.

Ideas and Power
Let me conclude with some thoughts about the relationship between ideas and power. In a much-quoted passage John Maynard Keynes wrote that "…the ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed the world is ruled by little else. Practical men … are usually the slaves of some defunct economist."[7]

Because ideas are powerful, researchers, whose calling is to produce ideas, have a special responsibility in their relationships with policymakers—those who exercise power. Sometimes it is fruitful for researchers to work alongside policymakers in an effort to improve the public good. Sometimes it is not, even where researchers and policymakers share common objectives and assumptions.

But what of situations where researchers and policymakers diverge on their views of the world? In particular, what if some researchers simply disagree with existing policies, as was the case during the era of structural adjustment and the Washington Consensus? In such circumstances I would argue researchers have an obligation to provide a critique of the current policy framework. Of course, even if based on evidence and sound analysis, such critiques are likely to fall on the deaf ears of policymakers, who do not share the assumptions and objectives of researchers. But there is always an audience for cogent policy-relevant research. Whether or not policymakers are listening, researchers also need to convince the wider public, who ultimately hold policymakers to account, that policy changes may be necessary.

In this context, two challenges confront researchers in the domain of economic and social policy. The first is to remain non-partisan, because partisanship will immediately devalue the currency of researchers, who will be suspected of starting with the positions of

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[7] *The General Theory of Employment, Interest and Money,* London: Macmillan & Co., 1936, p.383

political parties and justifying them through selective evidence and biased analysis. Their independence and credibility will suffer accordingly.

The second challenge is funding. It is much easier to find funding for research that does not represent a challenge to existing policies. This is particularly tricky for organizations that are heavily dependent on government funding. In theory, a mature democracy should be prepared to allocate taxpayers' money to organizations that occasionally question the policies of the government in power. In practice, this is not so easy.

But research organizations that lack the ability or willingness to at least occasionally challenge existing policies will become suspected of lacking independence. The only way out of this dilemma is for research organizations to have a broad and diversified funding base, to help ensure their independence, both real and perceived.

In summary, these are the key ideas I want to leave you with:

1. Researchers need to be acutely aware of the policy-making process, and how to insert themselves into it, if they are to have any impact at all;
2. Research, and the ideas coming out of research, have to compete with a number of other factors that may be far more important to policymakers;
3. The "public interest" can be fragmented when there are competing interests among the public. Policy incoherence can result where policymakers create winners and losers. Researchers can help policymakers by identifying and reducing the tradeoffs and distributional impacts of different policies;
4. Policymakers can help shape research and ideas in critical ways. Sometimes these can lead to better policies and sometimes to bad policies;
5. Research and policies that cross international boundaries are fraught with political risks and often destined to fail. Local ownership and a diversity of policy solutions to fit local circumstances and needs are more likely to succeed; and
6. Ideas can be powerful. Researchers (the purveyors of ideas) and policymakers (who typically hold power) exist in a delicate equilibrium. In this relationship, access to adequate and diversified funding is critical to maintain both the real and perceived independence of researchers, which is basic to their credibility.

Thank you.