

CAREC INSTITUTE RESEARCH PROGRAM 2009-2011

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WHY RESEARCH?

The CAREC's Institute was set up to (among other things):

- Provide an intellectual basis for CAREC's activities. Ask relevant questions and provide answers that can guide policy
- Raise the research capacity of institutes in the region
- Establish a network of research institutes in the region

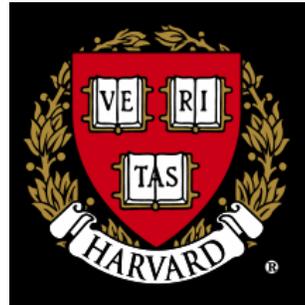
CAREC's MANDATE

- CAREC is a regional forum to promote the development of its country members through regional cooperation
- **Key question**: How can regional cooperation be a catalyst of growth and development in Central Asia?
- **Relevance**:
 - (i) Geographical proximity offers considerable advantages in a time of economic globalization, and regional cooperation among developing countries has the potential to support **national development plans** and to compensate for some of the gaps in global economic governance
 - (ii) For many developing countries, a regional orientation involving partners at a similar level of development may be a more viable option than an exclusive focus on the world market. Foreign competition within the region may be less difficult to handle and the probability of finding a level playing field is greater

PRINCIPLES THAT WILL GUIDE CAREC'S RESEARCH

- Research will be **well-focused** (i.e., within the boundaries established in each three-year cycle)
- Research will be **flexible**. The research program will allow different views, perspectives and methodological approaches
- Research will be **relevant** (i.e., policy oriented) in the context of CAREC's objectives
- Research will be useful to CAREC and to the countries. It will be **results-oriented**
- Research will be **owned** and undertaken by the countries
- Research will allow **collaboration** among institutions in different countries

CAREC Research Institute Research Program 2009-2011



Regional Trade
Export sophistication,
Economic diversification
Structural Change

Other
Macroeconomic issues
Transportation policy
Regional integration
Growth spillovers
Regional trade policy
Transition Economies

Energy
Dependency on natural resources and revenue management

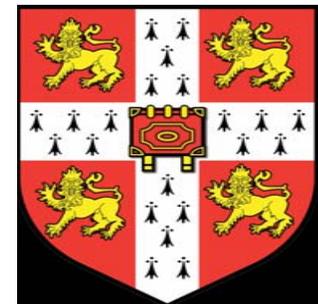
Transport Infrastructure
Economic geography,
Landlocked economies

CAREC

Local research institutes



Impact Evaluation



THIS IS **YOUR** RESEARCH PROGRAM

Objective: transfer the ownership of the research program to you in the next three years

For this program to succeed, we need not only your **commitment** and **ownership** but also a very **flexible** system of communication

A successful research program for CAREC must avoid bureaucratic constraints

MAIN ACTIVITIES

- Research undertaken by:
 - Leading institutions
 - Research centers in the region
- Technical training, e.g., structural change - trade negotiations (Harvard)
- Conferences, e.g.,
 - Second Astana Economic Forum
 - First gathering of Central Asian research institutes (Sept. 2009)
 - First host?
 - Principle: self-organization
 - Annual CAREC research conference

Visit to Kazakhstan and Kyrgyzstan

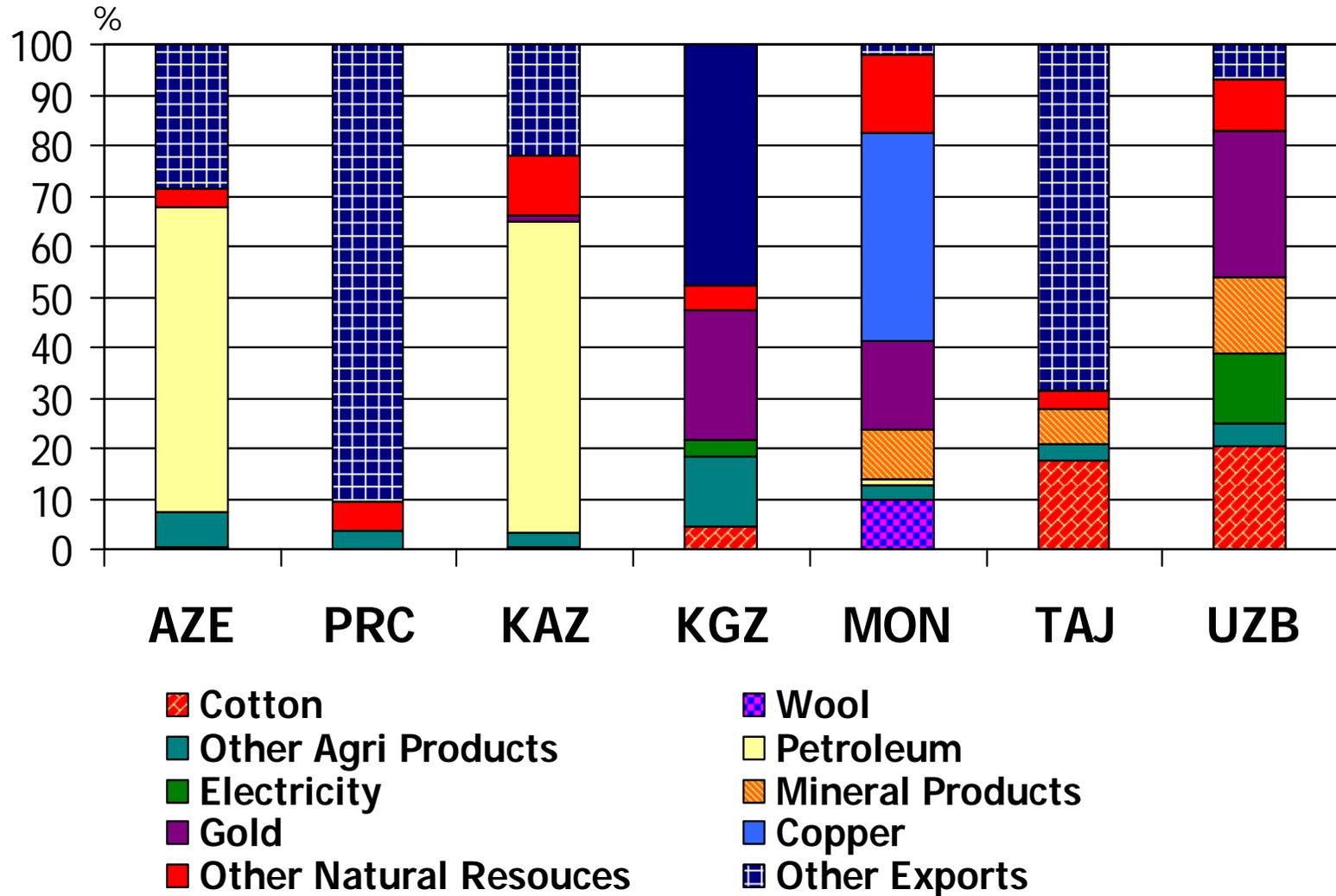
- Presentations on **Economic Diversification and Structural Change** (using latest methodologies)
- **Why does diversification (of exports) matter?**
 - Where do you want to be 25 years from today?
 - Where is your labor force going to be employed?
 - Where will the country be positioned as part of the global production system?

THANK YOU

Landlocked CAREC Countries

Country	Total Area (sq. km.)	Land Boundaries (km)	Border Countries	Coastline
Afghanistan	647,500	5,529	PRC, Iran, Pakistan, Tajikistan, Turkmenistan, Uzbekistan	Landlocked
Azerbaijan	86,600	2,013	Armenia, Georgia, Iran, Russia, and Turkey	Landlocked, borders the Caspian Sea
Xinjiang, PRC	1.660 million	15,106	Kazakhstan, Kyrgyz Republic, Tajikistan, Mongolia, Pakistan, India, Afghanistan, and Russia	Landlocked, Urumqi, the capital, is the most distant large city from a seaport in the world
Kazakhstan	2.717 million	12,012	PRC, Kyrgyz Republic, Russia, Turkmenistan, and Uzbekistan	Landlocked, borders the Aral Sea and Caspian Sea
Kyrgyz Republic	198,500	3,878	PRC, Kazakhstan Tajikistan, and Uzbekistan	Landlocked
Mongolia	1.565 million	8,220	PRC, Russia	Landlocked
Tajikistan	143,100	3,651	Afghanistan, PRC, Kyrgyz Republic, and Uzbekistan	Landlocked
Uzbekistan	477,400	8,220	Afghanistan, Kazakhstan, Kyrgyz Republic, Tajikistan, and Turkmenistan	Double landlocked, includes the southern portion of the Aral Sea

CAREC Exports by Commodity Group



Based on latest data available: 2006 for AZE, PRC, KAZ, KGZ and MON; and 2004 for TAJ and UZB.

DELIVERABLES 2009-2011

- Program on Economic Diversification and Structural Change in Kazakhstan and Kyrgyzstan
- Analysis of options to upgrade and diversify the production and export structure with special attention to intra-regional trade

DELIVERABLES 2009-2011

- Implications of CAREC countries being landlocked and dependent on natural resources:
 - Background work clarifying issues
 - Empirical work on the pattern of intra-regional trade as compared to extra-regional trade
 - Firm-level work on productivity and trade performance
 - Empirical work on growth spillovers between countries in the region

DELIVERABLES 2009-2011

- Management of resource revenues
 - Implications for regional integration and resource management