

INTERNATIONAL POLICY FORUM
THE CUBAN ECONOMY: CHALLENGES AND OPTIONS
Carleton University, Ottawa, Sept. 9 2007

Remarks by Roy Culpeper — President, The North-South Institute

Organized by:

El Centro de Estudios de la Economía Cubana
El Centro de Investigaciones de la Economía Internacional
The Economics Department and The Norman Paterson School of International Affairs,
Carleton University
The North-South Institute

The organizers wish to acknowledge the support of the:

Canadian International Development Agency
International Development Research Centre
Department of Foreign Affairs and International Trade Canada

Introductory

- It is both an honour and a pleasure to co-host with Carleton University this Policy Forum on the Cuban Economy.
- I would like to thank the funders and organizers and individuals for making of this conference possible.
- I am delighted that a number of distinguished scholars from Cuba have been able to join us for this event, along with colleagues from the United States, the Caribbean, and Canada.
- It is our hope that this forum will strengthen ongoing collaboration between individuals and institutions gathered here and in some cases mark the beginning of new relationships.

The Global Think Tank Landscape

I have been asked to say a few words about the challenge of feeding research into policymaking. That is a constant, even the central, preoccupation of The North-South

Institute, which was created just over 31 years ago precisely to generate policy-relevant research in the field of international development.

- The North-South Institute undertakes research and analysis on foreign policy and international development issues for policy-makers, educators, business, the media and the general public. Our research is currently organized around three clusters: finance, debt, and development assistance; trade, labour and migration; and governance, civil society and conflict prevention.

Let me begin by situating our work in the institutional landscape of policy research institutes or think-tanks. According to James McGann, an American scholar who has made a career out of analyzing think tanks and has undertaken global surveys in 1999 and 2007:

- Today there are over 5,000 think tanks around the world.
- Over 60 percent of these are in North America, 1,400 in the U.S., of which 374 are located in Washington DC alone (compare: 94 in Canada, 283 in the U.K., 408 in Latin America). He indicates 11 are in Cuba.
- After accelerating every decade since World War II, the establishment of new think tanks has declined in the first seven years of this decade.
- With respect to trends, there is an increased specialization of research topics, a rise in research on international development and cooperation, and surprisingly a decline on environmental issues.
- While most think tanks employ under ten research and administrative staff, there is an “elite class of mega think tanks” particularly in North America and Europe that operate on a global level and have large staffs and budgets.
- “The on-going challenge for think tanks is to produce timely and accessible policy oriented research that effectively engages policymakers, the press, and the public on the critical issues facing a country...”
- *The Economist* once described “good think tanks” as “those that are able to combine intellectual depth, political influence, and flair for publicity, comfortable surroundings, and a streak of eccentricity. Those who fail will become known for their pedantry, irrelevance, obscurity, poverty and conventionality.”
- I should note in passing that the International Development Research Centre here in Ottawa, whose mandate is to support research in developing countries, has undertaken some cutting-edge analysis on the complex relationships between policymaking and research.

The Canadian context

- The creation of policy research organizations involve very long cycles, lasting a number of decades. Thus the first wave of think tanks in the U.S. goes back to the first half of the 20th century and lasted well into the 1970s. Most of Canada's were created in the post-war period, and particularly from the 1970s.
- For the most part this first group of think tanks accompanied the rise of the modern welfare state under liberal principles.
- Think tanks in North America inhabit “policy communities” comprising government agencies, academics, and pressure or advocacy organizations. Coalitions of these groupings work together, sometimes formally, often loosely or in parallel with each other.
- Since the 1970s, however, a more recent wave of conservative think tanks has been evident, especially in the U.S. A Canadian scholar, Prof. Evert Lindquist from the University of Victoria comments that “policy analysis and think tanks are clearly now seen as weapons in a high-stakes war of ideas and power, rather than as places for reflection, discussion, and bringing applied social sciences to bear on important policy questions.”
- Think tanks in the United States were and remain funded largely by private charitable foundations, while in Canada, government has been the primary source of support (this is also true in most of the rest of the world).
- Also worth noting among Lindquist's other observations is the fact that
 - think tanks “are often precarious organizations, whose performance is about entrepreneurialism and building robust institutions in difficult environments” ;
 - they typically don't have the depth to undertake huge multi-volume studies, and therefore their role is to influence short and long-term agenda-setting on specific issues ;
 - hence their influence on policy usually obtains in the longer term—it is very rare for an idea, concept or solution from a think tank will spring to the fore and instantly form a change in policy direction.
- One of the most fundamental challenges for our kinds of organizations is maintaining our intellectual and institutional independence from the funders, while continuing to seek their financial support. Moreover, our credibility depends not only on our formal or legal independence, which is incontestable, but also on whether we are perceived to be independent by the public.
- In the last general elections, a minority Conservative Government was elected. It has signalled some significant shifts in foreign policy in the Middle East and Afghanistan. Its position on international development issues is less clear. The Prime Minister has indicated there will be more emphasis on the Western Hemisphere, but what exactly this will entail for the region and for other parts of the developing world is still uncertain.

The North-South Institute

- Let me illustrate some of these points by referring to the work of our institute.
- Since it was created in 1976 it has been largely funded by government, principally CIDA and to a lesser extent IDRC.
- Two examples of the long lag between research and policy outcomes:
 - Based on research dating back to the late 1970s, NSI pressed the federal government to provide greater access for the poorest countries to Canadian markets. The government eventually provided virtually duty-free access for the poorest countries only in 2003.
 - Some of our research in the 1980s and 1990s focused on the issues of developing country debt and structural adjustment policy. We were told in 2001 by a former Finance Minister that our work helped to influence the Canadian government in taking a leadership position on debt forgiveness.
- Our more recent work has put greater emphasis on working with partners outside Canada, particularly in the South. Let me give three examples:
 - FIRST, our work on Trade and Health services has involved a close working relationship with officials from the WHO and an international network of researchers. This has led toward the creation of assessment tools to help ensure that trade negotiators and policymakers support, rather than undermine, health objectives;
 - SECOND, our program of research entitled “What Kind of Peace is Possible” involves working with colleagues in countries in conflict and is specifically aimed at helping position our colleagues to influence the policy dialogue on peacebuilding;
 - THIRD, our work on innovative financing for development has generated original research findings (e.g. the potential revenue from a currency transactions tax) which feed into discussions held by officials (e.g. in the “Leading Group” and in the Financing for Development process) and advocacy by the NGO community.
- Let me end by referring to a project we are completing, “Southern Perspectives on Reforming the International Development Architecture.” This involved working with colleagues in Latin America and the Caribbean (including Norman Girvan), Africa and Asia.
 - With the demise of the so-called Washington Consensus, there was broad agreement in our project team that if development strategies are to be genuinely “owned” and, indeed, if they are to be effective in meeting economic and social objectives, they must be based primarily on knowledge about the opportunities and challenges faced by each developing country, within its unique historical, political and cultural context.

- This does not rule out learning from the experiences and best practices of other countries whenever appropriate.
- This finding has particular relevance to the Policy Forum on the Cuban Economy about to take place over the next two days. There will be panels on specific challenges and options facing Cuba in the Agricultural Sector, with respect to FDI, the Industrial Sector and the Knowledge Economy. Public Health and Demography, SMEs, and Local and Regional Development.
- It is my hope that our deliberations will help our Cuban colleagues as they address the economic problems and opportunities facing Cuba in the years ahead.