

TradeSift: building trade-policy capacity



Trade policy research at Sussex has helped individual policy-makers, governments and civil society to develop programmes that build capacity and improve trade.

TradeSift is a method and software developed by Sussex researchers to help policy-makers and governments overcome the issues of complex and expensive mathematical modelling in order to analyse trade policy simply and cost effectively. By such means, TradeSift has benefited individual policy-makers, governments and civil society, particularly in poorer regions of the world, helping them to develop programmes that build capacity and improve trade.

Overview

Traditional analyses of changes in trade and trade policy and the identification of trade opportunities require highly trained personnel and sophisticated mathematical modelling techniques that, while effective, are time consuming, expensive and, for policy-makers, frequently inappropriate or infeasible to use. Research by Drs Michael Gasiorek and Peter Holmes and Professors Jim Rollo, Alasdair Smith and Alan Winters, carried out in the Department of Economics at the University of Sussex and at the Sussex European Institute from 2001 to 2013, has taken the principles of evaluation of trade policy options – based on core economic theory, and using their own and others' research

on regional integration – and distilled them into simple and generally applicable methods that can be applied by any policy-maker.

TradeSift arose in response to a request in 2004 from the Department of International Development (DFID) for Sussex to develop a method of evaluating regional trading agreements that could be applied without recourse to complicated mathematics and modelling. This research led them to establish CARIS (the Centre for the Analysis of Regional Integration at Sussex) in June 2006, and to the development of both a novel analytical method (the Sussex Framework) and accompanying software (TradeSift) that allows the simple analysis of trade-policy options, the generation of comprehensible and useful reports and the creation of programmes to build trade capacity.

Using the premise that much can be learned from simple quantification based on analytical tabulation of data rather than mathematical modelling, the research utilised both formal modelling and informal methods to discover how the output of complex methods could be replicated by simpler and more transparent approaches. The team developed 'rules of thumb' for regional trading agreements, which identified the data and diagnostic indicators useful in determining whether a country is more or less likely to gain, and showed how operational conclusions can be drawn from trade data using very few assumptions. They used their academic research to put together the conceptual framework on which these rules of thumb are based; this framework comprises an integral part

of the TradeSift software. Following the initial development phase, a limited company (InterAnalysis Ltd) was set up to take the project forward with the help of funding from the Enterprise Panel and input from the Sussex Innovation Centre.

Achieving impact

International economic integration is increasingly important, particularly for developing nations, but there are high financial and human costs to policy-makers in complex computer modelling for analysis of trade performance. TradeSift helps mitigate such costs by offering an effective and cheap tool for analysing the economic implications of trade policy. This helps individuals and governments alike to understand policy options and engage in trade negotiations, building the capacity of policy-makers and improving trade policy for their respective economies.

The impact of TradeSift on policy-makers

The UK Department for Business, Innovation & Skills, DFID, the European Commission's Directorate-General for Trade, the Inter-American Development Bank and the Organisation for Economic Co-operation and Development all have the software. Since 2000, through 20 training courses, more than 400 policy-makers from over 70, mostly developing, countries have been trained to use TradeSift. The feedback from participants in training workshops has invariably been positive. On average, 78 per cent of course participants claimed that TradeSift was useful to their daily work and more than 86 per cent stated that their colleagues would also benefit.

Early recognition of the usefulness of TradeSift came from the UK government's Trade Policy Unit, which provided initial funding in 2009. A number of the Trade Policy Unit's team have used the software and attended training. This research has also had impact internationally, with an initial contract in 2012 for training and capacity-building for the Ministry of Commerce, India, who also then funded a workshop for Indian regional government officials. This led to a further three-year joint programme of training and research for Indian and Pakistani officials. Despite current political tensions between the two

countries, officials from both countries participated in TradeSift training in Delhi and Kathmandu (the first time Pakistani officials had visited the Indian Institute of Foreign Trade) and most recently in Islamabad in 2013. Working closely with both the Indian and Pakistani Commerce Ministries, it is one of the few projects facilitating contact between personnel from these two states and the UK. A further continuation project is being undertaken with the Indian Council for Research on International Economic Relations.

Under the Trade Advocacy Fund programme in 2013, TradeSift provided training and ongoing support to the East African Community, and from 2011 to 2013 three courses were provided for over 40 participants from nine countries for the Economic Community of West African States (ECOWAS): the ECOWAS Commission wished to enhance the capacity of its own and member states' officials. TradeSift has also been used to analyse the Free Trade Area options facing Bangladesh by their Ministry of Trade, to identify future export opportunities for the Tunisian Government, to analyse competitiveness in key products by the Dubai government, and in the Trade Sustainability Impact Assessment of the deep and comprehensive free-trade area negotiated between the EU and Moldova.

Future impact

As part of the Trade Advocacy Fund programme, the team are hoping to deliver further courses to Zambia, Myanmar and Nepal. TradeSift has also recently been used in a report for DFID on the effects of the EU-US Transatlantic Trade and Investment Partnership on Least Developed Countries, which led to a presentation to all UK officials working on the topic. Based on this report, they received further invitations to present the results at a conference with Turkish officials in Istanbul, to Indian Civil Society in Delhi, at Wilton Park, and the Spanish Foreign Ministry. A follow-on note has been commissioned by the Commonwealth Secretariat.

Another study, *China-EU Global Value Chains: Who creates value, how and where? – growing linkages and opportunities*, was published in January 2014 by Michael



Jim Rollo (left) and Peter Holmes talk to participants in an India-Pakistan workshop in Kathmandu in 2013.

Gasiorek and Javier Lopez Gonzalez in association with CARIS and the Institute of Development Studies (IDS) at Sussex.

Partly as a result of this, Javier Lopez Gonzalez has been recruited by the Organisation for Economic Co-operation and Development. Finally, the team has been awarded a new contract by the Foreign and Commonwealth Office (FCO) to work with the Indian Council for Research on International Economic Relations on value chains in India, and will be part of a joint IDS-CARIS-InterAnalysis project for DFID on UK-China-Africa relations.

Funding

Department for Business, Innovation & Skills, DFID, FCO, UN Economic Commission for Africa, Government of India, European Commission, USAID, Centre for WTO Studies at the Indian Institute of Foreign Trade.

Working with us

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For more on the work of CARIS visit:
www.sussex.ac.uk/caris/index

For more on InterAnalysis visit:
www.tradesift.com