

## **Research should be a Part of Policy-Making**

**Pornvipa Tangcharoenmonkong**

**Team Executive**

**Macro Economics Team**

**Monetary Policy Group Bank of Thailand**

Readers who follow Guru Speak on Mondays must now be familiar with news relating to the Bank of Thailand's annual symposium, which will take place tomorrow and Wednesday. This year's symposium papers are timely in attempting to analyze the impact of financial factors on Thailand's business cycle and the challenges in the new global macroeconomic and financial environment.

Given the lessons from the crisis and the challenges ahead, the papers also look at alternatives to Thailand's export-led growth, and how to develop an efficient and resilient financial system for Thailand. Most importantly, they address the appropriate macroeconomic policy responses for Thailand in the medium-term.

This is a very clear illustration of how research can be practically useful for policy-makers. Indeed, policy-makers' credibility would be at risk if they were criticized for making decisions in an insulated ivory tower or being completely out of touch with the real world. Thus, government agencies and central banks alike need through research to back up their decisions. Research helps provide results or recommendations that can be brought into practice. More importantly, it can help prevent measures that could be harmful.

This kind of built-in research culture has become a norm in the policy-making process in most developed countries. For Thailand, more could be done in this area to enhance research being incorporated into the policy-making process. We want to avoid a situation in which certain policy measures are heavily criticized and opposed based on feelings and emotion rather than on solid studies and evidence to ratify the rationale and necessity of such measures.

This is why the Bank of Thailand emphasizes enhancing a research culture both within and outside the organization. Our economists are encouraged to publish their research through various channels, such as symposiums, workshops and the BOT website so the public can also make use of research that can yield results in practice.

However, research skills cannot be acquired overnight. They need to be taught and practiced over years of education. Recognizing the need to develop research skills for Thai youngsters, the Bank of Thailand has also been working with universities to promote research activities, particularly in economics.

One notable project, first launched in 2008, is the research contest called Sethatat (Econvision), inviting undergraduate and postgraduate students to present their research results to a panel of external academics and BOT executives. We hope to share with you some of the interesting issues raised by these young researchers after their presentations this week. Overall, the BOT hopes to help build a "learning society" and to develop qualified research personnel who will become policy-makers in the future, so that they will contribute to sound and sustainable macroeconomic policies in the long run.

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**(The views expressed are the author's own.)**

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