Business for Development
Implications for Export Strategy-Makers

The Development Gear of Export Strategy – Cause or Consequence?

The Issue: The focus of national export strategy should be on:

- ensuring the long-term international competitiveness of local industry (manufacturing, agriculture and services);
- developing new export capabilities and competencies; and
- promoting commercial partnerships between exporters and foreign buyers/investors.

In other words, national export strategy must concentrate on “business”.

Yet, there is a second dimension of export performance that calls for the attention of strategy-makers: Specifically, the contribution of the export sector to “national development”.

The issue confronting strategy-makers is the extent to which national export strategy should address, directly and specifically, the “business for development” objective. In short, how important should the “development gear” of strategy be?

The Proposition: Strategists should not assume that the benefits of heightened international competitiveness and improved export performance “trickle down” to disadvantaged regions and communities and bring about broad-based development. They must ensure that the national export strategy actively promotes “business for development”.

To achieve this:

- national export strategy must be mainstreamed into overall economic planning;
- total coordination between trade and other economic and social policies and strategies must be ensured;
- programmes targeting employment creation, poverty-reduction and the decentralization of industry must be incorporated directly into national export strategy; and
- benchmarks to measure the development impact of export strategy must be set and monitored.

Focus of the Debate: We proposed that the debate focus on the following three questions:

1. Should the development dimension be a primary focus of national export strategy or is development a natural by-product of commercial targets?
2. What “business for development” programmes and initiatives have had an appreciable developmental impact e.g. on employment and rural industrialisation, and what are the key factors of their success?
3. What is “best practice” for ensuring the effective functioning of the development gear of strategy and for measuring impact?