Business for Development
Implications for Export Strategy-Makers

A Pro-Poor Export Strategy: The Essential Ingredients

The Issue: There is a fundamental dilemma confronting export strategy-makers in developing countries: the need to strive for greater international competitiveness on the one hand, and the need to engage poor often inefficiently organized communities participate more directly, and effectively, in dynamic sectors of the economy.

In today’s world of ‘total competition’, for a firm to be successful it must be competitive; and for it to be competitive, it must be more efficient than its rivals. Commercial objectives, therefore, drive export strategies, at the level of the enterprise and the nation.

At the same time, the “winner takes all” approach underlying a competitiveness-based strategy runs counter to the long-term development goals of each and every developing country.

The most pressing of these developmental issues is poverty, and the danger of a sharply focused, competitiveness-based export strategy in marginalizing of the poor.

The Proposition: It may appear that pro-poor objectives are inconsistent with a competitiveness-based strategy. They need not be.

Experience confirms that pro-poor policies and a strategic focus on international competitiveness can be compatible and complementary.

It is essential, however, that these two national objectives be addressed within the context of a single strategy, not as separate parallel strategies. It is also essential that the engagement of public-private partnerships be fully exploited.

Focus of the debate: We propose that the debate focus on the following:

1. What is “best practice” when it comes to ensuring a unified “competitiveness-based, pro-poor” export strategy?

2. What are the implications of a unified approach for the national trade support network?

3. What specific pro-poor, export oriented programme/initiatives work and which ones do not?