Bringing the Poor into the Export Process: Linkages and Strategic Implications

Breakout Series B: The Reality of High Profile Options

Greening the Linkage: Is There Really an Environmental Dividend?

The Issue: When it comes to the environment, and more specifically, environmental protection, export strategy-makers face a double dilemma. Highlight competitiveness and there will be little impact on poverty reduction, and possibly a negative impact on the environment. Highlight poverty reduction in the strategy and there is a good chance that both competitiveness and the environment will be undermined. Highlight environmental protection and quite possibly both competitiveness and pro-poor objectives will be compromised.

The fact is that emphasizing environmental protection and sustainability in national export strategy, especially one that has a pro-poor orientation, complicates matters.

It is understandable, therefore, that most export strategists prefer to ‘focus on business’ and to take a more or less passive stance when it comes to the environment.

The Proposition: Export strategy-makers cannot give priority to every item on the national economic and social development agenda.

But when it comes to the environment, there is the possibility of a compromise: One that will create an ‘environmental dividend’ for both the export development effort and poverty reduction objectives.

To ensure that the pro-poor export strategy has an environmental orientation, strategy-makers should draw on environmental protection norms and parameters (as set by the Ministry of Environment, or equivalent). They should, however, refrain from specifying more rigorous environmental requirements for export-oriented sectors (in a misguided attempt to take advantage of the ‘greening’ of consumer demand in international markets).

This passive approach to environmental standards should, nonetheless, be complemented by an aggressive, proactive effort to involve the poor in the production and sale of ‘green’ (environmentally friendly) products.

Focus of the debate: The debate will address the following questions:

1. Is the above proposition valid? Should the ‘environmental dividend’ be highlighted in a pro-poor, national export strategy that promotes environmentally friendly, export-oriented product sectors, while taking a passive stance when it comes to the overall issue of environmental protection?

2. Are there other, more valid, approaches to ensuring a win, win, win result for the export development, poverty reduction and environmental protection objectives? Are there practical examples of such approaches? What has been the key to their success?

3. What environmentally friendly product sectors possess the greatest potential for developing/transition economies? Which of these sectors are particularly relevant to a pro-poor export strategy and why? What are the key considerations for success on both the supply and demand sides?

4. How can strategy-makers best facilitate entry of poorer segments of the population into these environmentally friendly export sectors? What initiatives/programmes have proven to be most effective?