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

Breakout Series C:
Poverty Sensitive Value Chains

Growing Out of Poverty – Strategic Direction in the Agricultural Sector

The Issue: In most developing and transition economies the poor reside in rural areas. And the same is true about export - the majority of exports in many developing and transition economies are rural-based agricultural products. Obviously, therefore, the heart of any pro-poor export strategy should target the countryside. Prospects for reinforcing the export development – poverty reduction linkage would seem to be greatest there.

Poverty in rural areas remains high. Despite the high level of export activity, something is not working as it should. Some innovative thinking is required.

The Proposition: A pro-poor export strategy should target, first and foremost, the agricultural sector.

Production development, through more rigorous extension services and cluster programmes, the upgrading of infrastructure, the expansion of investment in value-adding agro-business and the promotion of out-grower schemes, must form the base of any strategy designed to reduce poverty by bringing the poor directly into the export process. Such comprehensive initiatives must be complemented with more effective compliance and marketing programmes.

To a large extent, the competence and resources needed to implement such activities are far beyond those of the Ministries that have the ultimate responsibility for a national export strategy. Therefore, the Ministries of Agriculture, Rural Development and Transport/Public Works (or similar) must assume leading roles in the design and implementation of any strategy intended to bring the poor into the export process.

Direct and substantive involvement of local government and grassroots NGOs in the design and implementation phases of the strategy is also essential.

The key to success lies, therefore, not just with the introduction of programmes to upgrade production and marketing. The issue of inclusiveness and inter-agency coordination must be given equal attention.

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

1. What are the most effective strategies for the agricultural sector that generate exports, whilst reducing poverty in rural areas?
2. What is the role of the public sector, the private sector and the NGO community in designing and implementing these strategies? How can their effective cooperation and coordination best be ensured?
3. What are examples of programmes that effectively combine the export development and poverty reduction objectives and how can the impact of these programmes on poverty reduction be verified? What is the key to the successful replication of these programmes (nationally and in other countries)?
4. What organizational structures, at the production and marketing levels, are the most effective in ensuring achievement of the export development and poverty reduction objectives?
5. Is the concept of agricultural clustering consistent with achievement of these objectives? If so, what is the role of the public sector in promoting and nurturing such clusters?