

DEVELOPMENT ASSISTANCE IN EXPORT PROMOTION 1961-1986:

Guide to Available Sources

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Preface

The term "export promotion" is very elastic. Narrowly, it means the program of an organization that assists exporters to make foreign market connections, or to deal with domestic legal paperwork. Early A.I.D. assistance assumed this definition. During the 1970's, "export promotion" referred more broadly to the mix of monetary, fiscal, and trade policies and instruments devised to implement an export development, as opposed to import substitution, strategy for economic growth. In recent years, the definition of "export promotion" has broadened further to include the development of ports, communications, financial institutions, and other infrastructure which enable exports to occur.

Similarly, "non-traditional exports" used to mean manufactured goods, as opposed to traditional raw commodities, while in current AID usage "non-traditional exports" can also mean non-traditional agricultural cash crops grown for export. Yet the emergence of new definitions has not necessarily put the old ones out of use.

The number of AID activities to remove constraints and spur the growth of exporting, particularly in LAC countries, has multiplied rapidly in the past few years. To assist the non-specialist AID reader involved in one of these many recent initiatives, PPC/CDIE/DI's Research & Reference Services (R&RS) has prepared this information guide summarizing available documentation of likely interest.

There are three separate sections, each with a separate bibliography and projects list:

- (1) AID Programs in Export Promotion 1961-1979;
- (2) Recent AID Activities in Export Promotion;
- (3) Non-AID Development Assistance and Development Research in Export Promotion.

## (1) AID Programs in Export Promotion 1961-1979

AID's export development activities during the late 1960's and early 1970's were apparently based on the belief that providing LDC governments with world demand information for their commodities would help them to make development decisions. Manufactured exports, as opposed to commodity exports, were at that time considered "minor," -- usually artisan goods. Accordingly, the USDA Economic Research Service, under a PASA, produced a multi-volume series of reports assessing potential world demand for the major LDC commodity exports. (1) Other AID contractors produced massive country studies, among them A.D. Little Co. on potential exports of the Dominican Republic in 1967 (2), and S.R.I. on those of Ethiopia in 1969. (3) Most voluminous of all such reports remaining is the Development and Resources Corp.'s world markets survey for agricultural commodity exports from South Vietnam. (4)

The program which most systematically involved host country institutional participation was perhaps the USAID Export Promotion Division program in India from 1967-72. Several Indian universities and research institutions produced huge market studies of Indian export commodities and institutions for the Ministry of Foreign Trade. According to the evaluation, however, policy implications for India could not be deduced from the work because the individual studies were not coordinated around a common economic framework, and gave no attention to the distorted price relationships consequent upon the import substitution economy of the period. (5) By 1971, in fact, AID-funded economic research was calling into question both the methodologies of making such market projections for commodities, and their usefulness in allocating development resources. (6, 7)

Technical assistance of the period usually consisted of short-term advice to Ministries of Economy or Trade or Commerce, provided by the International Marketing Institute or occasionally the Department of Commerce. Advisors' reports frequently lament the lack of coordination between government entities involved in an export effort, and the indifference they often experienced at the firm level. One attempt to create an effective export promotion institution within the government (in Uruguay) (8) floundered on lack of HG cooperation and commitment (9), as did one in Honduras due to failure to pass the recommended export incentive legislation. (10) In Guatemala, an Association of Exporters (Guatexpro) was created, which AID support enabled to participate in trade fairs and trade missions. In two years, the increase in the number of exporting firms from 20 to 25 was counted a success. (11)

AID's most spectacular results in export development at this time were essentially one-man shows: Amicus Most in Korea, and Marion F. Ward in Turkey. Both, by assiduous personal networking, brought the right people and the right organizations together. Ward, concentrating on fresh produce exports, built the necessary commercial networks (12). Most, who saw AID's role as both catalytic and participatory, built Korean coordinating committees to reconcile conflicting agendas and to make policy recommendations. (13) Korea's success, he said in his final report of 1966, was "not an accident," but due to the determination, commitment, and political will of the government. (14)

Most then became Director of Export Development Assistance in PPC, and his office offered short term technical assistance in all aspects of export development, from policy advice to market research and contacts. AID also contracted with the World Trade Institute to develop and run training programs for midlevel LDC personnel; it emphasized practical research by participants on prospective export products for their countries. (15)

By the early 1970's, the growth of the export-oriented Asian economies provided an uncomfortable contrast to other countries aware of it and not doing so well themselves, among them Pakistan. (16) Still attributing their lack of growth to lack of information on foreign markets, which prevented them from determining their comparative advantages, they continued to request this type of technical assistance. For the first time, however, AID advisors began to focus on the impacts of monetary, fiscal, and trade policies on export development, and on a need to institutionalize national capacity to identify overseas market opportunities. (17) A new view was emerging: that the main constraints to export development had to do with supply -- the country's ability to produce -- rather than demand in foreign markets.

In 1970, therefore, AID contracted with the National Bureau of Economic Research to "develop empirical evidence illuminating the relationship between foreign exchange controls and other trade restrictions and economic growth and efficiency in LDC's." (18) The synthesis volume of the resulting study cites the accumulated evidence that an overvalued exchange rate was an effective bias against exports, as were both explicit and implicit tariffs levied on them through import restrictions and other controls. (19)

Manufactured exports from some LDCs so increased during the 1970's that they could no longer be considered "minor," and PPC turned its attention to the phenomenon. (20) Another AID-sponsored research effort was a pilot study which took a more unusual and under-researched approach to the subject: firm-level behavior. What export incentives actually affect firm behavior and firm decisionmaking? What causes a firm to decide to export? This study, a detailed survey of Filipino firms in 1976, concluded that the most powerful incentives for a firm to export are a true foreign exchange rate and excess capacity. (21)

Otherwise, AID project activity in export development in the 1970's was negligible except in Central America. Here new institutional channels for delivering export development assistance were attempted. AID contributed to the InterAmerican Export Promotion Center (CIPE), an agency of the O.A.S. (5980476); formed an Export Promotion Center in the Central Bank of Nicaragua (5240091); and provided a loan to the Central American Bank for Economic Integration (CABEI) (5960032). CABEI had an export promotion component where the Economics Research Association conducted a comprehensive study of near-term export potential in non-traditional products and prepared guidelines for their promotion in the U.S. This resulted in 3 pilot projects for clothing, wood products, and electronic components. (22)

Another pilot project in Honduras tried growing and processing vegetables for export. Its tomato processing plant managed to pay the farmers so little for their tomatoes that they simply stopped growing them. As the evaluation concluded: "designers of agribusiness demonstration projects must have a clear objective regarding the eventual organization of the business, must move toward an institutional capability for operating independently of project funds, and allocate some degree of risk to the project beneficiaries." (23)

By the early 1980's, AID was responding to accumulating evidence that not only business behavior but also finance and credit systems were key actors in exporting. AID's support for LAAD (5960039), which began in 1971, evolved over the years to change the composition of credit in order to meet exporters' specific credit needs: from equity capital, to equity and loan financing, and now both medium and short term credit. In recent years, credit and banking systems designed to meet exporters' specific requirements have been one of the main institutional channels AID uses to deliver export development assistance.

A Bibliography of works in the AID Library and in the Development Information System (DIS) follows this section. AID staff readers may request documents, or a tailored information package to answer a specific information need, from Research & Reference Services. Readers knowing of a significant report not mentioned here are urged to send a clean copy to CDIE, where it will be microfiched and recorded in the DIS and thus made available to others who could make use of it.

BIBLIOGRAPHY: AID PROGRAMS IN EXPORT PROMOTION 1961-1979

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- (3) Stanford Research Institute. **Ethiopia's Export Trade in Major Agricultural Commodities.** Report no. 6. Jan. 1969. *PN AAK 860, AID Library.*
- (4) Development and Resources Corp. **Export Prospects for Vietnam.** 2 vols. Dec. 1969. *AID Library.*
- (5) Kapoor, Ashok, Constantine Michalopoulos and John A. Ulinski, Jr. **(Evaluation of Export Promotion program USAID/New Delhi.)** Feb. 19, 1971. *AID Library.*
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- (10) PAR: Export Promotion (Honduras). June 1975. *PD AAB 945 F1.*
- (11) Shoaf, John H. **Final Report: Project Export Development Guatemala.** Feb 1970 - June 1973. USAID/Guatemala, June 1973. *AID Library.*
- (12) Ward, Marion F. **(Bimonthly reports of program to increase export of fresh produce from Turkey to Europe) 1968-1973.** *AID Library.*
- (13) Most, Amicus. **Expanding Exports: A Case Study of the Korean Experience.** 1968. *PN AAE 454, AID Library.*
- (14) Most Amicus **History of Exports 1964-1966 USOM/Korea 1966.** *AID Library.*
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- (18) National Bureau of Economic Research. **Exchange Control Liberalization and Economic Development: Final Report upon Completion of Research Project.** July 1976. *AID Library.*
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- (22) Economic Research Assoc. **Pilot Project Design for Central American Export of Electronic Components.** Prepared for CABEI/PROMECA. Nov. 1972. *AID Library.*
- (23) PES: **Agro-industrial Export Development (Honduras).** Sep. 1980. *PS AAJ 077.*

*AID Library titles may be borrowed for a period of 30 days (AID/W) or 70 days (USAIDs). Documents with a PN- or PD-number may be ordered directly from the DIHF. USAID staff may use this bibliography as an order sheet for document service. Check wanted items and return to R&RS.*

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<i>USAID</i>		

AID EXPORT DEVELOPMENT PROJECTS PRE-1974

FY BEG	FY END	COUNTRY OR BUREAU	PROJECT NUMBER	PROJECT TITLE	SOURCES AVAILABLE
<b>CENTRALLY FUNDED</b>					
73	81	PPC	9300050	Expt. dev. assist. (World Trade Inst)	PP,eval
<b>ASIA/NEAR EAST</b>					
61	66	Turkey	2770321	Exp promo research ctr	final rpt
64	66	Korea		Exp expansion program	final rpt
65	76	SVietnam	7300291	Ag credit/lnkts/expns	mkt resrch
68	74	India	3860384	Expt promo program	resrch rpts
<b>AFRICA</b>					
69	75	Ethiopia	6630161	Expt promo & investmt	SRI rpt
<b>THE AMERICAS</b>					
62	72	Peru	5270058	Expt/indus mgmt/planning	PAISHIST
63	76	Uruguay	5280011	Indus mgmt/mkt expt promo	final rpt
65	73	Colombia	5140143	Expt development	final rpt
66	69	LAC Reg.	5980467	Expt promotion	PAISHIST
68	80	LAC Reg.	5980476	InterAm.Expt.Pro.Ctr. (CIPE)	PAISHIST
69	72	Paraguay		Expt promotion	final rpt
69	73	Brazil	5120304	Expt expansion/prod.	PAISHIST
70	76	ROCAP	5960033	Reg. expt. expansion (CABEI, PROMECA, ICAITI)	CP74
70	77	ROCAP	5960032	Non-trad. expt. indus. (CABEI)	
71	75	ROCAP	5960039	Lat.Am.Agribus.Dev.(LAAD)	
72	74	LAC Reg.	5980550	Reg. expt. promo. (DoC TA)	
		LAC Reg.	5980476	Interamer. Exp. Pro. Ctr.	
		Nicaragua	5240091	ExPro Ctr in Bank of Nic.	

*Documents mentioned may be requested from R&RS. "PAISHIST" or "CP" indicates that this is the only source of information now available.*

## (2) Recent AID Activities in Export Promotion

The variety of AID export promotion efforts since 1980 reflects a much more complex view of exporting dynamics than is evident from the documentation on its activities during previous decades. Recent documents report both policy dialogue and institution building concerns, the latter most often focused on financial and agricultural sectors: to enable financial institutions to meet exporters' credit needs and to commercialize cash crops or livestock for export.

The nature of export-related AID assistance depends on the AID-recipient country's stage of economic growth. For example, programs in Guatemala and Peru aim to encourage these import-substituting economies to redirect themselves and become export-oriented, while AID programs in Jordan, Morocco, and Turkey, aim to help identify and remove constraints from firms and industries already trying to export. A third approach addresses problems of intra-regional trade, particularly in Central America, the Caribbean, and Southern Africa.

Targets of assistance range from government ministries of commerce or trade to individual firms, and institutional channels for assistance delivery range from ministries to central banks and various forms of Intermediate Financial Institutions, to Chambers of Commerce and other business or trade associations. LAC/DR briefly examined export trading companies for their relevance as a model for export development in LAC, and rejected them. (24)

In addition to mission and regional projects, S&T, PRE, and PPC/PDPR have been funding research and providing technical assistance at many levels, from the macroeconomic to the individual firm. For example, under S&T's Market and Technology Access project, Arthur Young Inc. has analyzed the role of intermediaries in bringing about international firm-to-firm connections, especially between those of small and medium size. (25) At the macroeconomic level, PDPR has funded a study of interactions between trade policy and labor market policy. (26)

A list of all AID export promotion-related projects begun since 1980 follows this section. It is as complete as can be derived from information now available in the Development Information System (DIS) and from Congressional Presentations (CPs) and Action Plans (APs). For up-to-date documents, or referrals to knowledgeable AID officers, contact Research & Reference Services (R&RS). Readers knowing of a significant project or program design document or report, by AID staff or contractor, not mentioned here, are urged to send a clean copy to CDIF, where it will be recorded in the DIS and made available to others.

AID PROJECTS INVOLVING EXPORT PROMOTION SINCE 1980

FY BEG	FY END	COUNTRY OR BUREAU	PROJECT NUMBER	PROJECT TITLE	DOCUMENTS AVAILABLE
<b>CENTRALLY-FUNDED</b>					
82	85	PPC/PDPR	9301100	Expt Dev Assistance (World Trade Inst)	
80	90	S&T	9311323	Stor/Proc Fruits/Vegs (U. Idaho Postharvest Inst)	mkt. studies
84	85	S&T	9364053	Mkt & tech access	conf.rpt.,int.stdy.
84	89	S&T	9365426	Empl & Enterp Policy Analysis	disc. papers ec/soc analyses
		PRE	9400002	Revolving Fund (some investments)	
		PRE	9400257	NCBA Intl Trade Dev Prog	
<b>ASIA/NEAR EAST</b>					
86	88	Morocco	6080189	Pvt sec support/expt credit instir	PID, PP
87	93	Jordan	2780272	Pvt services sec assist (firms)	AP 86
		Turkey	2980050	Reg'l Pvt Enterprise	PP, feas.std
<b>AFRICA</b>					
		AFR/SA	6900241	Pvt Sec Expt Devel (reg'l trade analysis)	PP 86
87		Kenya	6150238	Pvt Enterp Devel (expt credit facility)	PID
		Swaziland	6450229	Commercl Ag Prod/Mktg	AP 86
86		Somalia	6490109	Livestock Mktg/Health	PID, PP
<b>SOUTH AMERICA</b>					
85	89	Bolivia	5110583	Handicrft Expt Dev (artisan knitwr fdn)	PP
		Bolivia		Ag. Mktg. & Exports	AP 86
87		Bolivia	5110575	Expt Promo Tech transfer (pvt inst for expt mktg svcs)	CP 88
84	87	Ecuador	5180019	Non-trad agric expts	PP, eval
87	88	Ecuador	5180053	Cacao Rehab.	PID
87	92	Peru	5270286	Pvt sec invst/expt pro	AP 86
87	91	Peru	5270310	Ag Mktg/Agribus Syst Dev	AP 86

CENTRAL AMERICA

81	84	ROCAP	5960097	Agribus expt pro (LAAD)	PP, eval, final
86	87	ROCAP	5960123	Expt agribus dev (LAAD)	PP
82	85	ROCAP	5960109	Expt pro fund (BLADEX)	PP, audit
87	89	ROCAP	5960125	Expt pro fund II (BLADEX)	CP 86
88	89	ROCAP	5960147	Reg'l. Indus Expans (CABEI)	AP 86
86	88	ROCAP	5960124	Expt mgmt training (INCAE)	PP
86		ROCAP	5960108	Non-trad agric expt support	PID, PP
86	88	Belize	5050027	Expt & invest promo grant grant agrmt w/Bel. C of C	PP
87		Belize	5050019	Expt invest credit modernize financial sector	AP 86
85	90	Belize	5050008	Commercial. Alt. Crops	PP, studies
81	85	CostaRica	5150176	Pvt sec productivity (BANEX)	PP, eval, audit
82	85	CostaRica	5150187	Pvt sec expt credit COFISA onlending to nontrad expt firms	PID, PP, eval, audit
84	88	CostaRica	5150204	Pvt sec invest corp revitalize PIC for agrobuss. lending	PP, audit
86	88	CostaRica	5150223	Ag/Indus Reactivation CB discount-facil. for nontrad exptrs	PP
84	87	ElSalvr	5190287	Indus stab & recover(FUSADES)	PP
87		ElSalvr	5190315	Training for Pvt Sec Dev	AP 86
88		ElSalvr	5190323	Indust. Parks/Infrastructure	AP 86
87		Guatemala	5200341	Pvt Enterp Dev	PID
84	86	Honduras	5220250	Artisan product mktg	eval
84	89	Honduras	5220207	Expt devel & services	PP, audit
86	88	Panama	5250261	Pvt expt finance (FIDESIA)	PP
87	91	Panama	5250272	Prod dev & productivity impr	PID

CARIBBEAN

84	88	RDO/C	5380119	Invest prom/expt dev	PP, evals
83	89	RDO/C	5380084	Carib Financ Svcs Corp	PP, eval, audit
86		RDO/C	5380138	Infrastruc Expansion subproj incl expans of Nevis port	PP, amends
87		RDO/C	5380140	Hi Impact Agric Mktg	PP
85	88	Dom.Rep.	5170190	Expt & invest promo	PP
86	86	Dom.Rep.	5170216	Devel Training for exptg pvt sec	PP
85	87	Haiti	5210179	Craft Expt Resource Ctr CARE tech assist in mktg	AP 86

*To obtain up-to-date project documents, contact R&RS.*

*Readers knowing of additional projects, programs, and activities, not mentioned here, are urged to send a clean copy of any important documents and reports to CDIE, where they will be microfiched, recorded in the Development Information System, and made available to others in AID who could make use of them.*

BIBLIOGRAPHY: RECENT AID REPORTS ON EXPORT PROMOTION

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(25) Wallender, Harvey W., et al (Arthur Young and Co.) **Intermediaries and brokers in international business venture development.** S&T/PO, Dec. 1985. *PN AAU 921.*

(26) Fields, Gary S. **Final report: Interactions between Trade Policy and Labor Market Policy and their effects on development.** PPC/PDPR, Nov. 1986. *PN AAW 558.*

*Any of these titles may be ordered directly from the DIHF, using the PN- number. USAID staff may use this page as an order sheet for document service.*

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### (3) Non-AID Development Assistance and Development Research in Export Promotion

Several UN agencies have always been involved in activities fundamental to export promotion: UNIDO in industrial export development, FAO and WHO in commodity and food processing standards, and the ILO in skills improvement. UNCTAD was formed to coordinate these multiple trade development activities, and in 1968 became the executing agency for UNDP-funded export promotion projects. The International Trade Commission (ITC), operated jointly by UNCTAD and GATT, then became the unit responsible for international trade information services and technical assistance in trade promotion. (1)

The ITC's program expanded rapidly during the 1970's in response to increasing LDC demand. During that decade it completed 59 integrated three-year technical assistance/training/market research projects in as many countries. Such projects continue; besides UNCTAD and the ITC, the U.N. Centre on Transnational Corporations now also executes UNDP-funded trade projects, providing training and advisory services in such areas as negotiation.

By the mid-1970's, UNCTAD had concluded that the major constraint to LDC export development was the lack of appropriate credit institutions to meet the specialized and complex needs of exporters. (2) The ITC eventually (in 1984) published a handbook explaining them for the benefit of LDC export managers. (3) In that same year, the ITC itself became the executing agency for UNDP export promotion projects. Its activities are summarized in an annual report to the Joint Advisory Group, and its publications generally provide instruction or guidance for managers of organizations administering an export promotion strategy. (4)

By the mid-1980's, widespread debt-servicing difficulties in LDCs had affected the flow of export credits and the risk assessments attached to export credit insurance. Two recent papers by E.H. Brau of the IMF review these issues and the role of export credit in debt strategy. (5)

World Bank activity in export promotion includes projects to rehabilitate traditional export industries in Africa, and to finance inputs and other needs of export-oriented manufacturing industries elsewhere. There are too many to list here, but R&RS can identify and obtain specific project reports for AID staff upon request.

Of more general interest are the macroeconomic analyses of LDC exporting experience published in the World Bank Staff Working Papers series. Because this group together touches on all issues surrounding export promotion during the past decade, a brief summary follows in the next paragraphs.

Research of the late 1970's, spearheaded by Bela Balassa's major comparative analyses of incentive structures in developing economies, demonstrated that, up to the oil shock of 1973, export orientation of incentives was beneficial to economic growth. Both exports and GNP accelerated when export incentives were introduced which provided an across-the-board automatic free-trade regime for all exporting firms. (6)

Hollis Chenery classified the trade and production patterns of exporting countries according to the stage of economic growth and the degree of import substitution maintained at the time export policies were introduced: Group I countries, with low natural resources, specialized early in labor-intensive, stable-technology manufactured exports (e.g. Korea). Group II, large semi-industrialized countries, maintained import substitution policies during the period of industrial growth and only introduced export promotion policies piecemeal after sluggish growth began giving trouble signs (e.g. Brazil). Group III countries were well-endowed with natural resources and had experience exporting primary commodities, but were slow to diversify into manufactured exports (e.g. Philippines). And Group IV countries hung onto import substitution (e.g. India). (7)

By the end of the 1970's, this picture had become much more complicated. Most Group I countries had become newly industrialized countries (NICs), while LDCs new to the world trade scene made their appearance. As a result, the neat traditional dichotomy of trade between LDCs and developed countries (DCs) became a shifting triangular one between LDCs, NICs, and DCs. (8) Analysts began to examine the composition and directions of trade among LDCs, primary commodities vs. manufactured exports, labor-intensive vs. capital-intensive manufactured exports, and the increasing trade in services as well as goods.

The development assistance response during this period concentrated on providing supplier credits guaranteed by the exporter's government, to such an extent that the volume of such credits grew even faster than export production and trade. (9) Meanwhile, the World Bank began to examine which export policies work, and why -- exemplified by the Asian superstars such as Singapore, and which ones don't, and why -- exemplified by a number of LAC countries. (10)

Donald Keesing's background study on trade policies for the 1979 World Development Report summarized the necessary strategic considerations for nations moving out of an anti-trade policy regime. He argued that a simple export promotion agency attempting to make market connections cannot substitute for policy measures designed to reduce costs and increase profitability to exporting firms, and that the most powerful and effective instrument for export promotion is a flexible and realistic foreign exchange rate with accurate foreign exchange management. (11) The result is a closer to optimal allocation of resources which increases export sector production, according to a 1982 econometric analysis by Gershon Feder. (12) Beyond that, export growth depends not so much on world market expansion as on the exporting country's capacity to supply manufactured goods at competitive world prices. (13)

In 1985, Yung Whee Rhee proposed specific guidelines, based on the Asian experience, for the institutional and administrative mechanisms needed to implement a successful export promotion policy. The principle urged is "neutral status" for exporting firms, so that they are neither advantaged nor disadvantaged, vis-a-vis other firms, in access to foreign exchange, inputs, credit, and tax benefits. (14)

Development researchers have also examined the employment effects of export expansion. Both the World Employment Programme and the Council for Asian Manpower Studies sponsored a number of country studies beginning in 1978. (15) In fact, the relationship between trade and labor policies has been the subject of recent study. Anne Krueger, in the latest analysis of the Asian exporting success stories, points out that Korea, Taiwan, Hong Kong, and Singapore all had free labor markets with market-determined wages during the early stages of their respective export drives. (16) When labor policy mandates wages in an export sector that are above a market-clearing rate, exporting firms are at a price disadvantage competing in world markets, and are thus positioned to lose.

Another approach to studying export promotion success or failure is through analyzing the structure of specific industries within a country. Much recent IDRC-funded research, conducted at LDC institutions, is in this framework, as are most U.S. doctoral dissertations of the past two years on export promotion in LDCs. (Dissertation authors are often natives of the country under study).

Finally, whether or not exporting actually takes place depends on the behavior of the firms which decide whether or not to export. Hence analysis at the firm level is yet another way of approaching the subject. Such analyses of exporting or non-exporting firm behavior appear intermittently in the literature of business research -- most, but not all, rather inevitably, of DC rather than LDC firms. Problems of data collection are enormous, methods and samples vary widely, and the area is acknowledged to be severely under-researched. The National Center for Export-Import Studies was established in 1981 at Georgetown University partly to fill this gap. A useful compilation of papers it published in 1983 addresses firm-level exporting issues within the disciplines of business and marketing, organizational behavior, and public policy. (17)

From what little information that is available, patterns of surprising uniformity in firm behavior, whether LDC or DC, seem to emerge. For example, over half the firms in two separate surveys, one in Asia and the other in Virginia, decided initially to export only after receiving an unsolicited first order. (18) It is possible, of course, that the multinational corporation putting together a vertically integrated manufacturing operation had a role in that pattern. Multinationals are alleged by some to have had a major role in effecting the expansion of LDC exports during the 1970's. (19) In fact, the comparative roles of international development assistance and market-driven international commerce in the

present structure of international trade have not been studied at any level. The literatures of each field -- development on the one hand and international business on the other -- demonstrate, strangely enough, no mutual awareness at all.

Firm-level advisory services supported by the government are generally agreed to be of little use in the absence of the necessary policy environment and incentives. Otherwise, they are worthwhile if the appreciable commitment of human resources they require, especially for small firms, is available. Only the Scandinavian countries have well-developed national schemes to provide tailored advisory services to small and medium sized firms. (20) Asian countries, on the other hand, use networks of industry associations to perform this function; and furthermore the client base is expanded by including export suppliers as well as exporters. (21)

AID staff readers who have specialized information requirements on some aspect of export development or promotion are welcome to request a response tailored to their specific needs from Research & Reference Services (R&RS). Trade data is also available on diskette from PPC/CDIE/DI's Economic and Social Data Services (ESDS). Many items listed in the following bibliography may either be borrowed from the AID Library or a photocopy requested from R&RS.

BIBLIOGRAPHY:  
NON-AID DEVELOPMENT ASSISTANCE AND DEVELOPMENT RESEARCH  
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