

Chapter 9

Public Policy Makers: Export Promotion Programmes and Global Competitiveness in Sub-Saharan Africa

Gloria Sraha

Victoria University of Wellington, New Zealand

ABSTRACT

Many governments use export promotion programmes as a tool to support firms transacting business outside their national borders. Export promotion programmes have the primary objective of getting firms acquitted with foreign market environments in competitive global markets. International markets are more developed and indifferent to national borders, making EPPs an important strategy for export growth in Africa. This chapter explores different export promotion programmes offered in sub-Saharan Africa and contribute to literature on international business. The increasing amalgamation of international markets and high global competition necessitates the adoption of EPPs as an imperative strategy in planning international business. This chapter enriches our understanding of EPPs and how public policymakers have expanded export capacity development programmes to impact knowledge in sub-Saharan Africa. The chapter underscores specific EPPs for utilization to improve export performance of firms in foreign markets and provides practical implications for exporters and public policymakers in Africa.

INTRODUCTION

Globalization is a multifaceted set of processes which operates in a contradictory fashion, and simply pulls away power or influence from local communities and nations into the global arena (Arbaugh, Cox, & Camp, 2009). Nations tend to lose some of their economic power as globalization has become a current phenomenon. Globalization is

the reason for the revival of competition in different international markets all over the world and has created new economic direction across countries (Douglas & Craig, 1989). Firms that strive for success in this competitive global phenomenon need to learn quickly about the dissimilarities that exist in their operational contexts (Arbaugh et al., 2009). Firms have to take into consideration the cultural differences and norms, legal and regula-

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tory frameworks and the ever-changing political equation that can thwart their successful operations (Madsen, 1989).

The primary concern of many governments is to encourage exports because of globalization. Exporting is promoted by governments around the world as an economic strategy to prosperity in the new global dispensation (Griffith & Czinkota, 2012). Significant resources are devoted to export promotion programmes designed to transfer knowledge and educate exporters operating in foreign markets due to global competition (Martinus & Carballo, 2010). The past two decades have experienced the increase in the number of export promotion programmes (EPPs) in governments' budgets on the global scale (Freixanet, 2012). Although it is useful to channel monetary resources at developing export promotion programmes in the era of government budgetary cuts and fiscal policies, programme accountability is part of public policy makers' administrative agenda to ascertain whether these programmes produce any impact on development of national exports (Weaver, Berkowitz, & Davies, 1998). The need to better comprehend firms' awareness of export promotion programmes and the actual perceived impact on firm's export activity is critically paramount on the global market (Leonidou, Palihawadana, & Theodosiou, 2011). The increased understanding between exporters and public policy makers will assist match programmes to specific needs, which could positively contribute to export growth. Consequently, carefully crafted export promotion programmes that integrate well into the export activity of firms is more likely to contribute to macro-economic stability and good export leads (Durmuşoğlu, Apfelthaler, Nayir, Alvarez, & Mughan, 2012). Public policy makers have created a whole set of services through both public and private initiatives with the objective of assisting exporting firms to overcome export barriers in the current global business climate (Freixanet, 2012).

Export activity is essential from the point of view of nations and firms (Hinson & Sorensen,

2006). To governments exports are significant as it contributes to economic development and accumulation of foreign exchange reserves which shapes national competitiveness (Lages & Montgomery, 2004). Through exporting, firms enhance societal prosperity and help national development by creating jobs (Leonidou, Katsikeas, & Samiee, 2002). International exposure is used by small firms to improve their competitiveness at home through enhanced managerial skills and capability gained from operating in global markets (Madsen, 1987). Hence, firms need to adopt the right combination of resources to increase their export activity on the global scale with government designated export promotion programmes externally available to utilize for performance enhancement (Durmuşoğlu et al., 2012). Exporting is promoted by public policy makers and governments around the world as a strategy to boost economic development in the competitive global dispensation (Griffith & Czinkota, 2012). As such many governments design export assistance to private sector firms through a wide range of programmes to grow exports as an engine of economic growth (Shamsuddoha, Ali, & Nelson, 2009).

EXPORT DEVELOPMENT IN SUB-SAHARAN AFRICA

Many countries in sub-Saharan Africa have embarked on economic reforms to boost their export development, using Ghana as an example in Sub-Sahara Africa, Ghana has been regarded as one of sub-Saharan Africa's star performers (Coulombe & Wodon, 2007). Ghana is categorised as a lower emerging economy by the World Bank (WDI, 2012). The country enjoys the fortune of a stable political and macroeconomic environment and known for being the earliest country in West Africa to embrace structural adjustment reforms between 1983 and 2000 (Chandra & Osorio, 2007). These reforms included the abolition of price controls, the opening of capital markets,

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