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Marketing – Aid for Trade

The crisis in which development aid policies are at present bogged down requires a lot of new thinking of us. The need is for new ideas on getting us out of the dilemma of a mounting burden of debts weighing down the developing countries, which at the same time require more and more capital funds, whilst the creditor countries have only limited capital supplies.

Realistic development policies, designed to lead the world out of this deadlock, in the long term, must be based on improving the capital balance of the development areas through making their exports, especially to industrialised countries, grow. Naturally, this is not a novel thought.

"Aid by Trade" has been a much-quoted catchword for a long time. However, this slogan will remain an empty phrase as long as the magic formula of "Aid by Trade" is not helped on to its practical legs by the additional prescription of "Aid for Trade". If we mean our desire to assist by trade seriously, the recipients of our help must also be shown how to go about it. In other words, we must assist this trade by designing the mechanics and organisation for it.

There will be little benefit for developing countries from the best potential markets, opened to them by preferential treatment and tariff cuts, unless they know how to exploit them, mainly because they do not possess the needed knowhow. This is therefore the way in which we must assist developing countries:

First, we must help them to find export markets capable of absorbing goods. Only by careful studies of potential outlets for individual products, leading to the discovery of the steps and measures to be taken for opening up these markets, success in selling abroad can be guaranteed. To draw up useful reports, the exporters in developing countries must be taught market research. Second, existing products must be transformed by product design since only this will make them exportable. New, exportable products are to be developed. Third, suitable distribution channels have to be discovered in the developing countries' existing and prospective export markets, efficient and efficacious methods of promoting sales have to be found, and prices have to be fixed according to what the market will bear. Fourth, we should cooperate in setting up for them an efficient export organisation, and in training staff in the required export techniques.

Thus, it will be an important point of departure for making development aid efficient and effective to go down to the severely practical task of export marketing. Development Aid through Marketing Aid, would be the underlying idea of "Aid for Trade".

An export income that will be earned in this way might, in the long run, enable the developing countries themselves, on the one hand, to do more than hitherto for redeeming their foreign debts, and on the other hand, to proceed to a higher degree of self-financing of their own further development. Success in this field, however, would go far beyond these aims. By making a start in development aid in the field of marketing, it will be possible to train the developing nations in thinking competitively and on the lines of their own free initiative, thus making them responsible for their own success in exporting and in other sectors of their economy.

Donor countries will reap a double benefit from such planned utilisation of their funds for development aid: firstly, they will get the chance to observe palpable results of marketing aid, much more than they can view the effects of general capital assistance; and secondly, the more effective their aid becomes, the lower will continued capital grants tend to become, as such aid can be restricted to the tasks of pump-priming.

On the eve of the Second World Trade Conference, to be called to New Delhi for the spring of 1968, it will be in our own interest to study the problems of Marketing Aid thoroughly, giving them priority over all other problems.

Wolfgang K. A. Disch