

THE WOLFENSOHN CENTER FOR DEVELOPMENT

On April 17, 2007, the Wolfensohn Center for Development, the Mortara Center at Georgetown University and the Grassroots Business Initiative at the IFC, hosted an event at Pangea Artisan Market and Café, to discuss "New Avenues of Access to World Markets for Poor Producers". Karen Tramontano (Global Fairness Initiative), Zoe Dean-Smith (Gone Rural), Harold Rosen (Grassroots Business Initiative), Carol Lancaster (Mortara Center) and Johannes Linn (Wolfensohn Center for Development) led the discussion.

The main subject of the event was how to ensure that producers in the developing world gain access to global markets. If there were sufficient market access, poor producers would be able to scale up their operations and help improve national/regional development outcomes, in terms of greater employment, productivity and other benefits.

Panelists, who were largely development practitioners, agreed that the main constraint facing poor producers was access to capital. More importantly, as the needs of most poor producers are above traditional micro-credit loans and below larger macro-loans, one has to create an innovative means to deliver equity capital, or other usable forms of capital, to them. Access to proper infrastructure to reduce lead time for product delivery in international markets was also critical to ensuring success of poor producers.

In addition to financing and infrastructure access, the two main issues constraining poor producers were identified as: 1) lack of access to retailers and consumers to generate enough sustained demand for their products, to ensure sustainability and prospects for scaling up; and 2) the deficiency of integrated enterprise development packages that would help 'nurture the business chromosome' in developing countries. Such an integrated package, providing business development expertise as well as support on logistical issues such as accounting standardization and deliverability guidelines, would be immensely helpful to poor producers in increasing productivity.

The panelists asked that international players create information coordination mechanisms/clearinghouses that would identify major players in the field and their relevant expertise, so that redundancies were avoided and complementarities created. They also asked international companies to help ensure better access to markets for poor producers, and called on consumers in developing countries to use their voting power to ensure that their policy-makers created legislation that gave market access to poor producers.



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