

# A Strategic View on Rural Export-Led Projects

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## Abstract

*Targeted intervention projects as part of public policy raise project management challenges. This paper offers a theoretical proposition and strategic view on public policy rural export-led projects. The paper drew on concepts of implementation and used a qualitative mode of enquiry to elicit information on rural export projects. Managing rural export- led projects is not merely implementation management but strategic and requires balanced consideration of the strategic business environment (hierarchy of goals, domestic and export market, rural technology, socio-cultural beliefs and values, economic and political issues ) and project factors (effective client consultation, project planning, implementation, monitoring and evaluation).*

**Key words:** *project implementation, rural export, public policy, strategy*

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## INTRODUCTION

The implementation of public policy is a central concern for analysis. Challenges are raised when targeted intervention projects are delivered as part of public policy, especially in poverty alleviation programmes. In recent years, rural export-led projects have received great attention. The rural sector in most developing countries offers potential for increased exports, especially non-traditional export products, as well as for expanded employment opportunities. Until recently, for example, three products dominated Ghana's exports – cocoa, timber and minerals. The sluggish demand for, and unstable prices of these products in the international market resulted in low and uncertain export revenues. Successive governments have taken measures to reduce economic over-dependence on these three products by diversifying the export base through rural export development. The Ghana Export Production Village projects, implemented by the Ghana Export Promotion Authority, aimed to establish rural export production structures to strengthen the export production base, enhance rural businesses, improve employment opportunities and living conditions. Sri Lanka was a trailblazer in rural export-led projects. Until the last decade, three plantation crops dominated Sri Lanka's exports – tea, rubber and coconut. The government took policy measures to reduce economic over-dependence on these by diversifying the export base.

Effective structures are important for successful policy implementation (Hjern and Porter,1997). Similarly, effective project implementation has its own success factors (Rothstein, 1985). It is obvious that intervention projects as part of public policy will have to deal with complex factors. However, there is a dearth of information on the factors affecting export led implementation projects. While concepts may be borrowed across national borders, there is need to understand the factors necessary for successful implementation of such projects. This paper, therefore, seeks to fill this gap by exploring perspectives on rural export-led projects with a view to providing theoretical propositions to guide implementation. The study also contributes to emerging view that positions project management as a broader and more strategic domain (Morris et al., 2011)

## APPROACH

The study opted for a qualitative approach using case study and secondary sources of information. The primary source consisted of information from three Ghanaian communities that had implemented rural export-

led projects. A qualitative mode of enquiry using semi-structured interviews and focus group discussions were held with public officials, rural export-led project association members, traditional authorities and members of the community. Discussions focused on their perceptions of the project implementation process and views on project success and challenges. The focus groups allowed the main actors in the implementation process to openly discuss and share experiences. Data analysis was done using the traditional inductive method (Strauss and Corbin, 1999). Tentative themes, summarised from different focused groups and individuals, were affirmed by project stakeholders as part of the data analysis to enhance validity and reliability (Silverman, 2001). The research also reviewed information on models of project implementation and the implementation of the rural export-led projects in Sri Lanka and Argentina. Information from documents and transcripts were subject to analysis that involved repeatedly reading the transcript and taking thorough notes about stakeholders' perceptions of project success and challenges (Lyytinen, Rose & Yoo, 2002). Emergent themes were used as the basis for the theoretical proposition for the implementation of rural export-led projects.

## **IMPLEMENTATION MODELS**

### **The Ten Factor Model of Project Implementation**

Project implementation success has been defined in many ways to include different criteria. The 'Ten-Factor' Model identifies key factors for successful project implementation and they include communication, project mission, top management plan, project plan, client consultation, personnel, technical task, client acceptance, monitoring and evaluation, and trouble shooting (Pinto, 2007).

### **Top-Down and Bottom-Up Approaches to Project Implementation**

The 'Top-Down' implementation process starts with policy decision by top management or government officials and focuses on the extent to which formal policy objectives are realised over time. The approach views the policy process as a series of chains of command where political leaders articulate a clear policy preference which is then carried out at increasing levels of specificity as it goes through administrative machinery that serves the top management or government. Rothstein (1998), explains that the approach takes the democratically established goals of a programme as the starting point of analysis, and seeks thereafter to analyse the significance of the implementation process to see whether, and if so how, the political intentions and programme goals are realised. The 'Bottom-Up', approach on the other hand, is also based on the premise that project implementation should start with a careful analysis of the actions of those actors at the operational (local) level or those affected by and involved in the implementation of the policy. It is important to understand what is happening from the bottom end of the policy system rather than to offer rules about how to control implementation as prescribed by the Top-Down approach. Mehrotra (2002) stresses formal participation through democratic systems. Joshi and Moore (2002) have noted that even in the most participatory programmes, there is little interest in whether poor people are effectively engaged.

### **The Interactive Model**

The interactive model focuses on the conflict and reactions that are often evoked by efforts to bring about policy reforms for development and the resources policy makers and project managers require in sustaining the reform in the face of such reactions (Thomas and Grindle, 1991). This model was developed as an alternative to the 'linear model' of policy implementation. The linear model assumes that a proposed reform gets on the agenda for government action, a decision is made on the proposal and the new policy or institutional arrangement is implemented. According to the linear model policy implementation involves three core phases namely the agenda, decision, and implementation phase. In this context, if implementation is unsuccessful, the usual remedy is to call for greater effort to strengthen institutional capacity or blame failure on lack of political will.

### **The Rothstein Model**

Rothstein (1998) identified three core areas of implementation, namely; policy design, organisation and legitimacy. It is almost impossible that project beneficiaries will view decisions of all public bodies as reflective of legitimate democratic process. This is because further measures are required if the power exercised in the implementation process is to appear legitimate. It is scarcely possible to carry out a programme successfully – however ingeniously designed it may be, and however well-organised its implementation – if it is unacceptable to the group that it is directed.

### **The Else Oyen Model**

According to Oyen et al (2002), there are certain basic criteria that can improve the quality and credibility of any implementation process. They include the establishment of a starting point for the implementation, identification of the target group, description of the goal (s) however diffused they may be, the expected results, visibility of instruments of the implementation such as ethical consideration, organizing and financing the implementation; clarification of the implementing agency and the role of users, resource allocation and financial sustainability, the political and cultural climate.

## IMPLEMENTATION OF RURAL EXPORT-LED PROJECTS

### Rural export-led projects in Ghana

As part of the rural export-led project implementation policy, certain criteria are to be met. If the export product is not already in production in or near the village, the project should generate an adequate supply for export within a reasonable time before the project could be implemented. The commitment of producers, exporters, leading citizens and political authorities of the village is also required. There should be proven business leadership in the village to support project management in the initial stages. Exporters are required to provide feedback from the market on buyers' requirements and assist with marketing. Three villages in the Ashanti Region of Ghana were selected for the rural export-led project; Bonwire (Kente production-traditional cloth), Krofrom (brass production) and Darbaah (beads production). The perception of project participants and stakeholders revealed different success factors and challenges in implementation.

*Bonwire Project.* The views of participants were that the project successfully led to increase and consistency in production, better marketing and improved business practices. These achievements were possible largely due to ready market for products, good infrastructural development (road network, telephone and electricity) in the community, active participation of elected executives and the support of opinion and business leaders.

*Krofrom Project.* The project faced location and marketing challenges. There were issues with the project site, which was already earmarked for educational facilities. Further challenges encountered were poor export markets for brass products, beneficiaries' needs were ignored as they preferred a common site for production and exhibition of products, the project failed to recognise that raw materials (bee wax and brass) were scarce, poor road network leading to Krofrom and its environs discouraged exporters and tourists to visit the community, traditional and business leaders' involvement in the project implementation was low.

*Darbaah Project.* The project was also poorly sited and faced technological challenges. The oven constructed to replace fire with gas technology but project participants found it costly and preferred the traditional ones to produce beads. Also, there were issues with marketing; both local and export demand for beads were low, beneficiaries' needs were not adequately addressed in the project implementation, the cost of imported raw materials was high due to the fluctuation of the local currency against the dollar.

### Sri Lanka's Export Production Village Concept

Rural export development was given high attention in the 1980s and led to the establishment of Sri Lanka's Export Development Board. The Board launched a comprehensive programme, as the officials recognised the potential for increasing exports through organised production at the village level. The impressive rural export growth was to a large extent attributed to measures taken by the board. An Export Production Village Company of a group of small producers was established and the company was responsible for identifying exporters to buy the products of members, training and production support. Priority export products were identified based on the nation's comparative advantage in supply and were produced by targeted villages. The choice of villages depended on its supply potential, accessibility to the main export points and the commitments of producers, leading citizens and political authorities. Some external factors significantly contributed to Sri Lanka's success in growing rural export commodities and they include good road network and rail facilities that link outlying areas with the capital and availability of key exporters who had good business relationships with Village Companies.

### Argentina's Export Production Village Concept

The main purpose of the Export Production Village project was to increase vegetable production, improve access to local and regional markets and to export produce on behalf of producers in Mendoza. The basic idea was that access to new production technology and markets is an important step in developing the rural economy. The project's success was attributed to efficient control systems, good co-ordination and the autonomy in project development. There was positive impact on producers' income through reduced production costs and improved prices due to joint sales and purchases. The project also led to transfer of management and organisational capabilities, incorporation of new technologies, knowledge, planning and control in rural business. The project also benefitted from the existence of a homogeneous group of producers who shared common background experience, technical assistance and coordination of information at all levels of political decision-making (national, provincial and local).

## THEORETICAL PROPOSITIONS

Based on the concepts of project/ policy implementation and perspectives on rural export-led projects in Ghana, Sri Lanka and Argentina, this study identifies factors that should inform rural export-led project management. We classify the factors into two broad categories: those that deal with the strategic business environment (hierarchy of goals, domestic and export market, rural technology, socio-cultural beliefs and

values, economic and political factors) and those within the technical and operational project domain (client consultation, project planning, monitoring and evaluation)

### **Strategic business environment**

Our proposition that rural export-led projects should consider the business environment corroborate emerging views that suggest that project management could be entering an emerging 'third wave' of analysis and interpretation following its early technical and operational beginnings and the subsequent shift to a focus on projects and their management (Morris et al., 2011)

*Hierarchy of goals.* The rural export-led project's vision, mission and strategic objectives which form the hierarchy of goals should be clearly stated. The strategic role of the project in public policy and its long term development should be spelt out. The hierarchy of goals provides a strategic management approach to project planning and implementation.

*Domestic and export market.* The success and challenges identified indicate that the fundamental objective of the rural export led project is that it must have customers in the domestic and export market. No matter how well organised the project, without customers or market, there is simply no project to implement. There is need to undertake external analysis and robust market research to inform the project.

*Rural Technology.* The advances in technology and their subsequent application affect rural export-led projects. Technology must be rural-friendly and customer-centered. This factor accounted for the non-use of the oven constructed at Darbaah as the use of gas in making beads was not wide spread at the time.

*Socio-cultural beliefs and values.* Socio-cultural beliefs and values include public opinion and perceptions, religious and cultural beliefs, existing occupation and settlement arrangements. Such beliefs also affect technology usage.

*Economic Factors.* For effective policy implementation, funding must be allocated, personnel assigned, rules and procedures developed (Howlett and Ramesh, 2003). The availability of input matters to project success. At Darbaah, quality "powder" (the raw material for beads) is an imported commodity and can be quite costly. At Krofrom, availability of bee wax and brass is a growing concern. The availability of good roads, railway network, electricity and telecommunication infrastructures across the country are all necessary inputs to successful rural project implementation.

*Political Factors.* Politics affects public policy export-led projects. This is partly due to how political actors present projects to beneficiary communities. In rural Ghana, there is growing perception about developmental projects being closely linked to party politics. The prevailing perception among participants where the village projects performed poorly in Ghana was that it was their share of central government's projects and that those authorities should be more accommodating.

### **Project Management**

*Project Planning.* This factor involves the establishment of a more formalized set of plans to accomplish developed goals. Planning should include clarification of project mission, scheduling, budgeting and the allocation of other specific tasks and resources. The business case for rural export projects and accountabilities should be made at the onset.

*Client Consultation.* The extent to which clients are personally involved in the implementation influence their support for the project. Project managers have the responsibility to motivate members. Producing for export can be a totally new activity that can involve major changes in local production systems and potential members must be convinced. There is need to identify core leaders and prospective exporters and conduct regular stakeholder meetings.

*Implementation Structure.* The implementation structures of export projects are important for success. The use of inappropriate organisational structures often leads to implementation failures and hierarchical arrangements of the implementing agency can have significant effect on timely delivery of project outcomes (Rothstein,1998).

*Monitoring and Feedback.* Implementation of rural export-led projects is complex and regardless of how carefully planned a project is, it is impossible to foresee every trouble area in the implementation process. The challenges of the rural export projects in Ghana make this abundantly clear. Monitoring and feedback should not be mere routine project exercises but should lead to action.

### **CONCLUSION**

This paper provides perspectives on the success and challenges in the implementation of rural export-led projects, which are targeted intervention public policy projects. It led to the theoretical proposition of factors which were considered essential for managing such projects, given their complexity. The study concludes that a strategic view that provides balanced consideration of factors in the business environment and project management domain is essential to the implementation of rural export-led projects.

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