

Leading Change through International Trade
Speech by Kirsten Sayers, International Business Development Manager, Austrade
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Globalisation has integrated economies and cultures, and heralds the potential of a common international trade law. Yet since the Battle for Seattle in 1999 the world has witnessed the rhetoric and actions of a large anti-globalisation movement. But we are here, in Brisbane, to find solutions, ways to catalyse social and economic change, to improve the lives of the people in our communities.

One way of leading change is through international trade.

This has everything to do with working together on a global level, to unlock the potential of our communities in order that we can continue to create wealth, jobs and prosperity for all, a win-win outcome for developed and developing countries alike.

Having lived and worked in Asia, Europe, North America and Australia, as a diplomat, trade commissioner, lawyer, teacher, student, and mother, I am passionate about the benefits that globalisation and international trade bring to our communities. And I am passionate about the initiatives embarked upon by my organisation, Austrade, The Australian Trade Commission, to assist women in export.

Opponents of globalisation represent a myriad of organisations and cite a plethora of concerns: trade policy; indigenous issues; poverty; the environment; the power of multinational corporations – the very challenges we are considering here today.

It's argued that recent events such as war, SARS, and an uncertain global economic outlook have further fuelled the case for consolidation.

Some of you may believe that in our world of increased security threats, a focus on export and international business is, in fact, risky business.

This isn't necessarily so. International trade and globalisation create a win-win outcome for rich and poor countries alike. Advocates of globalisation demonstrate the efficiencies that trade liberalisation bring to both developed and developing countries.

Why is international trade a good thing?

Former WTO Director General, Mike Moore, whom I met in Melbourne last week, puts the case for trade succinctly:

“Trade works its wonders in many ways. Higher exports pay for goods and services that are more cheaply priced abroad. The need to compete in world markets forces companies to become more efficient. And exporting firms pay good, high paying jobs...Imports too bring many benefits: cheaper food and clothing for working families; cheaper and better cars and electronic goods; and cheaper inputs to make businesses more competitive. And last, but not least, new technologies and greater competition, both of which boost economic growth.”

The effects of globalisation are multi-faceted. As a recent Austrade study found, exporters are good employers. Austrade's Chief Economist, Tim Harcourt, posits that one in five jobs in Australia depend on exports, and one in four jobs in regional Australia.

Companies that export tend to pay better wages than non-exporters; have safer, healthier work places; are better 'plugged in' to new technologies; have more competitive business models; and offer more training /career development.

It's not just that exporters are better employers. Change is most likely to come from human capital, and exporters are generally more committed than their non-exporting contemporaries to the development of human capital. From education and skills to career-development, alliances, and commitment to international best practice, which in turn contributes to productivity and overall business performance.

That is, internationalisation enhances the unique mix of capabilities of companies and indeed, a nation as a whole.

But how do we then protect and foster a culture of capability and innovation?

A robust global intellectual property protection and enforcement regime is paramount in protecting innovations developed by individuals and companies.

Many businesses are operating in a world of Internet and e-commerce where technology and change are in a perpetual race. Comparative advantage is often achieved through developing new, innovative, products, services or business processes. For many companies, it is the value of these ideas that earns them new customers and new markets.

Companies and countries need strategies to protect, manage, and capitalise on their intellectual property. And even though intellectual property is intangible, we need to understand its value to our businesses.

We need to appreciate the value of international trade to our economies.

And we need to value the contribution of individual exporters to our communities.

In a paper called: "Why Australia Needs Exports: The Economic Case for Exporting"

Tim Harcourt explores the macro and micro economic arguments for exporting as well as some of the social benefits of trade. For instance, the paper considers the links between immigration and trade, and the cultural and diplomatic benefits of trading with other nations.

In Australia's case, not trading with other countries would in fact be risky business!

At the moment only 4% of Australian businesses export. That is equivalent to approximately 25,000 businesses. This proportion is low when compared with similarly industrialised economies - slightly ahead of the United States, but well behind Canada, Spain and Norway. How does this compare with your country?

The Australian government is committed to regenerate and expand the overall size of the export community as a key part of its trade policy and has set itself the target of doubling the number of Australian exporters by 2006.

As I mentioned, I work with Austrade, the government organisation charged with leading Australia's change to an export-focussed economy. Austrade has a team of almost 1000 people in 105 cities, in 58 countries – including an extensive domestic network of offices in Australia. Austrade contributes to community wealth through helping more Australians succeed in export and sustainable international business.

Austrade does what it does, because its goal is to support the comparatively small Australian domestic market, as there is world demand for Australian products and services which needs to be fully developed. Growth in Australian jobs depends on our economy's ability to export, and exporting brings innovation to the Australian business environment. And we think we do it well - with the key foundations of smart people, smart tools and smart strategic plans!

Austrade helps exporters sell products and services, and facilitate investment in overseas markets. We do this by identifying real business opportunities for Australian companies in overseas markets and provide the relevant market intelligence and contacts.

But where will Australia's export growth come from?

Much will clearly come from small-to-medium-enterprises, many of which will be new businesses, many of which will be represented by emerging industries or services, and our research tells us that women will operate many of these new businesses.

So export done well is good for everyone. And there are plenty of success stories, including companies owned and/or operated by Australian businesswomen.

For example, after the horrific terrorist bombings in Bali last year, many Australians were flown back to Australian hospitals for medical attention. Many victims suffered extensive burns and needed extensive surgery. Fortunately in Western Australia, where many of the victims were flown, a local biomedical company, Clinical Cell Culture (3C) was able to assist with skin burns using cell spray, which provides skin grafts, dramatically quickening healing time.

Marie Stoner, a leading West Australian research scientist, who is now a leading biomedical exporter, heads up 3C. Ms. Stoner, whose background is in haematology, developed 3C out of the Skin Culture Unit at Princess Margaret Hospital in Perth, with Fiona Wood, a plastic surgeon and burns specialist.

Ms. Stoner is aware of the difficulties of exporting, particularly with regard to regulations and intellectual property, but believes that: "the major challenges of exporting technology is the mindset of distance rather than the reality of it." 3C is progressively building its international profile and now exports to hospitals in the United Kingdom and New Zealand.

Marie Stoner is one of many Australian women who are becoming important exporters. They come from all over Australia – from capital cities and regional areas, from across a range of industries, both 'old' economy and new.

So there are plenty of women entrepreneurs helping to drive the export effort.

But what is the big picture?

According to Pru Goward, the Federal Sex Discrimination Commissioner, women entrepreneurs already comprise a third of Australian business owners but have been traditionally under-represented in international trade.

“We need to harness the talent pool of women entrepreneurs because they are key drivers of small business growth in Australia. We have to make sure that our export industries benefit from this too.”

In anticipation of these trends, Austrade has established a Women in Export Program. The program is committed to removing barriers to export, and increasing the ‘intention to export’ in companies lead by women.

Rather than duplicating the great work of existing Australian women’s business and professional organisations, Austrade’s Women in Export program aims to work with like-minded groups to facilitate the entry of women into the broader Australian exporting community.

Key elements of Austrade’s Women in Export program include:

- Encouraging businesswomen and businesses owned or operated by women to export;
- Identifying women active in export and who could become role models and mentors or coaches for other businesswomen; and
- Working with existing women’s networks to help them achieve a greater export focus among their membership.

Developing an export market is in fact like adding an additional “business or product line” to your existing business. Clearly such activities require time, commitment and costs and there can be delays in realising a return.

My personal experience both overseas and in Australia reinforces the fact that there is no substitute for homework and common sense – and these are universal.

It is interesting that surveys of gender issues in business show that women tend to be more cautious, resourceful, and do more planning than men – so I have no doubt that you will indeed harness all possible resources!

Exporters may be right. But it will take institutions, and each of us, to convey the message to non-exporting companies or to import-competing firms, which can no longer rely on trade protection.

Education, knowledge-transfer, and skills matter. Showing the benefits of exporting matters. And as a founding member of the Australian Feminist Law Journal, I can tell you that intellectual property protection and common, accessible, international trade law do matter. And for Australia, doubling the number of exporters matters.

Leading change through international trade has everything to do with working together on a global level to unlock the potential of our communities – in order that we can continue to create wealth, jobs and prosperity for all, a win-win outcome for developed and developing countries alike.