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EFFECTIVENESS OF EXPORT SUPPORT PROGRAMS: IMPACT ON THE RELATIONAL CAPITAL AND INTERNATIONAL PERFORMANCE OF BORN-GLOBALS FIRMS (SUMMARY)

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 SUMMARY **EFFECTIVENESS OF EXPORT SUPPORT PROGRAMS: IMPACT
ON THE RELATIONAL CAPITAL AND INTERNATIONAL
PERFORMANCE OF BORN-GLOBALS FIRMS**

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Principal Topic

In today's context of restricted public spending, the performance of support programs, including export support, has understandably become a crucial issue, with many governments now calling for the evaluation of export support services. Several quantitative studies of the effectiveness of export promotion in enhancing firm resources and performance have been conducted over the last few decades, but the findings of these studies have often been contradictory or inconclusive. We therefore do not know which characteristics of business ecosystems have the greatest impact on export success, "particularly in terms of supporting export development." Research is clearly needed. Another surprising observation is that born globals have been overlooked in empirical studies on export support program effectiveness, as research has exclusively focused on firms that internationalize according to the Uppsala model. We therefore designed a study to investigate the impact of export support programs on born globals. We then develop a conceptual model that links export support programs, relational capital and the international performance of BGs, both in terms of economic performance and the number of foreign markets in which they are present.

Method

We use Structural Equation Modeling method to test our conceptual model on a sample of 145 born globals supported by the French government. We chose to focus on small born globals with fewer than 50 employees because export support programs are usually created with small firms in mind, as they have more limited resources, thus making internationalization particularly risky.

Results and Implications

Our analysis reveals that operational support is not effective in enhancing firm performance, that informational support is effective but only through its influence on relational capital, and that financial support is effective only in terms of the number of foreign markets but not in terms of economic performance. Our findings contrast with those of previous studies on firms that internationalize through stages and suggest that new export support services adapted to born-global firms are needed, more specifically the ones focused on operational and financial supports. Several propositions are developed.

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