The Export Support System Model - Building System Models with Economists

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The UK's Department for International Trade (DIT) provides support to UK companies at different stages within their export journey. These publicly-funded export support activities are subject to budgetary pressure to demonstrate whether they are good value for money. Economic evidence for the benefits of individual activities is hard to identify. DIT wanted to address this through adding a system-level modelling component to conventional economic statistical modelling. Important benefits that flowed from the system-level approach were an improved understanding of the purpose of the export support system amongst non-economists within the department and a visual representation of the process, showing how different DIT activities contributed to a set of high-level DIT capabilities to support particular stages in the export journey. One feature of the work was the need to work closely with DIT and consultants from Frontier Economics so as to reconcile the output of the model with the results of micro-economic estimates of the benefit of different activities. The thorny question of 'whose model is right?' was largely averted through collaborative model development and the use of a multi-stage calibration process to make use of the economists ability to estimate the counter-factual of how the system would behave without DIT intervention.

Hala Elsayed is a Government Economist, and has worked on a range of policies such as vocational education and business support. She currently works in a multi-disciplinary team at the centre of DIT Export Promotion using evidence and strategic thinking to influence how Government is supporting UK businesses to start and continue exporting, such as the development of the evidence base underpinning the DIT Export Strategy. She is currently the lead economist delivering a value for money work programme, to drive evidence-based decision on what works to allocate resource.

John Medhurst is a director of Larrainzar Consulting Solutions Ltd and has worked in Operational Research since joining the Defence Operational Analysis Establishment at West Byfleet in 1985. He specialises in analysing and modelling the messy human aspects of problems, using a mixture of techniques including soft systems approaches, experimental gaming, statistical analysis and systems modelling. John is a Fellow of the Operational Research Society (FORS).