



International Labor Organization (ILO) Chair Report

Chair: Nicole Rysanek

Deputy Chair: Karun Gauthaman

Topic 2: Fostering Entrepreneurship and Self-employment in Developing Nations:

Personal Statements:

Chair – Nicole Rysanek:

Hello everybody, my name is Nicole Rysanek, I am Canadian, and I am a tenth-grade student at ACS Hillingdon, in London, England. I am very pleased to have the opportunity to be your Head Chair for this committee, alongside my Deputy Chair, Karun. This will be my fifth conference, and my first time attending MUNISS!

May I welcome you to the ILO committee – The International Labor Organization, set to discuss our three topics surrounding workers' rights, economics, and labor conditions, to advance social and economic justice. This is an Advanced Committee, and therefore a fruitful debate is highly anticipated throughout the conference. This is an amazing opportunity, and an equally important experience – a good tip is to make the most out of lobbying, don't spend it sitting in a corner!

Good luck, and always have fun!

Deputy Chair – Karun Gauthaman:

Hello everyone, my name is Karun Gauthaman, and I am 14 years old. I have been to some MUN conferences before and have been a delegate twice so far. I am a student at this school, - ISS, and I'm excited to participate as a deputy chair in this year's MUNISS. This is my first-time chairing as a deputy chair, and I will be supporting the head chair - Nicole.

MUNISS is an annual conference that we host, and this year you all will be part of the International Labor Council otherwise known as the ILO. We will be discussing and debating topics which will furthermore end up with a final resolution for each of the topics.

I hope you all have fun in this conference/committee, and good luck debating!



An introduction to the topic:

Promoting self-employment and entrepreneurship in developing countries is a very important task that aims to decrease poverty, boost economic growth, and promote inclusive development. In other words, it means helping people which motivates people to embark on entrepreneurial endeavors, hence generating employment opportunities and new businesses. This topic covers a broad range of activities, such as the development of a supportive entrepreneurial culture, access to financing, policy reforms, and capacity training programs.

Encouraging entrepreneurship in poor countries means decreasing the number of obstacles that will negatively impact entrepreneurial endeavors from individuals. These difficulties include things like insufficient infrastructure, regulatory obstacles, and restricted access to money. Furthermore, there is sometimes a skill gap in entrepreneurship, calling for expenditures in mentorship, training, and education. More teaching will inspire more people.

Despite these challenges, promoting entrepreneurship in underdeveloped nations has the potential to bring about a radical shift. Entrepreneurship is the key to innovation, job opportunities, and sustained economic development. Furthermore, entrepreneurship can promote social participation and reduce inequality by providing marginalized groups with the means to participate in the economy, including women, youth, and rural communities. Generally, promoting entrepreneurship and self-employment in developing nations is a smart way to promote economic growth and the development of more resilient and just societies.

Glossary

Entrepreneurship: The dynamic process of identifying, conceptualizing, and implementing innovative ideas to establish and manage a business venture, often characterized by risk-taking, resource leveraging, and adaptation to market conditions.

Self-Employment: A situation in which individuals operate their own business or work as independent contractors, freelancers, or consultants, rather than being employed by an external organization.

Developing Nations: Also known as emerging economies or low- and middle-income countries, these countries are characterized by relatively lower levels of economic development, industrialization, and income compared to advanced economies.

Access to Capital: The ability of individuals or businesses to obtain funds or financial resources necessary for starting or expanding entrepreneurial ventures, often through sources such as loans, investments, or grants.

Inadequate Infrastructure: Refers to deficient or insufficient physical and organizational structures and facilities, including transportation networks, energy



systems, and digital infrastructure, which hinder business operations and market accessibility.

Regulatory Burdens: Complex or burdensome legal requirements, regulations, and bureaucratic procedures imposed by governments or authorities, which create barriers to entrepreneurship and inhibit business growth and innovation.

Social Protections: Policies, programs, and mechanisms designed to safeguard individuals and families from economic risks and hardships, such as unemployment benefits, healthcare coverage, and social assistance programs.

Sustainable Development Goals (SDGs): A set of 17 global goals adopted by United Nations member states in 2015, aimed at addressing key challenges facing humanity, including poverty, inequality, climate change, and sustainable development, by 2030.

Financial Inclusion: The availability and accessibility of financial services, such as banking, credit, insurance, and savings, to individuals and businesses, particularly those traditionally underserved by formal financial institutions.

Vocational Training: Education and training programs designed to develop specific skills and competencies required for particular occupations or industries, often focusing on practical, hands-on learning and job-related skills.

Market Access: The ability of producers, businesses, or individuals to reach and interact with potential customers or markets, often influenced by factors such as geographical location, transportation networks, trade barriers, and regulatory frameworks.

Involved parties:

Governments of Developing Nations: Responsible for implementing policy reforms and creating an enabling environment for entrepreneurship, exemplified by initiatives like Rwanda's "Doing Business Reforms" and Georgia's "Economic Liberty Act."

International Organizations: Provide technical assistance, funding, and policy advice to support entrepreneurship initiatives in developing nations, including the World Bank, IMF, UNDP, and ILO.

Non-Governmental Organizations (NGOs): Implement grassroots initiatives, offer training and mentorship, and advocate for policies supporting entrepreneurship, such as the microfinance programs of organizations like the Grameen Bank.

Private Sector: Engages through funding, mentorship, and public-private partnerships to support entrepreneurship development and economic growth.

Academic Institutions and Research Organizations: Contribute to entrepreneurship development through research, education, and consultancy services, focusing on understanding and enhancing entrepreneurship ecosystems.



An explanation of the issue:

Entrepreneurship and self-employment have many different obstacles in many developing nations, which may hinder their ability to propel economic growth and social development among member states and individuals. This is a worsening problem for developing countries, judging that they are already developing slowly, having more problems will slow down the development process more. One of the biggest challenges for potential entrepreneurs is the lack of access to money. A lot of people do not have enough money to launch or expand their businesses (World Bank, 2020).

Inadequate infrastructure also poses significant barriers, hindering market accessibility and commercial operations due to issues such as unstable utilities and inadequate transit networks (United Nations Development Programme, 2019). Moreover, complex regulatory frameworks further complicate entrepreneurship by impeding innovation and stifling business growth (International Labour Organization, 2018). Additionally, a lack of mechanisms for entrepreneurial education and assistance leaves many individuals ill-equipped to navigate the complexities involved in starting and running a firm, discouraging entrepreneurship pursuits (European Bank for Reconstruction and Development, 2017).

These challenges worsen the existing social problems and have negative economic ramifications. High unemployment rates contribute to social unrest and political instability, particularly among young people (International Monetary Fund, 2021). Furthermore, much of the self-employment in developing countries is informal, limiting access to social safeguards and leaving individuals vulnerable to economic shocks and hardships (Organization for Economic Cooperation and Development, 2019).

Failure to address these issues carries a lot of humanitarian and economic problems. High rates of unemployment, inequality, and poverty make it more difficult to achieve the Sustainable Development Goals (SDGs) and worsen social tensions within communities (United Nations, 2015).

Economically, the lack of vibrant entrepreneurial ecosystems hampers/hinders/worsens productivity and innovation (World Economic Forum, 2020). Additionally, the quality of work will decrease including entrepreneurial prospects, individuals may resort to unofficial or illegal activities, undermining social cohesion and perpetuating cycles of poverty (International Labour Organization, 2020).

The repercussions of unresolved challenges extend globally. Economic stagnation or instability in developing nations can have ripple effects across interconnected global economies, impacting trade, investment, and geopolitical dynamics (World Bank, 2018). Moreover, persistent poverty and social unrest may contribute to migration flows, exacerbating challenges associated with refugee crises and straining the resources and infrastructure of recipient countries (United Nations High Commissioner for Refugees, 2017). Therefore, addressing barriers to entrepreneurship and self-employment in developing nations is not only locally significant but also imperative for global stability and prosperity.



History of the Topic:

The challenges facing entrepreneurship and self-employment in developing nations have changed a lot over time due to historical, political, and economic factors.

These are all the factors that challenge self-employment in developing nations around the world. Understanding what these problems provides lots of valuable insight into their current problems, to see what each country is going through. By doing this we can come to an agreed solution which can furthermore solve this problem around the world.

The problem of limited access to capital and inadequate infrastructure can be traced back to the historical legacies of colonialism and underdevelopment. Many developing nations used economic structures that were characterized by resource extraction and dependency, which often lacked the necessary infrastructure and financial institutions to support indigenous entrepreneurship (Ocampo, 2006).

Furthermore, political instability, conflicts, and civil wars in some regions have worsened these challenges more, leading to the destruction of infrastructure and the displacement of many people, which makes it even harder for people to pursue entrepreneurship (Collier, 2007). The ILO does not want any existing problems to become worse, so we call for urgent attention between member states to solve this issue.

The regulatory burdens and bureaucratic hurdles hindering entrepreneurship often connect/come from a lack of effective governance structures and institutional capacity. In many developing nations, weak rule of law, and corruption create an environment hostile to business development and investment (Kaufmann, Kraay, & Mastruzzi, 2009).

Additionally, the absence of comprehensive policies and programs to promote entrepreneurship and provide support to aspiring entrepreneurs exacerbates these challenges (De Soto, 2000).

High levels of unemployment and informal self-employment are often rooted in broader economic issues such as underemployment, poverty, and income inequality. Structural factors, including limited access to quality education and vocational training, contribute to a mismatch between skills and job opportunities, forcing many individuals to resort to informal and precarious forms of self-employment (World Bank, 2019).

The problem of limited access to capital, inadequate infrastructure, regulatory burdens, and high unemployment has persisted over time, with varying degrees of improvement or exacerbation depending on the specific context of each country. While some developing nations have made significant strides in addressing these challenges through policy reforms, investment in infrastructure, and capacity-building initiatives, others continue to struggle due to ongoing conflicts, political instability, and economic crises (World Economic Forum, 2020).

In conclusion, the challenges facing entrepreneurship and self-employment in developing nations have deep historical roots and are shaped by a complex interplay of political, economic, and social factors. While progress has been made in some areas, the persistence of these challenges underscores the need for sustained efforts to promote inclusive and sustainable economic development.



Any Previous Attempts:

- **Policy Reforms:** Many developing nations have implemented policy reforms that would, furthermore, streamline the regulatory processes, ultimately creating a more business-friendly environment. For example, reforms to simplify business registration procedures, facilitate access to finance, and strengthen property rights have been pursued in countries such as Rwanda and Georgia, leading to improvements in the ease of doing business (World Bank Group, 2020). For example, Rwanda's "Doing Business Reforms" initiative focused on simplifying business registration procedures, facilitating access to finance, and strengthening property rights, resulting in significant improvements in the ease of doing business (World Bank Group, 2020). Similarly, Georgia's "Economic Liberty Act" introduced measures to reduce government intervention in the economy, streamline regulations, and enhance transparency, leading to notable improvements in the business environment and economic competitiveness (World Bank Group, 2020).
- **Capacity Building and Education:** Efforts to enhance entrepreneurial skills and knowledge through education and training programs have been widely used around the world in developing countries. These initiatives aim to equip individuals with the necessary tools and resources to start and grow businesses successfully. Examples include entrepreneurship education in schools, vocational training programs, and business incubators and accelerators that provide mentorship and support to aspiring entrepreneurs (GEM Global Report, 2020).
- **Access to Finance:** Access to finance remains a critical barrier for many entrepreneurs in developing nations. Various interventions have been employed to improve access to capital, including microfinance initiatives, venture capital funds, and government-backed loan programs targeted at small and medium-sized enterprises (SMEs). Additionally, efforts to promote financial inclusion through mobile banking and digital payment systems have expanded access to financial services for underserved populations (World Bank, 2021).
- **Infrastructure Development:** Investments in infrastructure development, including transportation networks, energy systems, and digital infrastructure, are essential for creating an enabling environment for entrepreneurship. Improved infrastructure enhances market access, reduces transaction costs, and facilitates the movement of goods and services, thereby supporting business growth and expansion (Asian Development Bank, 2020).
- **Support for Women and Youth Entrepreneurs:** Recognizing the importance of empowering women and youth as drivers of economic growth, many initiatives focus on providing targeted support to these demographic groups. Programs aimed at increasing access to finance, entrepreneurship training, and mentorship opportunities for women and youth entrepreneurs have been implemented to overcome barriers such as gender-based discrimination and limited access to resources (UN Women, 2019).



Media Contribution

The public's views about encouraging self-employment and entrepreneurship in developing countries are mixed. Although the potential advantages of entrepreneurship in promoting economic growth, generating employment opportunities, and lowering poverty are widely accepted, opinions on the most effective ways to accomplish these objectives may differ greatly. A portion of the public that focuses on the value of deregulation, privatization, and free enterprise in promoting entrepreneurship may be an advocate for market-oriented solutions. Others might place a higher priority on government assistance and intervention, advocating for measures like focused subsidies, lending availability, and investments in infrastructure and education to foster an atmosphere that is supportive of entrepreneurship.



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