

Entrepreneurship as Indicator of the Developing World

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Abstract

The United Nations General Assembly highlighted the value of entrepreneurship to sustainable development in its resolution 69/210 on the topic, which was passed on December 19, 2014. The impact is felt in the form of improved social circumstances, less environmental damage, and more employment opportunities. With assistance from the "United Nations Department of Economic and Social Affairs, the United Nations Conference on Trade and Development" (UNCTAD) examined the role of entrepreneurship within the context of a Sustainable Development Agenda for 2030, reviewed the progress made in entrepreneurship development, and recognized industry standards and metrics to intend to offer at the national, regional, and global level.. It addresses the need for all-inclusive and comparable data for tracking the establishment of indicators to measure the performance of entrepreneurship policies and tracking their implementation. This research explores the link between business and the goals of sustainable development and provides examples of the new landscape for promoting entrepreneurship created by the 2030 Agenda.

Keywords: United Nations, UNCTAD, Department of Economics and Social Affairs, Agenda, Sustainable Development, Entrepreneurship, Development Goals.

Introduction

The 2030 Agenda for sustainable development

The United Nations General Assembly's adoption of the Agenda for Sustainable Development for 2030 and its 17 Sustainable Development Goals in resolution 70/1 constitutes a call to action for governments and other parties throughout the globe. Governments and their partners, such as corporations and international development agencies, are rethinking and realigning policies, programmes, and services to accomplish the SDGs. More and more people in the business world see themselves as invested parties in their successful implementation. Goal 17 in particular offers the development community a great chance to work with non-State players like the commercial sector by reviving the Integrated for Sustainable Development.

Target 4 of the Sustainability Development Goals is to ensure that everyone may participate in and benefit from a high-quality education at any point in their life, while Goal 8 of the SDGs calls for "strong, sustainable, and inclusive economies that provide decent work for all" (Goal 8). Business owners and the private sector as a whole now have a road map for how they can help advance goals

like inclusive growth and long-term sustainability. Several additional M&Os may be advanced by adopting an entrepreneurial mindset. Here, we provide four theme groups that illustrate the connections between entrepreneurship and the SDGs.

Entrepreneurship and the Sustainable Development Goals:

Economic expansion and diversity may both benefit from entrepreneurial efforts. It promotes industrialisation and the reorganization of economic systems, which in turn benefits society as a whole. Entrepreneurs play a crucial role in advancing the global sustainable development agenda by reshaping the economy via the creation and expansion of businesses. Sustainable economic development is described in Objective 8. Full and productive employment, as well as respectable work for everybody, is what this term alludes to. One of the goals is to ensure that by 2030, all women and men, regardless of age or ability, are able to get gainful employment and earn a living wage for their efforts (target 8.5).

“Construction of resilient infrastructure, encouragement of inclusive and environmentally sound industrialisation, and encouragement of creative problem solving all fall under Aim 9. Policies aimed at industrialization will increase access for small-scale industrial and other enterprises, particularly in developing countries, and substantially raise the industry's contribution to employment and GDP, in line with national circumstances, and the double its proportion in least developed countries” (target 9.2).

The global development agenda seeks to increase economic productivity via diversification, technical upgrading, and innovation, and boost GDP growth in the world's least developed nations by at least 7% annually. As part of their efforts to foster development, governments are urged to enact laws that stimulate the formalization and expansion of informal firms as well as increased access to financial services.

Goal 10 seeks to reduce inequality within and between countries by empowering and promoting the social, economic, and political participation of all people, regardless of age, gender, disability, race, ethnicity, religion, or socioeconomic status.

Access to justice for all and the development of competent, responsible, and inclusive institutions at all levels contribute to more peaceful and inclusive communities, which is the ultimate aim of Goal 16. Promoting entrepreneurship among the world's most marginalized communities may have a substantial impact on fulfilling the global sustainable development agenda's goals.

Under the framework of the Sustainable Development Goals' drive for economic and financial inclusion, specific measures have been developed to enhance women's empowerment. Guaranteeing women and girls equitable access to and control over economic resources including land, property, money, and inheritance is vital to achieving gender parity and empowering women and girls, as outlined in Goal 5.

In order to end hunger, guarantee food security, and improve nutrition, Goal 2 is to double the agricultural output and earnings of small-scale food producers by 2030. Women are singled out as a

particularly important demographic for this work. This means that encouraging female entrepreneurs is a crucial tactic for realizing the SDGs.

Goal 7 addresses providing universal access to modern, cheap, and sustainable forms of energy. It aims to double the worldwide pace of progress in energy efficiency by 2030, and significantly increase the amount of renewable energy in the global energy mix. Target 12 aims to promote environmental sustainability via waste avoidance, reduction, recycling, and reuse by encouraging sustainable consumption and production habits. It promotes environmentally friendly operations by include sustainability data in annual reports.

Entrepreneurs may influence consumer behavior and spread the word about cutting-edge technologies that might slow global warming. The expansion of ecotourism and other green sectors is also a goal of the Goals. Governments' efforts to fulfill their commitments under the UN Framework Convention on Climate Change may be aided by policies that encourage business owners to seize opportunities to manufacture and offer clean and environmental products and services.

Workable models of social entrepreneurship – International Expertise:

The UN Industrial Development Organization (UNIDO) advocates for methods that benefit everyone. Sustainable job creation and rising prosperity can be attained only by those economies that are able to structurally transform and industrialize. To ensure that developing countries' efforts are both long-lasting and inclusive, UNIDO has incorporated a social equity dimension, providing them with technical assistance and guidance.

Bringing together economic and social development, the private sector is actively contributing to the production of shared value. Sustainable development difficulties may be addressed, for instance, by the efforts of social entrepreneurs who aim to lessen social disparities and strengthen social bonds. As a way to include the public and commercial sectors and civil society in responding to new social concerns, several ASEAN countries have embraced the idea of social entrepreneurship.

Women make about 40% of the global labor force and operate between 35% and 25% of the world's businesses. “Self-employment is a major source of income for many women in developing countries. Initiatives aimed at promoting women’s entrepreneurship include” the following:

- a) International Labour Organization (ILO): “Women’s Entrepreneurship Development Programme: entrepreneurship training and follow-up support, combining regular business management training with gender-specific curricula through the Gender + Entrepreneurship Together (GET) Ahead for Women in Enterprise training package and resource kit”.
- b) The Empretec Women in Business Awards: “Established in 2008 and supported by UNCTAD, the biennial awards programme raises awareness of the economic gender gap and has made a significant impact on the lives of recipients”
- c) International Trade Centre (ITC) “a web and mobile application that will help women entrepreneurs from across the world to connect to markets; part of a wider ITC initiative to connect one million women entrepreneurs to markets by 2020.”

- d) UNIDO: “capacity-building for women as drivers of poverty reduction, promotion of female investors and entrepreneurs, and recognition of the link between gender equality and safeguarding the environment to promote inclusive and sustainable industrialization”

Other initiatives targeting young entrepreneurs:

- a) The "Policy handbook on youth entrepreneurship" (UNCTAD/DIAE/ED/2015/1) was created by UNCTAD and the Commonwealth to assist policymakers in developing successful youth entrepreneurship initiatives.
- b) “Global Initiative for Decent Jobs for Youth (2016) will be coordinated by ILO in conjunction with Governments to coordinate employment and economic policies for job creation and social inclusion and to preserve labor rights to guarantee that young people are treated fairly.”
- c) “With a budget of \$35 million over five years, the United Nations Development Programme's (UNDP) first Youth Global Programme for Sustainable Development and Peace (Youth-GPS | 2016-2020) focuses on youth empowerment to better address the needs of young people around the world and accelerate the implementation of the UNDP's Youth Strategy, 2014-2017.”
- d) “In order to effectively integrate financial inclusion, financial capacities, entrepreneurial competences, and the promotion of economic citizenship, Child and Youth Finance International advocates for the empowerment and provision of the necessary skills and resources for educators.”
- e) As part of its youth employment package, the European Union (EU) developed the youth guarantee in 2013 to increase access to start-up assistance services for young people. Incentives for young entrepreneurs to get their businesses off the ground are a common theme across the member states' proposals to execute the national youth guarantee.
- f) Connecting young business owners with global markets, the ITC trade accelerator provides a variety of services to support youth-owned startups engaged in international commerce.

International Experience on National Entrepreneurship Strategy

- a) “Between 2013 and 2015, several nations, notably Brazil, Cameroon, , Dominican Republic, Ecuador, Gambia, Ghana, Nigeria, Panama, United Republic of Tanzania, and Zimbabwe, developed and implemented national policy frameworks to encourage entrepreneurship.”
- b) “The African Union is working on a plan to stimulate business creation and economic growth. Its strategy and work programme (2016-2020) on promoting and developing small and medium-sized enterprises aims to reduce poverty and foster social inclusion through the integration of African micro-, small- and medium-sized enterprises into regional and global value chains, thereby creating jobs and promoting intraregional and intra-African trade.”
- c) “The Central American Integration System (SICA) and the regional Foundation to Promote the Competitiveness of Micro and Small Enterprise in Central America (CENPROMYPE) have established a common goal by adopting the SICA Emprende strategy, which recognizes entrepreneurship as a key driver of economic development in the region. Its main purpose is to

bring together and coordinate all relevant regional parties in order to construct national ecosystems.”

- d) UNCTAD's Entrepreneurship Policy Framework was applied with minor alterations in a number of African and Latin American nations (see box). Most consultations on the topic of entrepreneurship were started by national governments via national conferences, regional seminars, benchmarking exercises, and review procedures involving various stakeholders. Trust was established, and shared objectives were established, via open communication between government and business representatives.

Regulatory Frameworks

- a) To fully realize the benefits of entrepreneurship, a conducive regulatory framework must be established. Governments may prevent policy uncertainty, excessive regulation and taxes, unfair competition, and corrupt practices from stifling markets and entrepreneurial activity by altering their policies, laws, and regulations.
- b) In the recent decade, several countries have made it easier to register a business. There is now less red tape and fewer steps required to launch a new company. Other administrative processes, such as the time needed to file taxes, need ongoing efforts to streamline and simplify.
- c) The United Nations is backing initiatives to standardize corporate procedures. The difficulty in collecting taxes due to widespread informality restrains economic expansion.
- d) In October 2014, UNCTAD, the Kauffman Foundation's Global Entrepreneurship Network, and the United States Department of State launched the Global Business Registration platform. Its primary goal is to streamline the procedure of registering a company anywhere in the globe. In 2015, 126 countries provided online information portals and 28 nations had single window and electronic registration systems. As part of the "Go Green by 2019" initiative, governments are being urged to streamline and simplify all administrative procedures in preparation for that year.
- e) Good quality and well-designed rules are highlighted as crucial by the World Bank's Global Indicators of Regulatory Governance database. There is a correlation between improved regulatory quality and efficiency and more openness and consultation throughout the rulemaking process.

Innovative International initiatives:

- a) By establishing commercial arbitration and conciliation processes, the United Nations Commission on International Trade Law (UNCITRAL) makes it easier for micro, small, and medium-sized companies (SMEs) in developing countries to take part in public procurement (see A/68/17, para. 321).
- b) Since 2011, the International Labor Organization's (ILO) "Enabling Environment for Sustainable Businesses" 23 tool has been implemented in around 30 developing nations. The Honduran government abolished the need for new firms to hire notarial services during the registration

process, saving an estimated \$5 million per year and prompting thousands of previously unrecognized companies to come out of the shadows and into the light.

- c) Using its Competitive Industrial Performance index, UNIDO evaluates and compares the competitiveness of various industries. Moreover, the UNIDO Center for Capacity Development facilitates industrial policy processes and offers training courses relevant to policymaking. 24 The group also works with governments to set up localized one-stop shops and electronic market places like the Entrepreneurs Gateway.

Entrepreneurship Policies

Policymakers have traditionally gauged entrepreneurial activity by metrics like the self-employment rate, the firm ownership rate, and the pace at which new businesses are started. We also need to include more qualitative metrics.

Below are some of the most important projects designed to quantify entrepreneurial activity:

The drivers (that is, policy actions), entrepreneurial performance (that is, policy aims), and impact indicators (that is, policy objectives) are all reported on in the OECD-Eurostat Entrepreneurship Indicators Project. Opportunities, skilled people, resources, legal framework, and culture are the five primary factors proposed by the OECD as drivers of entrepreneurial activity.

Policymakers and regulators may use the World Bank's Impact Assessment Framework to find the best methods for assessing the success of their micro, small, and medium-sized business financial policies and initiatives.

Using 13 basic indicators, the OECD scoreboard on SME financing analyzes the financing landscape for SMEs and entrepreneurs to determine whether their requirements are being addressed and to direct the development and assessment of policy initiatives.

The UNCTAD Entrepreneurship Policy Framework, in addition to the activities mentioned in paragraph 56, offers a framework and the methodology for analyzing entrepreneurship policies in a country, therefore allowing for the identification of gaps and the tracking of progress over time. Twenty-three indicators covering the six Framework domains are included. The Framework incorporates the active engagement of all main national stakeholders with a guided self-assessment mechanism. UNCTAD has created an accessible statistical model and set of indicators based on the Framework to provide score for its various parts. Although the aforementioned efforts have shown positive results, policymakers in developing countries still require international direction and clarity on fundamental measures to track trends and evaluate the efficacy of entrepreneurship programs. The OECD, the Kauffman Foundation, and the UNCTAD have collaborated to provide recommendations in this area.

Conclusion

To better support certain kinds of enterprises, such as high tech start-ups, and associated activities, it may be useful to evaluate the impact of entrepreneurship for growth in the economy, structural change, and diversity. These policies might target particular environments, like rural development

and improving agricultural production, or on specific groups, like female empowerment or green entrepreneurship, to promote equity and gender balance or to influence production and consumption patterns in society. Effective and simple solutions may be created in a variety of sectors, including public utilities, education, healthcare, the ecology, and pro-poor marketing strategies. Even though there is still a need to expedite the execution of communication and strength infrastructures in many developing countries, the potential of new businesses, the productivity of submicron, micro, and medium - sized enterprises, and the advancement of networks as well as sale channels, such as e-commerce, are all currently on the rise.

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