



The ILO's Approach of Entrepreneurship Development

José Manuel Salazar-Xirinachs
Assistant Director General for Policy

26 June 2013, New York



ILO enterprise development and entrepreneurship



- 1) Enterprise development is one of the pillars of ILO approach to productive employment and decent work
- 2) The ILO approach was negotiated by Governments, Employers and Workers in 2007: «*Promotion of Sustainable Enterprises*», 2 areas:
 - ▣ Enabling Environment:
 - Sound and stable macroeconomic policy, Good regulations, quality infrastructure
 - Rule of law and secure property rights, access to finance, good education & training
 - A sound entrepreneurial culture, , responsible stewardship of the environment, etc
 - ▣ Responsible Enterprises: good industrial relations & working conditions, CSR, etc
- 3) ILO is one of the largest global providers of entrepreneurship training.

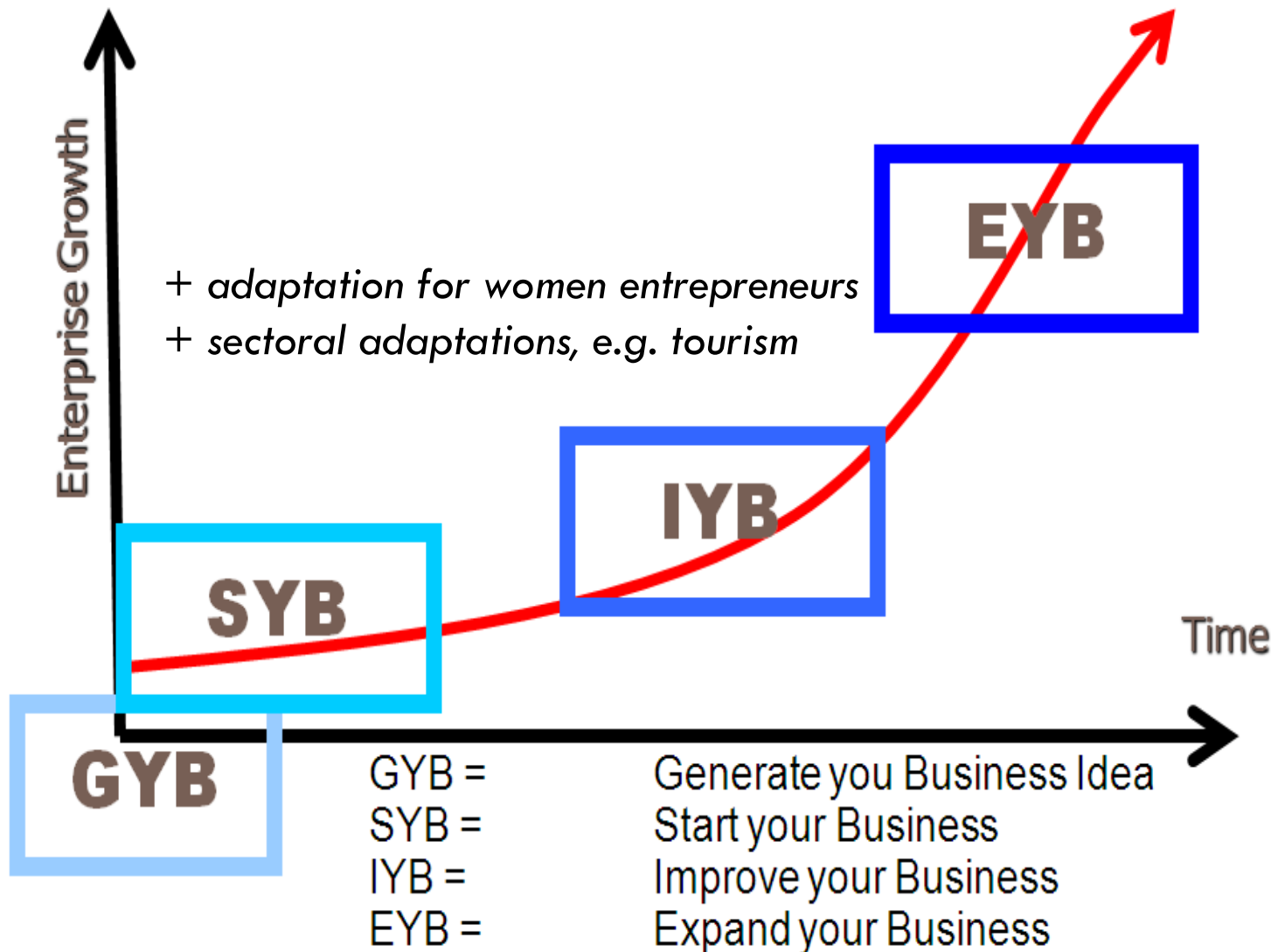


Entrepreneurial culture:

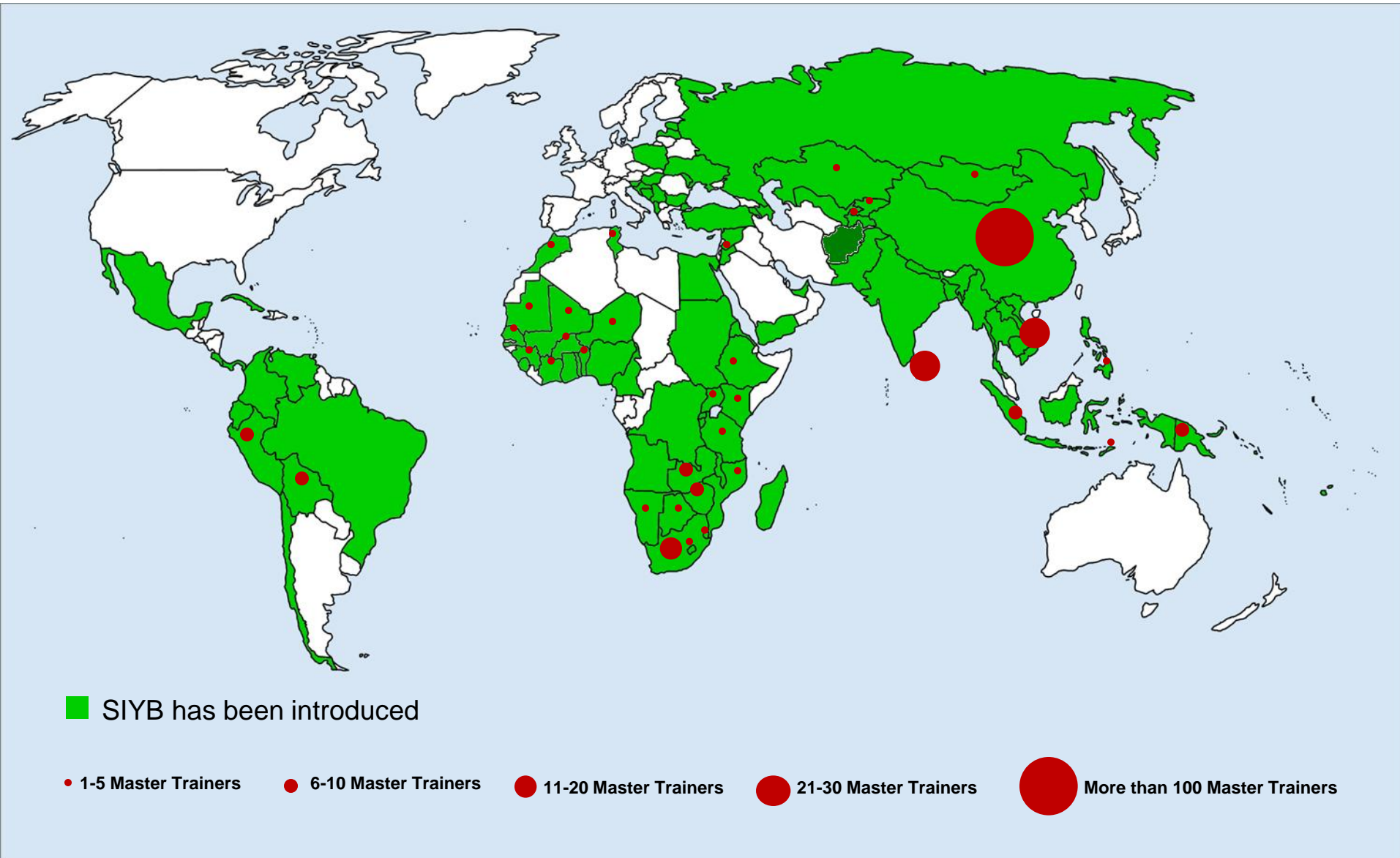
«Governmental and societal recognition of the key role of enterprises in development and strong support, both public and private, to entrepreneurship, innovation, creativity and the concept of mentorship, particularly for start-ups, small enterprises and targeted groups such as women and youth, are important determinants of a conducive business environment. Respect for workers rights should be embedded in programmes targeting entrepreneurial culture.»

From Conclusions Concerning the Promotion of Sustainable Enterprises, 2007

Start and Improve Your Business: Training for different levels of business maturity



Start and Improve Your Business (SIYB): Outreach



SIYB: Decentralized Delivery



100 Countries

200+ accredited Master Trainers

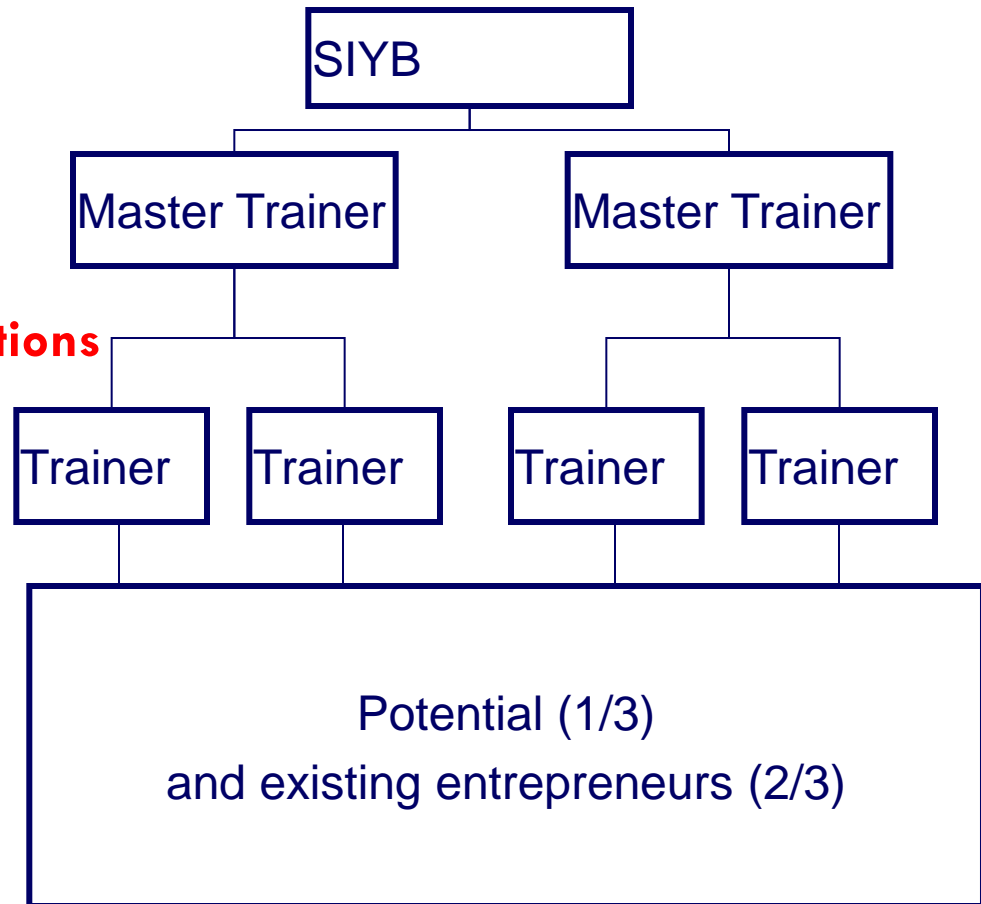
2500+ Partner Organizations

17000 Trainers

4 500 000 clients

500 000 start-ups

2 700 000 jobs





New paradigm:

- Entrepreneurship is one of the great management revolutions of the past 30 years, undermining the logic of the old industrial corporation and putting the focus of innovation and growth on the start ups, science-parks, incubators, accelerators, etc. (Adrian Wooldridge: Masters of Management, 2011)
- Shift from managerial to entrepreneurial capitalism in the US... (W. Baumol, R. Litan, C. Schram: Good Capitalism, Bad Capitalism, 2007).
- Global Entrepreneurship Monitor
- Start-Up Nation: The Story of Israel's Economic Miracle, (D. Senor & S. Singer, 2009)

CAN POLICY PROMOTE ENTREPRENEURSHIP, AND IF SO HOW?

Does it work? – Yes, it can work



- 1/3 of all impact assessments in developing countries show positive results on income generation and job creation (OECD benchmark 40%)
- Benefits of ILO's SIYB training in Ghana exceed cost of delivery by 18 times

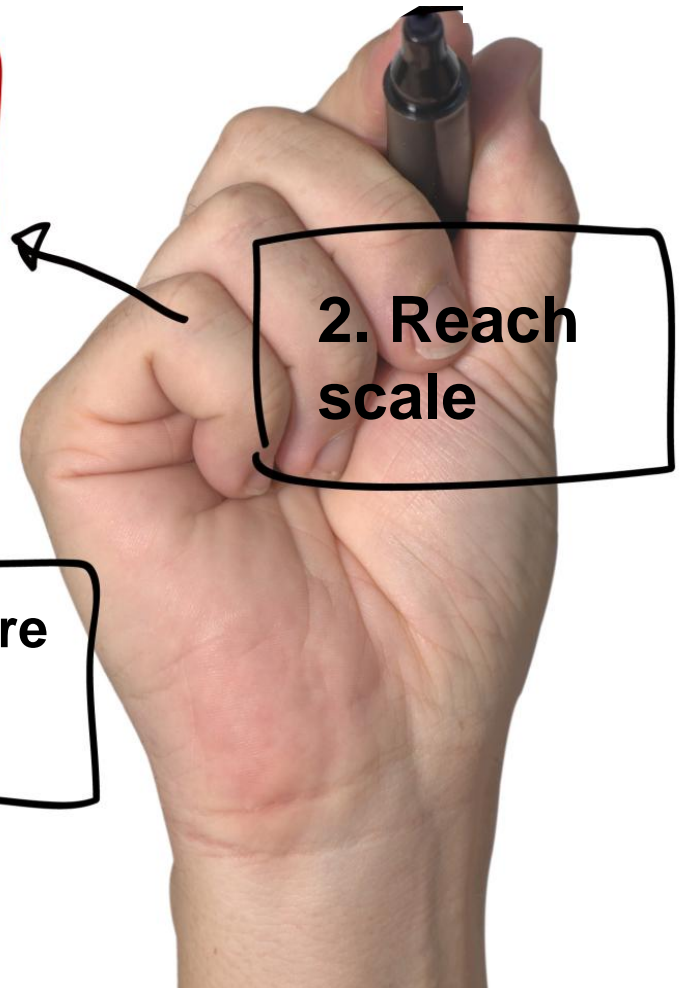
1. Create a proper ecosystem



How to design effective interventions?



3. Create more evidence on what works



2. Reach scale

How to reach scale (1): Retraining unemployed in China



Background:

- Training 4 million workers laid-off from state owned companies and rural-urban migrants

SIYB China since 2004:

- More than 4 million people were trained
- Very high start up rate (80%, international benchmark: 50%)
- Mass-media use as dissemination channel for migrant workers: telenovela "My future is not a dream"



How to reach Scale (2): The 1 Million Farmers Programme in Vietnam



Background:

- Delivering training on basic business skills to 1 million farmers and rural workers yearly on request of Vietnam Ministry of Labour

Process of SIYB Adaptation 2012-13:

- Materials adaptation and translation (ILO)
- Master Trainer & Trainer development (ILO and Vietnam)
- Monitoring system development (ILO)
- Roll out in 800 vocational training schools (Vietnam)

Key Targets for 2013 :

- 16 Master Trainers and 800 Trainers
- 300,000- 600,000 farmers trained in 2013 (*to be replicated and up scaled during next 7 years; up to 1 mill. per year*)