

► Concept Note

Conclave on Promotion of Sustainable Enterprises for Local Development

New Delhi | Friday, 24 November 2023 | 9:30 hrs IST

► Background

Micro, Small and medium enterprises (MSMEs) are vital to achieving productive employment and decent work. They account for two-thirds of all jobs globally and create the majority of new jobs. However, the sector also faces major challenges when it comes to working conditions, productivity and informality.

Evidence from countries with successful growth transition models demonstrate facilitating participation of small enterprises in global value chains in segments of comparative advantage, economic diversification, and linkages between foreign and domestic investors and the local enterprises, have been at the core of their strategy. This has catalyzed absorption of foreign technology and know-how, promotion and nurturing of new generation entrepreneurs, and supporting small enterprises to internalize global best practices, and strengthen compliance with international quality, labour and environmental standards, for sustaining competitiveness.

Small enterprise development is at the heart of the ILO Decent Work Agenda, which hinges on job creation, rights at work, social protection and social dialogue. It links with the Sustainable Development Goals, which put decent jobs at the centre of economic policy-making and development.

In India, ILO through its Korea International Cooperation Agency (KOICA) funded initiative 'Promoting Sustainable Enterprises in India (PSEI)' is facilitating market systems approach with the aim to support small enterprises to integrate into domestic and global value chains towards local economic development and creation of more and better-quality jobs. It promotes enabling policy environment, entrepreneurship development, formalization of enterprises, and improvement in MSME productivity and working conditions in the State of Andhra Pradesh and Odisha, with particular focus on the sectors – Food processing, garments, and textiles.

While it is unlikely that all MSMEs can integrate into global and domestic value chains, substantial scope exists. In forging such linkages, the constraints confronting the MSMEs and start-ups requires coherent and innovative solutions which builds upon the foundation of multi-stakeholder dialogue, knowledge building, and collaboration among countries, including North-South and South-South cooperation.

To advance this, the ILO in partnership with the Ministry of Micro, Small and Medium Enterprises (MoMSME) is organising a 1-day conclave on "Promotion of Sustainable Enterprises for Local Development". The conclave aims to bring together

policymakers, industry leaders, entrepreneurs, and other stakeholders from India and other emerging economies to deliberate on strategies for inclusive local development, and the promotion of market responsive MSME ecosystem. The programme also brings in a dedicated session on India-Korea bilateral cooperation in promoting MSME development including with highlights from PSEI initiative and a sector-specific session on industry linkages

in garments and textiles sector. The sectoral session which is curated jointly with the Confederation of Indian Textile Industry (CITI), will provide industry perspective in particular, linkages between MSMEs and large enterprises/ brands. The event will also provide opportunity for networking and dialogue with relevant market players, and learn from the experiences of policy makers and practitioners of selected countries.

► Key objectives

- 1) Deliberate on the unique challenges faced by MSMEs and start-ups in sustaining competitiveness responsibly and identify effective strategies to overcome these and make them future ready.
- 2) Foster discussion and exchange of innovative approaches on formalization of enterprises, entrepreneurship, value chain and cluster or sectoral development models to achieve twin objective of inclusive growth and Decent Work for All
- 3) Identify policy measures, FDI and investment strategies, regulatory frameworks, and partnerships that can create a conducive environment for promotion of sustainable enterprises and green transition.
- 4) Facilitate networking opportunities among participants, allowing for collaborations and partnerships and enhance South-South and North-South Cooperation.

► Target Audience

- 1) Policy makers and government officials from Bangladesh, Indonesia, India, Vietnam, Korea, and South Africa
- 2) Representatives from workers and employers organisations in India
- 3) MSMEs, entrepreneurs, start-ups
- 4) Sectoral, cluster and state-level industry association
- 5) Corporate leaders
- 6) Local institutions executing government policies and programmes