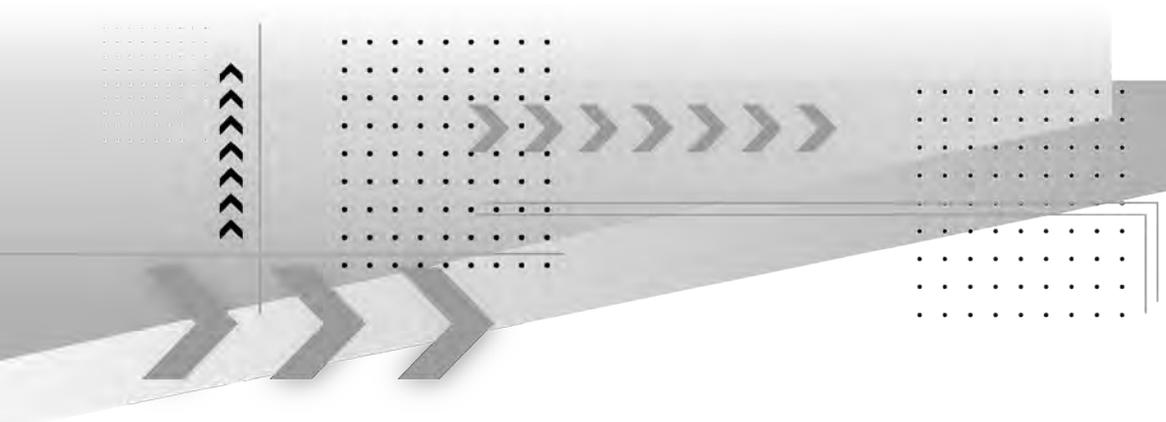


ICSB Annual Global Micro-, Small and Medium-Sized Enterprises Report

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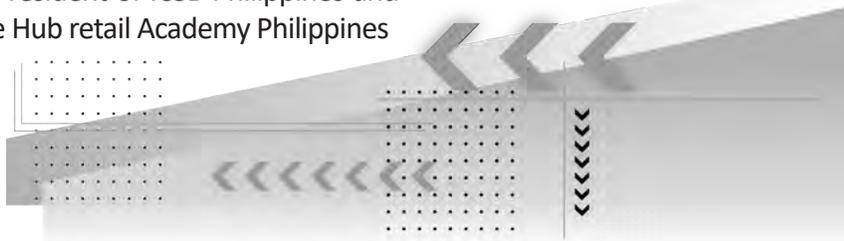
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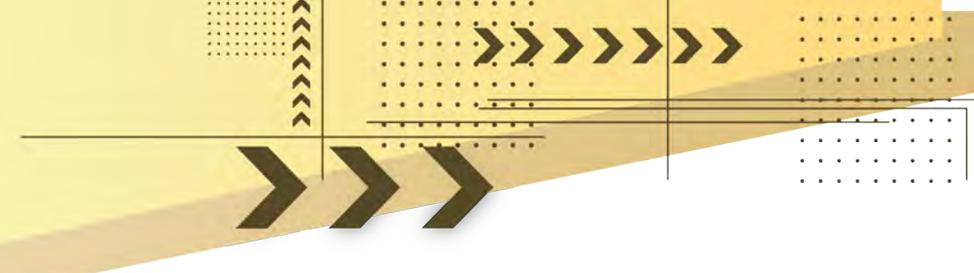
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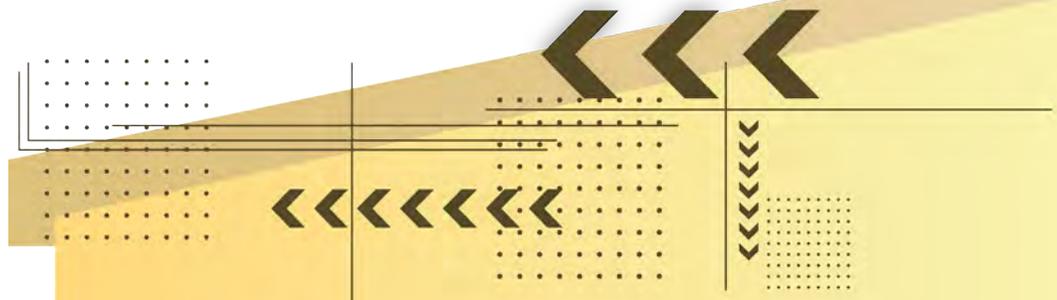
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INTRODUCTION

Establishing Honor for Micro Small and Medium-sized Enterprises (MSMEs)

The Creation of the United Nations Day | June 27

Article by: Dr. Ayman ElTarabishy, President & CEO, ICSB

The 2016 61st World Congress at the United Nations, held in New York City, marked an extraordinary event. It was there that the International Council for Small Business (ICSB) created a business panel made up of seven small business government ministers from six different continents who represented billions of people around the globe. This inaugural event welcomed by the United Nations ECOSOC Council under its leadership of Ambassador Oh Joon for ICSB was co-chaired by the Honorable Maria Contreras-Sweet, Administrator, United States Small Business Administration (SBA), and the Honorable Dr. Young-Sup Joo, Administrator, Republic of Korea, Small and Medium Business Administration (SMBA). Speakers from around the world were asked to share their understanding of the obstacles and challenges that entrepreneurs and small business owners face in their respective countries.

Moderated by Dr. Winslow Sargeant, 6th Chief Counsel of the the United States Small Business Office of Advocacy, requested that each panelist provide examples of the best practices from their nations, in addition to the strategies used to support and promote

small and medium enterprises (SMEs) through the most effective initiatives. This culmination of perspectives was the recognition that supports for micro, small, and medium enterprises (MSMEs) must be elevated to higher levels.

Reading the following proclamation, Dr. Ayman El Tarabishy voiced ICSB's dream for MSMEs: ***"Seeing the need for broad SMEs support, ICSB calls on the United Nations to establish a dedicated name day for small and medium enterprises."*** Enthusiastically welcomed by the panelists and conference attendees, the proclamation was met with wide acclaim, and the journey to establish such a name day finally began.

In the months that followed, Dr. El Tarabishy deployed "shuttle" diplomacy to create a template that would serve as a starting point for discussion with member states in the UN General Assembly. Leading the proposal and negotiations was the Permanent Mission of Argentina to the United Nations, alongside all UN country members. On April 6, 2017, the UN General Assembly adopted the resolution announcing June 27 as "Micro, Small and Medium-sized Enterprises Day" or

“MSMEs Day.” Shortly after that, on May 11, 2017, ICSB hosted the MSMEs Knowledge Summit in the United Nations’ Economic and Social Council Chamber that created the basis for MSMEs Day. This summit was co-chaired by the Honorable Linda McMahon, Administrator, United States Small Business Administration (SBA), Honorable Mariano Mayer, National Secretary of Entrepreneurs and SMEs, Government of Argentina.

The first-ever MSMEs Day celebration was held in collaboration with the ICSB 62nd World Congress on June 27, 2017, in Buenos Aires, fitting as Argentina proudly led establishment processes for the name day. Despite this strong showing of support from an international panel of governments, MSMEs are still in need of much political and regulatory help to enhance their narrative and support their establishment of entrepreneurial pursuits. The principles and best practices for MSMEs must be created in a way informed by the MSMEs themselves. Additionally, the purpose of entrepreneurship and the advancement of small businesses must be independent of administration and organization.

On May 12, 2018, ICSB gathered governmental and academic leaders, entrepreneurs, small business owners, and advocates to convene at the United Nations to discuss future supportive measures necessary for the healthy and sustainable growth of MSMEs. MSMEs continue to be vital to the development of the world and the 2030 UN Sustainable Development Goals (SDGs). This report is the continuation of the ICSB’s MSMEs Forum and directs its objective to bring all stakeholders and partners together in one place, with one mission and one focus: to promote MSMEs better.

Today

For MSMEs, the critical events of 2020 initiated a period of perseverance, resilience, and innovation. As businesses

have continued to heal from the effects of the pandemic, ICSB has noticed a shift towards solutions-oriented thinking. They were maintaining revenue in times of great distress required creative thinking to make returns. The year 2020 also marked a global awakening to societal wrongs such as racial injustice, climate change, and income inequality.

Addressing these issues requires businesses to orient towards models that lead humanity forward. By operating under practices of human-centered entrepreneurship, companies are promoting humanity and the achievement of the United Nations Sustainable Development Goals. It is in working together; we can all create impactful change that benefits society and the planet.

In the following pages of this report, you will be exposed to the submitted papers made by many countries, institutions, organizations, and individuals, which will complete a collaborative and complete record of the current status of MSMEs. This specific alliance amongst MSME supporters worldwide acts as part of the observation of MSMEs Day. ICSB intends to continue its publication of this report as a tradition every June 27. Each submitted report is under 2500 words and written in a colloquial tone to be accessible to all. It is important to note that no country, institution, or expert was paid a fee for their efforts.

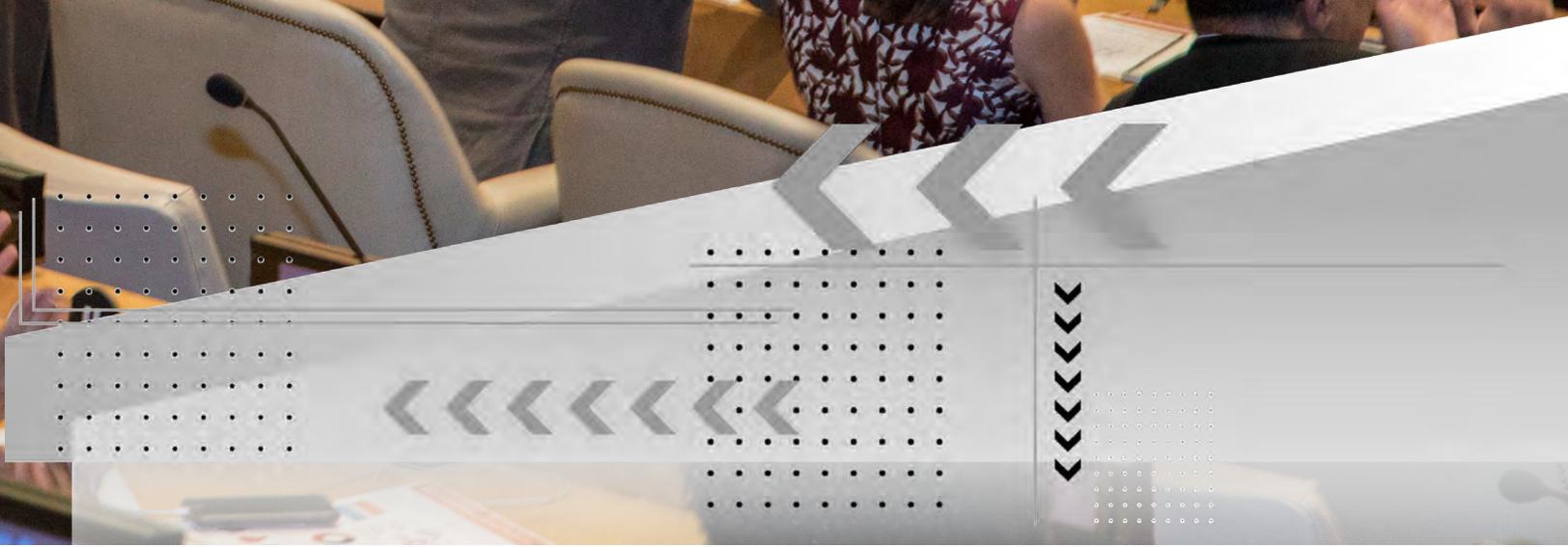
This comprehensive report seeks to amplify the essential findings and events of this year in history for MSMEs. It is the hope that you will read this report with an open mind and a clear spirit to allow this information to challenge your preconceived ideas about MSMEs around the world. In reading these reports, how do you feel? You might ask yourself, “Given this information, what can I do next?”

ICSB and MSMEs around the globe appreciate your support.









The Top 10 Micro, Small, and Medium Enterprises Trends for 2022

Written by: President & CEO of the International Council for Small Business; Deputy Chair of the George Washington University School of Business, Department of Management



Micro, Small, and Medium-Sized Enterprises Established as the Core Engine for Growth and Optimism throughout the Global Economy

The dawn of 2022 finds the world in a state of a new tension and uncertainty with new Covid-19 variants. The consequences of the COVID-19 pandemic have been unrelentless and catastrophic for many businesses and entrepreneurs around the world. Governments are looking to each other as well as the private sector to forge new solutions to the problems facing us in these volatile times. Resilience has been the most popular theme for 2021.

Although the past 12 months have challenged all of us in the business world, we still believe that MSMEs and other forms of sustainable, humane entrepreneurship provide the best framework for a quick and

explosive recovery. MSMEs are the most flexible, and the most in touch with their local communities. This allows them to extend the principles of frugal innovation further and expands the possibility of what this recovery can look like.

Although the pandemic has altered much of our previous expectations of 2021, there are still many positives and plenty of opportunities for businesses to take advantage of during these times. Looking forward to 2022, there are numerous trends that offer glimpses of solutions for those that are bold and innovative enough to take them. Here are ICSB's top trends for 2022.

10

Number Ten Trend

ARTS; THE SOUL OF OUR WORLD

The inward reflection that stemmed from the COVID-19 pandemic demonstrated that the world must not forget the central role that the arts have had and continue to have in our lives. As lockdown orders cemented, families and individuals realized the importance of incorporating art and creativity. By redecorating your home, creating a new business idea, or playing an instrument, entrepreneurs everywhere welcome the unique opportunity that the arts give us.

Not only should entrepreneurs be looking to the arts for growing opportunities for collaboration, but our need for creative inspiration highlights a missing piece in many of our entrepreneurship education programs. By restructuring how we look at the interaction between the arts and entrepreneurship, we will create products and services that feed an essential need for all communities, both local and global. Art accessibility will become an even greater topic of interest as we situate ourselves in the post-COVID-19 world.

9

Number Nine Trend

EMBRACING AGILITY

SMEs should champion agility not only in business manufacturing and operations goals but also in their business mindset. The pandemic has reframed our existing models and routines. Therefore, SMEs should refrain from restricting themselves to the previous traditional status quo and embrace agility to exhibit fluidity as a small business.

Business operations have found themselves comfortable aiming for short-term financial highs and the quickest return. SMEs should understand questioning the status quo requires a different approach and needs its respective time. Doing what is good is not always easy, but staying within what is comfortable and copying from the past is. SMEs should find comfort in being uncomfortable, to speak a movement when others are stagnant to a past perspective.

8

Number Eight Trend

ARTS THE SOUL OF OUR WORLD

Consumers now choose how to spend their money. As a result, there is a strong alignment towards meaningful experiences and coincides with their existing values. A purchase signifies merging one's values with the brand from a consumer's perspective. Therefore, SMEs should effectively communicate their brand values in new and existing touchpoints to reach their consumer base and employees.

There has been a mindful perspective towards shopping local and supporting small businesses throughout communities recovering from the pandemic. In addition, consumers have showcased a level of consideration to further expand their purchasing power past high-end brands and fast-consumption business models to engage in intelligent buying behavior that in turn aids in rebuilding their local economies

7

Number Seven Trend

THE EVOLUTION OF WOMENPRENEURS

Women have consistently met challenges with creative, quick thinking, often prioritizing sustainable, community-driven solutions. These are precisely the values and experiences businesses need to build and grow. Simply put, woman-run enterprises are one of the top growing economies in an ecosystem looking for new growth opportunities. Therefore, all women must have access to solutions that increase their participation.

Women make up the bulk of small business employees and have succeeded at creating a robust, innovative, and crucial small business ecosystem despite historical and current challenges to their participation in the business world. Realistic, concrete solutions to the challenges that enable women to transform the business world positively exist.

6

Number Six Trend

DECENTRALIZED FINANCE (DeFi) AND SMEs

Funding holds a significant purpose towards the advancement and creation of SMEs. However, due to the pandemic's effects, SMEs seek more creative financing through visionary solutions. As a result, decentralized finance (DeFi) emerges as a tool for smaller businesses in developing markets, particularly for remittances and small loans.

Cryptocurrencies like Bitcoin and Ethereum are now becoming more widely accepted for payments. In addition, the blockchain technology that underlies cryptocurrency and its supporting financial infrastructure continues to develop to offer a financial services system. As a result, the banking industry sees DeFi as a potentially significant growth engine and disruptive force.

5

Number Five Trend

HUMANE ENTREPRENEURSHIP: COACHING AND MENTORING OF EMPLOYEES

The pandemic influenced the world's collective attitude to emphasize sympathy and empathy. This attitude has been expressed within our daily lives, professions, and purchasing power. Small businesses bring out the best in all contributors. As a result, a renewed focus has been established on coaching and mentoring for empowerment in the workplace.

Coaching and mentoring can benefit organizations of all sizes, tiny businesses. When conducted efficiently and productively, coaching and mentoring programs give employees new ways to connect, learn and grow within their career paths. Although the importance of mentoring in an organization can often be overlooked as the benefits are not easily quantifiable, mentoring increases job satisfaction and workforce engagement and, therefore, increase profits.

4

Number Four Trend

ENGAGING E-COMMERCE INTO ECOSYSTEMS

The pandemic has accelerated the growing acceptance and integration of e-commerce into global ecosystems. As a result, the business model has now been re-envisioned to support this transition through curbside pick-up and home delivery.

SMEs are encouraged to support this emerging consumer movement by utilizing mobile-friendly websites and applications, so the brand and its offerings are easily visible to its consumer base.

3

Number Three Trend

ARTIFICIAL INTELLIGENCE (AI) CONNECTS TO DIGITAL MARKETING

As technology increases, the market is increasingly exposed to various offerings. This can help maximize customer satisfaction, but it can overwhelm customers with too many choices. Instead, businesses must utilize Artificial Intelligence (AI) to differentiate and effectively reach consumers and supporters.

For example, AI can improve efficiency in digital marketing by facilitating conversion rates and reducing acquisition costs. As the cost of AI decreases, SMEs are on the cutting edge in this post-pandemic period. AI will continue to evolve and become a tool for SMEs that seek a cutting edge.

2

Number Two Trend

FLEXIBILITY OF THE FUTURE: EMPLOYEE POLICIES & WORKPLACES

Small businesses have continuously adapted to the changing nature of work and how their customers interact in the new hybrid environment.

Despite the forced embrace of a hybrid model, most small businesses have only scratched the surface in terms of thinking through the flexibility within the future work environments and employee policies. This past year has adopted various models that promoted working from home, hybrid modalities, and family-focused employee structures to aid the quick transition the world shared. However, this flexibility must be balanced with the subsequent feelings of anxiety. To ensure the sustainability of pandemic-style productivity, SMEs should address these new challenges through creative solutions that innovate past the “previous norm.”

1

Number One Trend

ENTREPRENEURS GOING IT ALONE

Entrepreneurs seek to build small businesses that match their lifestyles and passions.

The pandemic has opened a new era of opportunity for entrepreneurs. The consequent slowdown afforded many aspiring entrepreneurs the chance to pause and reflect on their careers. Witnessing a world open to new ideas, opportunities, and change, they have made a brave recent decision and catapulted into entrepreneurship. ICSB recommends exploring this new adventure and being strategically prepared for it.



2022 GLOBAL REPORTS







The Revised Way to Return to Work

Ayman ElTarabishy, President & CEO, ICSB

The last two years have been a series of stops and starts, hope and frustration, and sometimes even resignation, like revving a faulty car ignition. Since 2020, COVID-19 has rerouted our personal and professional lives. Today, over two years later, before the world returns to its new form of normalcy, it's imperative that we assess the changes undergone by small business owners, entrepreneurs, and society to inform human-centered business practices moving forward.

COVID-19 has revealed national and worldwide systemic issues from a fundamentally human perspective. While these cracks in our infrastructure impact everyone, our less protected groups are at the most significant risk. For instance, according to the World Economic Forum, women were already spending 16 billion hours on unpaid domestic labor and childcare before the pandemic,

representing about a tenth of the world's entire economic output if said labor was paid fairly. However, now that the pandemic has made itself a home in our world, more than 28 million women over 25 years of age have left the workforce on average, compared to 24 million men. It's estimated that the pandemic will force an additional 47 million women and girls into extreme poverty globally.

Children are another prime example of the pandemic's silent sufferers. Kids typically receive the majority of their socialization at school. But with school shutdowns, this lack of socialization manifests in some unexpected ways. Due to online school, many children miss evident skills in mathematics and English subjects. A McKinsey and Company study revealed that most are four months behind their grade level. Even yet, perhaps more shocking is the practical life

skills children lack. Many kids struggle to reach milestones that most non-disabled people take for granted. This involves tying one's shoes, cutting with scissors along a dotted line, or unscrewing a bottle cap. On top of these knowledge gaps, kids are under incredible stress in the classroom and at home. Some children as young as ten years old have taken on caregiver roles for their younger siblings, and many teenagers have been pushed into the workforce with part-time jobs to help provide for their families.

Small business owners, entrepreneurs, and workers also feel the effects of the long-lasting pandemic. Offices became vacant as employees adjusted to working from home. Coworkers grew equally distant from one another emotionally as they did physically while remaining six feet apart and wearing masks. Working from home dissolved the boundary between work and home life. Many employees were expected to work remotely while simultaneously caretaking for children or elderly parents.

In essence, we have been living in a state of long-term crisis. So, let's return to basics. What does our species require to survive?

- Shelter and safety,
- nutritious foods and clean water,
- physical connection,
- emotional intimacy and trust in those around us, and
- various levels of social connection.

With quarantines, lockdowns, and social distancing, many of these needs have become increasingly challenging to acquire. We can turn to hope. As a global community, we can decide what our new world looks like. Moreover, we can actively shape our current and future realities by revolutionizing our business practices.

New Rules of the Game

After these past two years, some businesses began to return to the office. We need to reconstruct the boundaries between work and home life to accomplish this. Operating remotely has been vital to maintaining our health while continuing to work. However, it has also increased the prevalence of the phenomenon known as workplace burnout. Due to isolation, lack of privacy, and increased non-work burdens like a child or elderly care, workers feel exhausted, depleted of energy, mentally distanced, and emotionally cynical towards their work. According to a medically reviewed article by Everyday Health, the World Health Organization describes this as majorly reducing "professional efficacy." The risk of work stress tipping into burnout increases the longer the pandemic continues.

So, how do we redefine this boundary? With new rules, of course. Workers are people first, and therefore humanity—not just business—must be our primary focus. Data from the Wilson Center suggests that the pandemic will have destructive "long-term effects on women's health and economic standing, and thus our societies and economies." This issue calls for an intersectional, inclusive approach to tackle the needs of diverse communities such as migrant women, Black, Indigenous, and other women of color, and LGBTQ+ people. By banding together to bring work-life balance front and center, people can transition from feeling more drained and dissatisfied both at work and in their personal lives to feeling valued and passionate in both spaces.

One option for achieving a more outstanding work-life balance is the much-debated four-day workweek. This new way of working has enhanced business productivity, employee health, and families and communities. It also challenges gender inequality and creates more sustainable work cultures. When

practicing this work model, 63 percent of businesses had an easier time attracting and retaining talent, and 78 percent of employees reported being happier with lower stress levels. However, this shift requires employers and employees to reevaluate their goals and workplace culture radically.

In a similar vein as the four-day workweek, embracing a remote work model can offer more significant benefits than working full-time in-office. People report being less distracted by coworkers when working from home and spending less time avoiding work. According to an article by Apollo Technical, remote work can increase performance by 13 percent and productivity by up to 77 percent. The main drawback of this model is loneliness due to isolation, which negatively impacts peoples' mental and physical health while also lowering their productivity and work satisfaction over time. Therefore, many companies are opting to practice a hybrid work model, where employees choose whether they work remotely or in the office on any given workweek day. With these new rules, we can consolidate past business methods with modern ones, effectively raising employee satisfaction and reducing the risk of burnout.

The Guide to Return to Work

With traditional principles becoming an idea of the past, business owners need to adjust to a new business model that values work-life balance and prioritizes

Summary

More than two years into the pandemic, the curtain concealing our country and the world's systemic issues targeting vulnerable communities has been opened. Therefore, now is the time to recognize that we are uniquely positioned to create new, more human-centered modes of business operation. We must seize this opportunity and create a more humane world, embracing intersectionality to support women, People of Color, and other minority groups. We can achieve our ideal future by conducting compassionate business.

it. For example, companies should build in time for workers with children to send them to school and manage extra responsibilities at home. As mentioned above, remote work offers both positive and negative effects. Working remotely results in higher productivity, but this can be hampered over time by a lack of workplace socialization. On the other hand, the hybrid work model grants workers more agencies to reduce stress and allows for greater creative output and improved wellbeing.

A Simple Rule Book

Here are a few simple guidelines for a more productive and human-centered business model of the future*:

- Everyone works from home on Fridays.
- Parents who are working from home can start work at 10 a.m.
- Everyone works in the office on Wednesdays.
- People can work in the office on Mondays and Wednesdays, or Tuesdays and Thursdays, as a hybrid schedule.
- The office is centralized for socialization.

*These rules should be customized to the needs of each unique business and community.



Small goes digital: How digitalization can bring about productive growth for micro and small enterprises

Department at International Labour Organization (ILO).

Executive summary

Over the past decades, the dissemination of technology and digital infrastructures has opened up new and seemingly unparalleled opportunities for sustained growth and innovation. Markets have become more interconnected, digital products and services have mushroomed around the world, and digital innovations have helped to improve productivity and competitiveness.

However, a significant yet often overlooked segment of the global economy has remained largely excluded from the benefits of the “digital revolution”: micro and small enterprises (MSEs) tend to be under-digitalized and may therefore struggle to exploit fully the opportunities afforded by digitalization. This is an especially alarming problem given that MSEs play a critical role in economies and societies as creators of jobs and as drivers of growth and poverty alleviation. In short, MSEs are key to attaining the Sustainable Development Goals, which were launched by the United Nations in 2015 as “a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity”.

Addressing the economic realities of micro and small enterprises (MSEs) has never been more important. MSEs – defined as enterprises with 2 to 49 employees – contribute close to 40 per cent of jobs worldwide and play a crucial role in efforts to implement the 2030 Agenda for Sustainable Development and achieve the Sustainable Development Goals, yet they often remain trapped at low levels of performance and growth. Many MSEs are informal, making them particularly vulnerable to economic

shocks such as that caused by the COVID-19 pandemic.

Small goes digital report deals with an urgent knowledge gap concerning such enterprises, specifically their ability to use digital technologies (email, mobile applications, cloud computing and so on) to increase productivity. It seeks to clarify why only exceptional MSEs have managed to fully exploit the opportunities offered by digital technologies, and it explores the specific benefits and barriers that the digital revolution has created for the average MSE. The report bridges between hitherto siloed policy debates on the global digital revolution and on informal enterprises and MSEs. Drawing on a broad review of empirical evidence, it puts forward two models of how digitalization affects MSE performance, with a focus on productivity as the central outcome of interest.

The analysis conducted for the report builds on the notion of *capabilities* to capture the intangible assets within an MSE that influence its susceptibility to, and ability to benefit from, digitalization – notably the collective skills, attitudes and expertise of the enterprise’s owner and staff. Five types of MSE with different overall capability levels are distinguished: (a) microenterprises, such as traders and subsistence farmers; (b) locally oriented small enterprises, such as shops and restaurants; (c) export-oriented small enterprises, such as those in the agroprocessing sector; (d) knowledge-based small enterprises, such as health clinics and media agencies; and (e) start-ups, such as delivery apps and biotechnology ventures.

Table 1. Five types of micro and small enterprises (MSEs) with different overall digitalization capabilities

| MSE type | Examples | Digital uptake | Features |
|--|--|--|--|
|  Microenterprise | Vendors and traders (parts, furniture, groceries, vegetables), services (tailoring, laundry, repair, selling airtime vouchers, etc.), subsistence farmers | No or basic mobile connectivity (2G feature phone / smartphone), WhatsApp/WeChat, Facebook | Informal, necessity (survival), ad hoc or older for lack of alternatives Value proposition: providing a labour-intensive, low-skilled service Staff (1-5): motivated by ad hoc and immediate salary, low retention, replaceable (no contract, specialization or training) Management: no hierarchies or processes, informal and bespoke division of labour |
|  Locally-oriented small enterprise | Shops, kiosks, stationary vendors and traders with stock, restaurants and cafes, services (driving, tutoring, builders, event and recruiting agencies, cleaning, etc.), farms | Range from not connected to broadband, tablets or point-of-sale (POS) devices with basic stock management, WhatsApp, Facebook, platforms | In general, informal, necessity (subsistence), older Value proposition: providing a commodified service in a given location Staff (5-25): motivated by regular salary, limited career within enterprise, some retention, somewhat replaceable (no contracts or only short-term ones, limited training but dependability, service orientation, routine) Management: hierarchical, often family-owned owner-managed |
|  Export-oriented small enterprise | Tourism (hotels, hostels, travel agencies), larger farms and agroprocessors, manufacturing and production (furniture, custom clothing, basic chemical products such as fertilizer, personal care, jewellery and handicrafts) | Range from basic to broadband, smartphones, laptops, desk computers, basic productivity software (Microsoft Word, Gmail), POS devices, enterprise resource planning (ERP) systems, platform profiles, accounting | Mostly formal, necessity (subsistence) or opportunity, older Value proposition: local assets (building, factory, commodity access, networks) that appeal to foreign supply chain partners or customers Staff (5-49): motivated by regular salary and job stability, some career progression within enterprise, good retention, difficult to replace (contracts, technical and various soft skills) Management: hierarchical, often family-owned, some professional managers, some autonomy for staff who have proved themselves |
|  Knowledge-based small enterprise | Specialized and engineering-based manufacturers (machine parts, chemicals, unregulated drugs), clinics, architects, legal practices, consultancies, business analytics, design and media agencies, outsourcing (e.g. translation and data entry) | Broadband, smartphones, laptops, desk computers, advanced productivity tools (Google Suite, Slack, Miro), specialized software packages (design and analysis), platforms, accounting | Informal or formal, opportunity, age varies by sector Value proposition: specialized expertise, tools and networks Staff (5-49): motivated by above-average salary, career within enterprise possible (project manager, etc.), good and flexible retention (contracts and ad hoc project-based work, specialized education and training in tools, soft skills if customer-facing) Management: depends on owner personality, project teams, high autonomy for staff, staff are expected to work independently |
|  Start up | Digital start ups (software development, agricultural information systems, ride sharing and delivery, fintechs, ERP systems), other technology start ups (e.g. agritech, biotech), social enterprises | Same as knowledge-based small enterprises plus: software development kits, code repositories, cloud servers, occasionally hardware (Raspberry Pi, 3D printing, sensors) | Informal / formal, opportunity and growth, young Value proposition: new product, digital technologies create value Staff (3-49): motivated by above-average salary and challenging tasks, some career progression if start up grows, low retention (too demanding work / employee leaves for more stable job) Management: flat hierarchies though founders may be looked up to as visionaries, product teams, autonomy and independent work |

Environmental factors that affect MSE digitalization are also taken into account, such as the strength of local digital ecosystems or an MSE's position in the supply chain.

The report condenses the results of a wide range of studies from diverse contexts into two chapters dealing, respectively, with digitalization opportunities and barriers for MSEs. The opportunities discussed are: (a) increased access to information and an improved ability to communicate; (b)

the ability to trade and to access markets more easily and over greater distances; (c) access to a variety of financial services with low barriers to entry; (d) new pathways to enterprise formalization; (d) digital transformation and entrepreneurship as fundamental shifts in value creation; and (e) synergies with the development and diffusion of green businesses and technologies. As for the digitalization barriers faced by MSEs, the report covers: (a) digital divides and locally incomplete digital infrastructures; (b) multifaceted

digital skill shortages among MSEs; (c) low adoption readiness, risk-averse cultures and gender barriers; (d) MSEs' often marginal positions in value chains and platform markets; and (e) challenges in implementing appropriate cybersecurity and data protection measures. For both opportunities and barriers, the report takes into account established knowledge about the role of supply chains but also newer studies on the emergence of digital platforms as increasingly important market intermediaries for MSEs. From a detailed discussion of opportunities and barriers, four key observations are distilled:

1. MSEs do not digitalize “automatically” and by default; instead, digitalization is driven by deliberate decision-making on the part of MSEs, which may be hampered by incomplete information and risk-averse attitudes.
2. The extent to which MSEs are able to increase their productivity through digitalization is determined by their internal capabilities: depth of digital adoption, digital skills, innovation orientation and flexible management.
3. The potential depth of digitalization and the associated capability levels depend on an MSE's size, degree of formalization, export orientation and the information intensity of the sector in which it operates.
4. MSE digitalization is affected by three sets of external influences: the local digital ecosystem, an MSE's business network, and its broader social and policy environment. Microenterprises are more directly dependent on their environment than other types of MSE.

As a major novel contribution, the report puts forward two models of how digitalization can lead to productivity gains in MSEs: one based on an enterprise's internal capabilities, the other on external (environmental) influences. The capability model emphasizes that moving from a

simple to a sophisticated digital adoption strategy has virtually no impact unless this shift is complemented by improvements in other capabilities. Beyond digital adoption, MSEs need to have a minimum level of digital skills, innovation orientation and (in the case of more advanced enterprises) flexible management if they are to achieve significant productivity gains. The environmental model outlines how the local digital ecosystem, an MSE's business network, and societal and policy influences affect such enterprises in various ways.

The report offers recommendations for policy and support approaches that can help to promote MSE digitalization. Measures to bridge digital divides, to enhance digitally enabled formalization programmes, and to assist MSEs in improving their positions in supply chains and platform markets are discussed. The overall conclusion is that policymakers and support organizations should not overestimate the immediate benefits that digital technologies can bring to MSEs; rather, they should facilitate investment in assets that are relevant to specific types of MSE and are complementary to digital adoption, such as skills, mindsets and managerial abilities. The approaches recommended in the report should be seen as key tools not only for strengthening MSEs, but thereby also for paving the way towards implementation of the 2030 Agenda for Sustainable Development.

Finally, the report and its policy recommendations should be regarded as a call to action in its own right. The COVID-19 crisis has put tremendous strain on MSEs and slowed down progress towards the Sustainable Development Goals. Competitive MSEs that provide decent work can be engines of recovery and prosperity for the societies in which they are based. Supporting MSEs in the use of digitalization to improve their resilience and competitiveness is paramount to achieving this.



Regulations, Digitization, and Networks

Winslow Sargeant, Ph.D, Chair of the ICSB Board.

Small businesses in the age of COVID-19 continues to have concerns as many re-open for the first time after many years of disruptions. The normal business cycle has been far from the norm and as business owners seek to operate in this new order, there are many things that remain a concern. There are three (3) in particular that are on the top of mind for many businesses. These include regulations, digitization and access to networks.

Regulations are not only a concern for large businesses but equally on the top of mind for small businesses who must keep up with the number of rules and regulations that have relaxed during COVID-19 or have been strengthened in order to lessen the effect of the pandemic

on the society. With the relaxation of rules, there were tax benefits, for example, that allowed consumers to expense all of their entertainment and dining at restaurants. This was a tremendous benefit that encourage more spending in the economy. Many small businesses saw their revenues increase. The question, however, going forward is to understand if this tax break will continue to be in effect or restrictions will be re-imposed. Small businesses operate best when the rules are clear, transparent, and predictable because a small business owner will not have time to monitor the ever-changing rules that may come from government. It is therefore recommended that small businesses work with their industry associations to hear what rules and

regulations are being considered that could affect the operation of their business.

Digitization and the ubiquitous nature of technology has accelerated since 2020. The use of touchless payment technologies, cash app, and many other non-cash transactions continues to increase. The challenge for merchants is to tap into their digital portals that will all for safe and secure transactions for their clients and customers and enable the experience to be frustration-free. Using digital tools requires a “wireless” connection. In some of our urban and rural areas, access to the internet or wireless access points can be intermittent and occur at the worst time. Some small business merchants, who are mobile, have decided to set up shot nearby mobile “hot-spots” or similar areas where access to a mobile tower (for wireless access) will give the maximum bandwidth possible. What small businesses are concerned with this requirement of connectivity is the overall cost borne by the merchant. It is important that digital access be seen no longer as a nice to have but a utility like water, and electricity. Governments should make it policy that favor reliable broadband and wireless access to those who are categorized as micro-, small and medium-sized enterprises (MSMEs), in particular, those in the rural areas and are led by women and youth.

Networks can be defined as “a group or system of interconnected people or things.” This definition looks benign but is particularly powerful when you are included with those who are the power brokers and leaders within a particular industry. One of the hardest challenges to overcome for small businesses,

especially those who are led by women and minorities, is the barrier of access to networks. There is a truth that many of us do business with people that we know and like. The converse is true that we don’t do business with those we don’t know and those we don’t like. With networks, it is hard to like someone that you don’t know. In business, structuring partnership agreements, favorable procurement opportunity, or access to bank credit begins (and ends) with a favorable reaction from someone in your network. This could be your individual connections or those from your advisory boards and possibly, a customer. One way to lessen the barrier of access to networks is to have someone in these networks actively invite others to their meetings and other gathering events. Small business owners just want to have a seat at the table rather than just being an “appetizer” on the menu. Let’s recognize that established networks need to bring in new leaders from underrepresented groups that will keep their events relevant to those in society at large and will make for a fairer playing field for small business merchants.

Regulations, Digitization, and Networks can become strengths for small businesses and not just impediments.=. Understanding how rules affect your industry and how to be up to date with newer technologies, while expanding one’s network are challenges that small business owners face and are being removed in the push for inclusion and sustainable small business growth.



A Preview of the 2022 SME Competitiveness Outlook: Connected Services, Competitive Businesses

International Trade Centre (ITC)

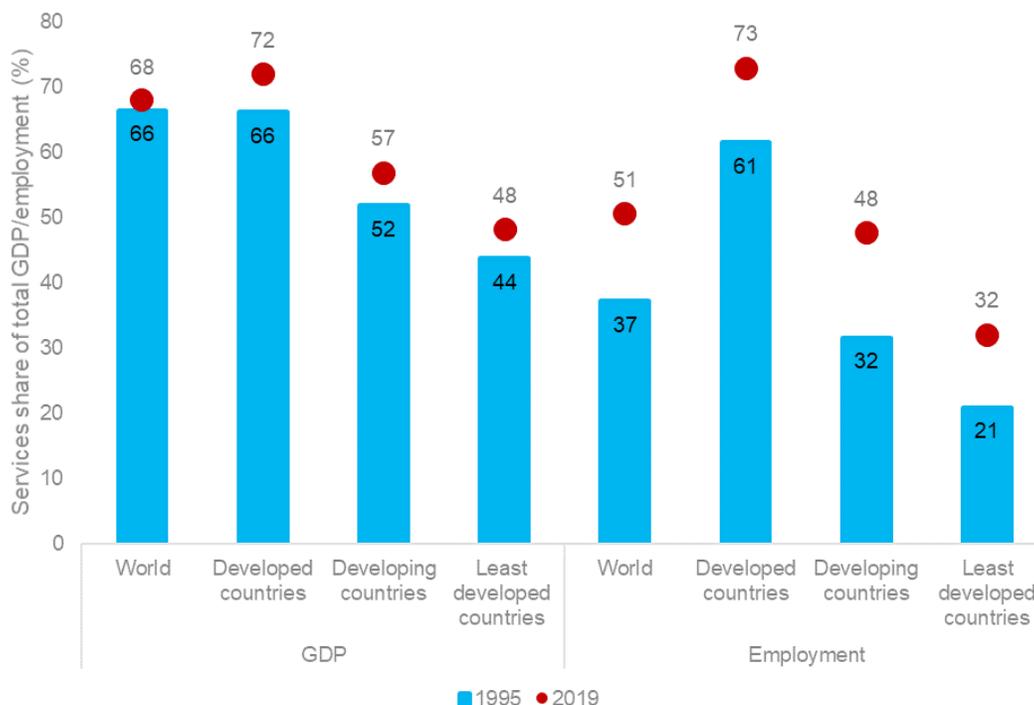
Historically, the services sector has been portrayed as an economic leftover. Agriculture employed the masses, manufacturing drove growth, and services were largely seen as providers of basic activities and public utilities.

The last half-century has challenged this narrative, as services now account for most economic activity and are transforming the structure of national economies. It also brought into the spotlight the small firms

that play a crucial role in supplying many of these critical services.

Since the early 1990s, the contribution of the services sector to both gross domestic product (GDP) and employment has risen steadily, while that of manufacturing and agriculture has decreased.¹ In other words, the services sector grew relatively faster than manufacturing and agriculture. In 2019, it represented the largest share of the global economy in terms of GDP (68%) and employment (51%).

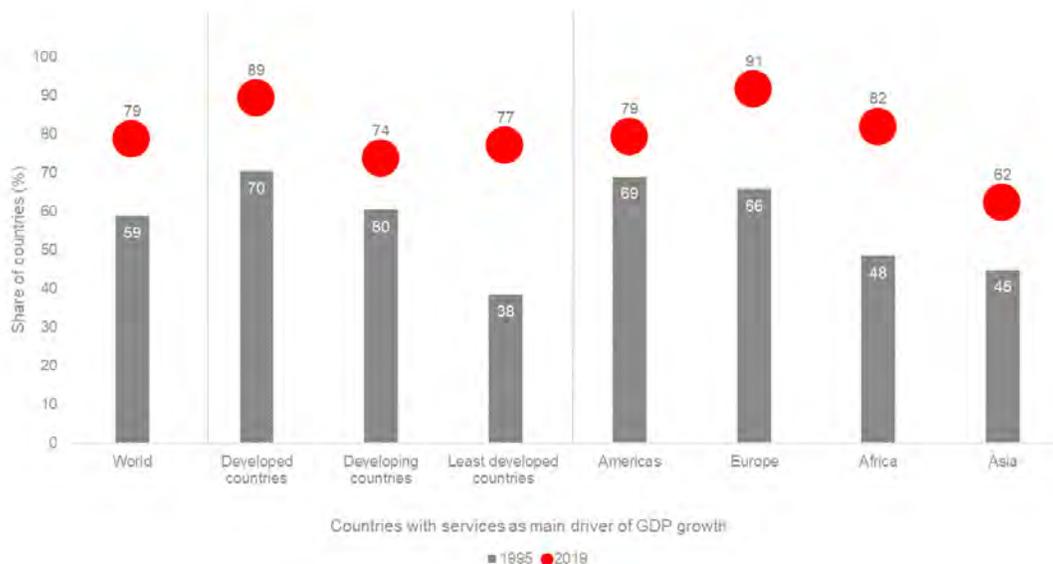
Services account for a growing share of GDP and employment



Source: ITC, based on World Development Indicators (WDI) and ILOSTAT.²

The increasing importance of services has led to a reassessment of the drivers of economic transformation in the 21st century. Countries that led the Industrial Revolution transformed their economies by moving workers and capital into factories. However, the experience of developing and least developed countries (LDCs) in the past three decades does not conform to this pattern. The share of LDCs whose services sector was the main driver of economic growth was 38% in 1995 but more than doubled to 77% in 2019. The greater significance of services at lower levels of income has made some optimistic about the sector's role in spurring economic transformation.

Services drive growth in most countries



Source: ITC, based on World Bank World Development Indicators.³

As services have grown in importance domestically, they have also become more tradable internationally. The value of services trade⁴ almost doubled from 2005 to 2019⁵, and the volume increased 5.4% annually since 2005.⁶ As a result, services trade rose from about 8% of GDP in 1990 to 14% in 2019.⁷

Services trade has been growing partially because they have become vital inputs to exports of other sectors. In terms of value added, services accounted for nearly half (45%) of total trade in 2018.⁸ Specifically, services value-added accounted for about a quarter (23%) of agricultural exports, one third of manufacturing (32%) exports and 89% of services exports in 2018.

As services become increasingly embedded in value chains, the sector is becoming a key source of export diversification.⁹ This allows exporting countries to be less sensitive to shocks from any individual industry or destination.¹⁰ Imports of services are equally important, as they improve access to high quality, varied and cheaper services.¹¹

Developing countries are taking an increasingly larger piece of the services pie. In 2019, the share of services trade accounted for by developing economies stood at 32%, up from 25% in 2005.¹² Between 2005 and 2019, LDCs also increased their share in global services exports, but it remained at a low 0.7%.¹³ Their share in services imports was similarly around 1%.¹⁴

This means services trade has room to grow, and tremendous potential for the economic development of developing and least developed countries.

Services affected differently by global shocks

The COVID-19 pandemic affected sectors across the economy and services were no exception. The global ITC COVID-19 Business Impact Survey shows that the

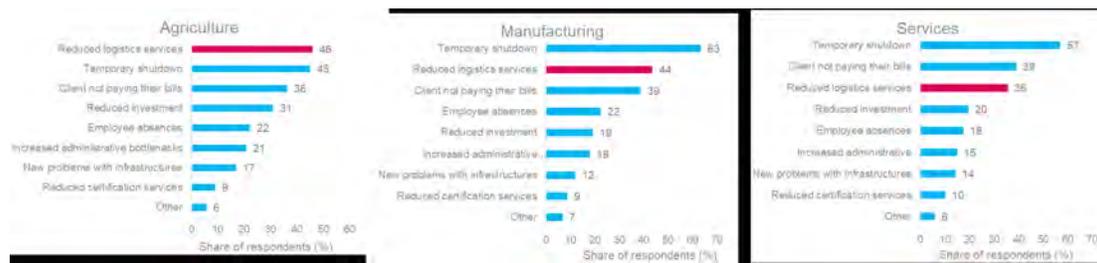
pandemic affected virtually all companies (98%), with a majority (55%) stating they were strongly affected. Still, companies operating in services were exposed the most, with three out of five reporting their business operations were strongly affected, compared with half of non-services companies. Furthermore, two in five (40%) services firms risked shutting down permanently due to COVID-19, 6 percentage points more than others.

This stronger negative impact on services is also reflected in trade data. Globally, merchandise trade fell by 8% in 2020, whereas commercial services contracted almost three times more, about 21%.¹⁵ This is true also in LDCs, where goods exports decreased by 12%, while commercial services fell by 35% in 2020.¹⁶

The COVID-19 crisis also showed that export concentration, including on a few services subsectors, can make economies very vulnerable. Countries with a high pre-COVID dependency on tourism, such as small island developing states, experienced especially strong downturns in 2020.¹⁷

However, these negative effects mask important differences across services subsectors. On the one hand, services that struggled the most were those unable to switch to remote delivery methods. Disruptions in the transport sector caused by the pandemic were felt across the planet, making it clear how critical these services are for the global economy. ITC data show that reduced logistics services was one of the top three negative effects of COVID-19 cited by businesses in all sectors. Passenger transport fell by 44% in 2020. Trade in construction, and personal, cultural and recreational services fell by 18% and 14%, respectively.¹⁸ Accommodation and food services also suffered, with three out of four firms strongly affected by the crisis.¹⁹

Reduced logistics services among top three effects of COVID



Source: ITC, based on COVID-19 Business Impact Survey of 4,694 businesses in 136 countries, April 2020-August 2020.²⁰

On the other hand, sectors that depended less on face-to-face interactions did better. Trade in information and communications technologies (ICT) and financial services, for instance, grew by around 4% in 2020.²¹

Digital solutions also played a role in helping small businesses survive and

thrive during the COVID-19 pandemic. We find that about one fifth of agricultural and manufacturing firms and one third of services businesses teleworked to cope with the crisis. Similarly, about one fifth of agricultural, manufacturing and services firms were selling online.

ICT services essential for coping with COVID-19



Source: ITC, based on COVID-19 Business Impact Survey of 4,536 businesses in 134 countries, April 2020-August 2020.²²

Two years on, the world economy is slowly recovering from the effects of the pandemic, despite additional shocks due to persistent supply chain disruptions and the conflict in Ukraine, to name a few. Still, merchandise trade rose above pre-pandemic levels in 2021 and even services trade was on a tentative road to recovery, with some services leading the way.²³ The services sector thus remains an important contributor to GDP, employment, trade and growth in the post-pandemic era.

With the services sector claiming a larger role in economic growth, employment and trade, what are the opportunities and challenges for small services firms?

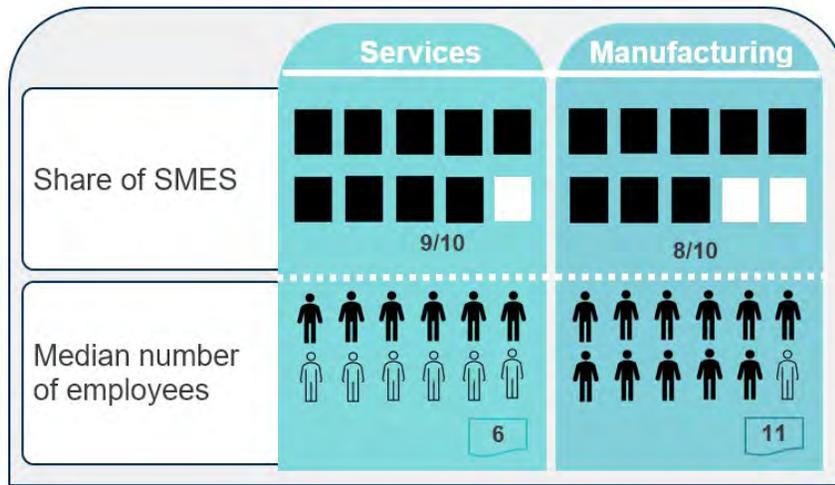
The good news: Small services firms are competitive

Services are crucial for the functioning of economies. These activities are generated in large part by a multitude of small and medium-sized enterprises that provide livelihoods for some of the planets' most

disadvantaged populations. We estimate that nine out of ten services enterprises globally have less than 100 employees.²⁴ This compares to eight out of ten companies in the manufacturing sector.

Small companies in the services sector tend to be even smaller than those in the manufacturing sector. Based on ITC’s database, the median services company has six employees, whereas the median manufacturing firm has eleven. The larger median size of manufacturing firms reflects the benefits of scale in that sector, which are less relevant in services.

Services firms tend to be smaller



Note: Respondents were asked ‘How many full-time employees does this establishment currently employ?’. Seasonal and part-time workers are excluded.

Source: ITC, based on SME Competitiveness Surveys.²⁵

Based on ITC’s competitiveness framework – Compete, Connect, Change – and data on 5,504 companies²⁶ in 16 countries, we find that being small is not an inhibitor to competitiveness in the service sector. When it comes to many of the short-term, static determinants of competitiveness, or the capacity to compete, the gap between SMEs and their larger peers is less daunting in services than in manufacturing. Factors determining the capacity to compete include their ability to manage resources and produce efficiently.

Three underlying factors may explain why this is the case. First, there are lower barriers to entry in the sector, as less financial and physical assets are needed to start services

firms. Second, there are fewer benefits of scale, because getting bigger does not reduce per-unit production costs as much as in other sectors. Third, the returns from agility are higher, meaning that small service firms can more easily adjust their service offerings to short-term market fluctuations.

Women and youth-led services firms are also on equal footing with their men and non-youth-led peers in many aspects of competitiveness. Yet, despite their strengths, women and youth-led services firms continue to face critical barriers that hinder growth and internationalization. These include women’s exclusion from the networks that govern business creation, access to value chain upgrading and lucrative

services markets, and young entrepreneurs' difficulties in accessing external finance.

The bad news: Small services firms are less prepared for the future

While small services firms do seem able to compete in markets today, sustaining their competitiveness in the future is not guaranteed. ITC research shows that small services firms currently lack critical elements to connect and change in response to dynamic market forces.

Take, for example, the ability to provide information to customers, and conduct marketing activities. Having a business website, and advertising on social media, are relatively inexpensive tools small firms could use to reach out to new buyers and build tomorrow's market share.²⁷ However, large service companies are more likely to have a website than smaller ones, and the gap is larger in services than in manufacturing.

At the same time, smaller firms in the services sector tend to have less of the elements needed to instigate long-term changes to their business model. They do less research and development, and craft fewer innovative new processes.

Making small services firms more competitive

To close the gap in the capacity to connect and change, and future-proof their competitiveness, small services firms need to reposition themselves at the cutting edge.

Certainly, companies must get the basics right: organize themselves efficiently, keep costs in check, ensure employees provide good-quality services. But once those basics are in place, four actions mark the frontier for small services firms to become more competitive.

- Grow networks
- Innovate
- Deepen skills
- Leverage finance

Successful services firms have **strong networks** based on solid relationships with actors in the business ecosystem. Building services competitiveness is about building international relationships, a culture of customer focus and client confidence, as well as developing aptitudes to recognize emerging opportunities and respond rapidly with new solutions.²⁸ These competencies emerge through participation in networks with buyers and peers, such as those forged in sector associations and other business support organizations.

Innovation is crucial for improving the quality of a firm's services offerings. It can take many forms, for example changing the service process in response to feedback from customers or crafting customized solutions for clients. Not only does innovation improve the quality of services provided, but can also result in the development of new products. For instance, through the creation of a new type of service experience for a niche market. But, since innovation in services so acutely depends on the responsiveness and inventiveness of employees, it is closely tied to the skills of the workers in the enterprise.

Human capital is essential to the development of world class small services firms. **Skilled workers** can innovate, adapt in response to client feedback, and grow the enterprise. They can also help firms capture market share because, unlike other resources, intangible human capital is difficult to copy. The establishment of formal hiring process to identify the best candidates also characterizes firms at the cutting edge of services competitiveness. Such established hiring practices help businesses efficiently identify the best match for the position they are seeking to fill, thereby leading to greater competitiveness.²⁹

Finally, although capital requirements to start and grow a company are lower in services than in manufacturing, **access to finance** is still critical to the success of small services firms. Firms may need short term credit to pay salaries or suppliers while waiting for a client's payment to clear,

as well as funds to pay for licences and certification, and transform their innovative ideas into reality.

The SME Competitiveness Outlook 2022

The International Trade Centre's *SME Competitiveness Outlook 2022* argues that the time has come for small services firms. It shows that services are emerging as a powerful force for economic transformation, and that small services firms are poised to contribute to and benefit from the market trends shaping the sector, and the global economy. Still, it warns that their bright future may be threatened by their inability to develop key elements that underpin their capacity to connect and change, a shortfall

that must be addressed, for the benefit of the firms themselves, and their societies.

ITC's flagship report also analyses the two trends shaping our economies, with direct impacts on services: the servicification of value chains and digitalisation. It will show which services subsectors are leading the pack in adapting to these new trends, and how governments and business support organizations can support their efforts.

The SME Competitiveness Outlook is scheduled to be released in the Fall of 2022, and will be available for free download at www.intracen.org. **Endnotes**

(Endnotes)

1 Gaurav Nayyar, Mary Hallward-Driemeier, and Elwyn Davies, *At Your Service? The Promise of Services-Led Development* (Washington D.C.: World Bank, 2021), <https://openknowledge.worldbank.org/handle/10986/35599>; UNCTAD, *Unlocking the Potential of Africa's Services Trade for Growth and Development, Economic Development in Africa 2015* (Geneva: United Nations Conference on Trade and Development, 2015).

2 Note: Services correspond to ISIC Rev. 4 divisions 45-99. This definition excludes utilities and construction. Services share of total GDP represents the services' value added (% of GDP). Value added is the net output of a sector after adding all outputs and subtracting intermediate inputs. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources.

3 Note: A country is considered to have services as the main driver of GDP growth if the contribution of services to real GDP growth is larger than the contribution of the manufacturing and primary sectors. Services correspond to ISIC Rev. 4 divisions 45-99. This definition excludes utilities and construction. The group of developed countries comprise 37 countries, developing 68 countries and LDCs 26 countries. Africa comprises 33 countries, Americas 29; Asia 29 and Europe 35 countries.

4 Service trade statistics in this report are based on Balance-of-Payment, and thus exclude Mode 3, unless otherwise specified.

5 ITC staff calculations based on data from World Bank's World Development Indicators.

6 WTO, "World Trade Report 2019: The Future of Services Trade," World Trade Report (Geneva: World Trade Organization, 2019), https://www.wto.org/english/res_e/booksp_e/00_wtr19_e.pdf.

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- 9 Sherry Stephenson and Jane Drake-Brockman, "The Services Trade Dimension of Global Value Chains: Policy Implications for Commonwealth Developing Countries and Small States," *Commonwealth Trade Policy Discussion Papers* (London: Commonwealth Secretariat, 2014).
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- 17 Ingo Pitterle and Lennart Niermann, "The COVID-19 Crisis: What Explains Cross-Country Differences in the Pandemic's Short-Term Economic Impact?," *UN Department of Economic and Social Affairs (DESA) Working Papers* (United Nations Department of Economic and Social Affairs, August 2, 2021), <https://doi.org/10.18356/25206656-174>.
- 18 ITC calculation based on WTO trade data: <https://stats.wto.org/>.
- 19 ITC calculation based on ITC COVID-19 Business Survey.
- 20 Notes: Respondents were asked 'Has the coronavirus (COVID-19) pandemic affected your enterprise in any of the following ways?'
- 21 ITC calculation based on WTO trade data. Financial services defined as BOP6 – SG. ICT defined as BOP6 - SI - Telecommunications, computer, and information services.
- 22 Note: Respondents were asked 'Have you adopted any of the following strategies to cope with the crisis?' Firms that chose the options 'teleworking' or 'online sales' are represented in the figure.
- 23 WTO, "World Trade Report 2021: Economic Resilience and Trade."
- 24 Analysis based on 4,734 survey answers to the ITC SME Competitiveness Surveys. Similar results are obtained using data from 173,255 firms interviewed for the World Bank Enterprise Surveys.
- 25 Note: Respondents were asked 'How many full-time employees does this establishment currently employ?'. Seasonal and part-time workers are excluded.
- 26 Of which 2,777 are services firms, 1,781 manufacturing and 946 agricultural firms.
- 27 Other digital technologies such as Customer Relationship Management (CRM) systems, automatic invoicing and cloud computing are also being taken up by SMEs, but are associated with a higher cost burden. See Cisco and IDC, "2020 Small Business Digital Transformation," 2020, https://www.cisco.com/c/dam/en_us/solutions/small-business/resource-center/small-business-digital-transformation.pdf.
- 28 Jane Drake-Brockman, "Developing Export Competitiveness in Services" (National Workshop on Services, Advancing Philippines Services Sector in the Asia-Pacific Region and the 21st Century Global Economy, Manila, Philippines, June 2, 2014), <https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1505.pdf>.
- 29 Tobias Brändle et al., "Recruitment Strategies and Match Quality: New Evidence from Representative Linked Employer-Employee Data" (University of Tübingen Working Papers in Business and Economic, 2020), <https://publikationen.uni-tuebingen.de/xmlui/handle/10900/100119>.



Institute of Public Accountants: Rebuilding the sense of community

Matt Cavicchia and Vicki Stylianou, Institute of Public Accountants

The Institute of Public Accountants (IPA) is one of the three professional accounting associations in Australia, with 75 per cent of our members being either advisers to Small to Medium Enterprises (SMEs) or an SME themselves. The IPA's reason for being is to improve the quality of life of small business, supported by a vision for every small business to have one of our members by their side.

Following a year memorable for isolation and social distancing, the IPA decided it was appropriate to rejuvenate and restore the sense of community within our membership base for 2021 and beyond. This was signified early in the year, when it was decided to redefine one of our strategic themes to reflect this revised direction:

Build a professional community for the SME and SMP² sectors.

The IPA has always been committed to making small business count, and this strategic shift to focus on the creation and maintenance of a professional community reaffirms the magnitude of the IPA's passion to enhance the longevity and wellbeing of MSMEs. In 2021, the IPA strengthened its strategic focus on the United Nations Sustainable Development Goals (SDGs), selecting the following eight Goals as being the most relevant to our vision, strategy, and stakeholders:

- SDG 3: Good Health and Wellbeing
- SDG 4: Quality Education
- SDG 8: Decent Work and Economic Growth
- SDG 10: Reduced Inequalities (including a focus on SDG 5 – Gender Equality)
- SDG 11: Industry, Innovation, and Infrastructure
- SDG 13: Climate Action
- SDG 16: Peace, Justice, and Strong Institutions
- SDG 17: Partnerships for the Goals

This report will look closely at our chosen Goals, highlighting the ways in which the IPA has contributed to them in 2021 from the perspective of MSMEs and thereby reinforcing and rebuilding our own sense of community.

SDG 3: Good Health and Wellbeing

Prior to the pandemic, mental health was already recognised as a significant issue facing small business people, including professionals and many accountants. The IPA has an existing partnership with a clinical health provider to offer initial clinical support to members with mental health concerns. In an effort to do more and help more small business people, including the clients of

members and members themselves, the IPA partnered with Deakin University (based in Melbourne, Australia) to conduct research on the role played by accountants and other professional advisers in improving the mental wellbeing of small business people. Preliminary research indicated that using a business professional helped to improve the mental wellbeing of small business owners and operators. It was decided that it was worthwhile to extend the research and to develop a training program which could be scaled for use in other jurisdictions and across various sectors in the economy.

With a host of partners including other professional associations, mental health groups plus highly regarded medical professionals from Deakin and other universities, the program known as *Counting On U* was born. It attracted the attention of the Australian Government, which provided grants of over AU\$3 million. At this stage, Counting On U provides mental health training for accountants, financial planners, bookkeepers, and other business advisers, providing tools to identify signs and assist their SME clients with accessing professional support. It has also been designed to assist the adviser themselves, as they are often vicariously impacted and can develop anxiety and other mental health concerns.

While the Covid-19 response in Australia focused on the protection of physical health and our hospital system, there is widespread acknowledgement of the challenges that ensued for mental health. This, in addition to the IPA's existing awareness and promotion of mental health, led us to compile numerous additional resources and tools dedicated to mental health and resilience, including access to a range of Corporate Social Responsibility partners, free education and training, and materials from (amongst others) Australia's *RUOK*, an organisation dedicated to asking the simple question – "are you okay?".

Mental health is not only a medical issue, but also an economic one with wide reaching implications for the whole of the economy. The IPA has been vocal on many fronts, including advocacy where we have promoted recommendations to enhance the mental wellbeing of small business people. The effects of mental health can impact a person's ability to participate and prosper in the community and workplace. For business owners and operators it can impact their employees and the ongoing viability of their business (business failure/ exit also has a negative health impact). Reforms need to extend across workplaces, education institutions, the judicial system, the health system and across the community.

SDG 4: Quality Education

The IPA is undergoing an 'education transformation' by designing education for the future that is aligned with a sustainable accounting and finance profession. The rate of change occurring within most sectors of the global economy is unprecedented and greatly outpacing the adaptability of units and courses offered by many higher and vocational education institutions. The outcome of the transformation will be a relevant approach to education that supports lifelong learning and focuses on competency.

Identifying the role of short courses and micro-credentials in the future of education, the IPA released its first digital short course during 2021: *Artificial Intelligence (AI) for Accountants*. The course introduces the principles and ethical considerations that underpin AI and machine learning, with a focus on the challenges and opportunities for small-to-medium practitioners and SMEs.

The course is delivered through an online platform with live workshops, which seeks to promote engagement and the sense of community between peers and educators. This is one example of the IPA's investment in new learning platforms and systems

which promote sharing and questioning. This has been enabled by partnering with progressive and experienced educators and encouraging a wider participation by members and other professionals in the learning experience.

SDG 8: Decent Work and Economic Growth

This Goal is directly linked to the advocacy, policy, and research work of the IPA, which is heavily centred on economic policy. Underpinning this effort is the work of the IPA Deakin SME Research Centre, which is a joint venture between the IPA and Deakin University. The Centre produces a diverse range of research exploring issues that impact small business and SMEs.

The recent and current work program covering impactful research and academic papers includes:

- **Productivity:** Small Business White Paper 3.0 focusing on innovation policy, including the most effective levers to boost Research & Development (R&D) (see below under SDG 11).
- **Sustainability:** Looking at the SDGs with a focus on defining and measuring outputs and capturing intangibles; and how these apply to SMEs.
- **Innovation:** This project focuses on patents filed by SMEs and small businesses as a measure of innovation. The outcomes can be used in several different ways to promote small business innovation, including matching the different players in the innovation/ patent ecosystem, such as patent attorneys, investors, government, and others.
- **Exporting:** The Research Centre has explored the linkages between innovation, exports, and productivity, including the role of intangible resources in SME export performance. The research report notes: *"Results suggest SME firms that innovate and have either the required technical [or] managerial ability skills have a greater propensity to export. Indeed, technical skills*

are relatively more important for propensity to export than business skills. Furthermore, when SMEs are incentivised to innovate by using either government support or R&D collaboration, the propensity to export by SMEs increases significantly. Results also show Australian small business exports and innovation are significantly reliant on five industry sectors, while SMEs with foreign ownership have a higher propensity to export compared to SMEs with no foreign ownership.”

These five industry sectors are:

- Mining
- Manufacturing
- Wholesale trade
- Information media and telecommunications
- Public administration and safety.

- **Funding:** Research has been undertaken based on an international comparison of small business agencies, with a particular focus on the Small Business Administration (SBA) in the United States. The objective is to identify and apply the most effective features and elements from around the world to design an appropriate model for Australia. The centralised capital access assistance programs are of particular interest given the lack of this feature in the Australian landscape. This research has translated into policy recommendations that the office of the Australian Small Business and Family Enterprise Ombudsman (ASBFEO) should evolve into a centralised small business hub, comparable to the SBA.

The ASBFEO is an independent government agency that advocates in the best interests of the small business community. However, limitations of the model have been identified by the Research Centre as follows:

“Indeed, the Ombudsman is unable to “... duplicate the operations of other agencies ... [and] must transfer a request for assistance to another Commonwealth, State or Territory agency, if that agency could deal with the request” (ASBFEO Act 2015,

Division 2, Sections 66-70). These limitations mean that the Ombudsman’s office can only advocate for the small business sector, but it is unable to administer and thereby provide centralised and widespread support to the small business sector in Australia.”

- **Alternative funding:** Other avenues for funding, both public and private are being examined, including their efficacy in relation to small business performance. Developing a viable venture capital sector is a particular focus of the research.

SDG 10: Reduced Inequalities

Various research and commentary over many years has focused on the systemic socio-economic challenges and institutional barriers which limit opportunities and pathways for Aboriginal and Torres Strait Islander peoples in Australia to build sustainable businesses or to enter the professions. Recognising the problems that exist, the IPA began its ‘Reconciliation’ journey, through the compilation of our first Reconciliation Action Plan (RAP). A RAP is a corporate document that marks a commitment to the improvement of outcomes for Aboriginal and Torres Strait Islander peoples. Within our sphere of influence as a professional accounting body, we have identified the following as the key objectives of our RAP:

- Conduct cultural awareness training and other education to address any unconscious biases within our organisation and membership.

- Increase awareness of the inequality faced by Aboriginal and Torres Strait Islander peoples and explore ways to create opportunities to increase equality.

- Review perspectives on Australia’s history, including the barriers that prevent Aboriginal and Torres Strait Islander peoples from establishing a sustainable business or pursuing a career in the professions.

SDG 11: Industry, Innovation, and Infrastructure

This Goal is linked to SDG 8 and the work and outputs which we have noted above are also relevant to the achievement of SDG 11. This is especially the case with respect to industry and innovation which are key pillars to achieving decent work and economic growth.

The year 2021 marked the release of the IPA's third Small Business White Paper, titled *Post COVID Policy Options to Enhance Australia's Innovation Capabilities*. As stated in the executive summary:

*"...the White Paper presents a series of recommendations on how some judicious fine tuning of government policies and regulations aimed at encouraging world-class innovation and R&D – particularly in the lagging small and medium-size enterprise (SME) sector – could unlock this potentially rich future source of growth and prosperity, and ultimately help to secure the Australian economy against over-reliance on its currently narrow and potentially unstable foundations."*²

The eight recommendations of this flagship thought leadership project informed various policy positions of the IPA in 2021 and leading up to the Federal Election in May 2022. The main focus has been on increasing productivity growth through boosting innovation by changing tax levers; promoting more effective collaboration between SMEs and universities, including greater investment in Co-operative Research Centres; increased data availability; policy experimentation; and regulatory reform. Australia lags comparable OECD economies on private sector innovation and research by most metrics. It is imperative to turn this around if Australia is to build a sustainable and diversified economy and maintain its living standards.³

SDG 13: Climate Action

The urgency around climate action reached an all-time high in 2021, driven by the delayed COP 26 conference and updated science, as released in the *Fifth Assessment Report* from the International Panel on Climate Change (IPCC).

The accounting profession has been responding accordingly and in 2021, the work of various organisations over the past decade culminated into the formation of the International Sustainability Standards Board (ISSB). Housed within the International Financial Reporting Standards (IFRS) Foundation (based in London, UK), the ISSB aims to create a standardised, consistent, and comparable global baseline for sustainability reporting that is held to the same rigour as financial reporting. Given the momentum around climate change, climate risk has been identified as the first topic of focus for the ISSB. The IPA has contributed to the consultations, expressing support for the ISSB, with a specific interest in scaling reporting developments designed for large companies into the MSME context.

To demonstrate a commitment to action on climate, the IPA has signed as a supporter of the Professional Bodies Climate Action Charter (PBCAC). This Charter acknowledges that no single profession has the resources and expertise to deliver an adequate response to climate change. Therefore, the PBCAC creates a collaborative forum for aspirational professional associations to innovate and support members with Paris-aligned and SDG-focused business models and strategies.

In addition, the International Federation of Accountants (IFAC) (based in New York, USA), and representing over 3 million accountants worldwide, has anchored its strategy in the SDGs and has encouraged all accounting bodies to contribute to the achievement of the SDGs by 2030. The IPA is strongly

supportive of the role of accountants, business advisers and business in general, in contributing to the achievement of the SDGs.

On a more localised level, the IPA has introduced bespoke ESG courses and discussion groups for all business advisers, to raise their own awareness and capability to contribute to the achievement of the SDGs, with a specific focus on small business and SMEs.

SDG 16: Peace, Justice, and Strong Institutions

While creating and delivering value for members is our key responsibility and vital for continuity, the IPA's central reason for being is to improve the life of small business. Accordingly, the IPA's advocacy and policy platform aims to serve the needs of our members, the profession, in addition to the best interests of the small business community and the public interest. This can only be achieved in the presence of strong institutions.

The IPA takes a collaborative and consultative approach to its advocacy, however, more recently, the IPA has adopted an approach of 'net positive advocacy'. This is described by Polman and Winston (2021) as "a natural step" for a business with a clear understanding of its purpose and how this interlinks with their values.

"Companies have long viewed 'government relations' as a way to resist regulation or fight for tax breaks and other special treatment. We propose, instead, that businesses approach governments openly and transparently, to improve the rules, help policy makers reach their goals, and solve larger problems for the benefit of all. We call this approach net positive advocacy."

- Paul Polman & Andrew Winston (2021)⁴

We believe that this concept and

approach suits the governance (especially transparency and accountability) aspect of ESG and is therefore vital to building strong institutions. The IPA's work in partnership with other organisations, described below with respect to SDG 17, has contributed to building strong institutions in other countries in our region.

SDG 17: Partnerships for the Goals

The IPA strongly believes that the achievement of the SDGs relies on partnerships, as reflected in our activities and outcomes discussed throughout this report. In addition to our advocacy work, we have also undertaken practical activities to put these policies into practice, both domestically and internationally. One example is our work which contributes to capacity building in the Pacific, including the development and implementation of education programs over the last 12 months in the Solomon Islands and Fiji. The Australian Government is partnering in some of this work. The objective is to make the education programs scalable for implementation in other Pacific nations.

Specifically, we have entered into a mutual recognition agreement (MRA) between the IPA and the Fiji Institute of Accountants. The main objective is to ensure the transfer of skills and knowledge between the bodies, in addition to other support and development opportunities. This reflects the fact that the accounting profession plays a pivotal role in achieving strong institutions such as those governing the financial sector.

We should also mention the IPA's partnership with ICSB, which has grown over several years. This includes the establishment of a Knowledge Hub and the exchange of ideas and information, as well as participation in a range of ICSB activities. This recently culminated in co-hosting the

virtual thought leadership event entitled, *Why do we measure economic success through unicorns?* This event brought together global experts to examine: Our social, economic, and natural environments have all changed, but our thinking about measuring success has not kept pace. How will we conduct and measure financial success to ensure our impact on nature and economic development becomes more realistic, responsible, and sustainable? Will it be possible to decouple economic growth from environmental degradation in line with the United Nations' 10-Year Framework of Programmes on Sustainable Consumption and Production.

Concluding Remarks

While 2021 introduced the IPA's strategic intent to foster a professional community for MSMEs, the work is certainly not over. By aspiring to increase member value, the IPA hopes to enhance member engagement and community spirit. By leveraging this spirit we also hope to contribute to achieving the SDGs by 2030. As we continue to learn and celebrate the diversity of our member base, inclusion and wellbeing initiatives are being prioritised in 2022 and beyond. MSMEs will always remain central to the IPA's advocacy and activities, supporting our ultimate reason for being – to improve the quality of life of small business.⁵

(Endnotes)

1 *Small-to-Medium-Practice*

2 *Tanewski, et al. (2021). Post COVID Policy Options to Enhance Australia's Innovation Capabilities. Retrieved from https://www.publicaccountants.org.au/media/3328390/Small-Business-White-Paper_FINAL_3May2021.pdf*

3 *Institute of Public Accountants. (2021). Annual Report. Retrieved from https://www.publicaccountants.org.au/media/3723816/IPA_ar2021_19nov.pdf*

4 *Polman, P, & Winston, A. (2021). The Net Positive Manifesto. Harvard Business Review. Retrieved from <https://hbr.org/2021/09/the-net-positive-manifesto>*



The arrival of the entrepreneurial revolution

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The existing knowledge to promote entrepreneurship has been developed during periods of political and social stability. Since 1975, the world has witnessed a surge in entrepreneurial activities as a result of international investments, necessity entrepreneurship, and new trade patterns due to the opening of markets in Russia and China. Consequently, entrepreneurship could develop in conjunction with the success of multinational enterprises in globalized markets. Competitiveness among the enterprises was based on innovation and creativity. Meanwhile, success in entrepreneurship is determined by the ability of the entrepreneurs to optimize a resourced-based view while developing their own key competences and innovations and the market-based view as the ability to comply with market standards. The

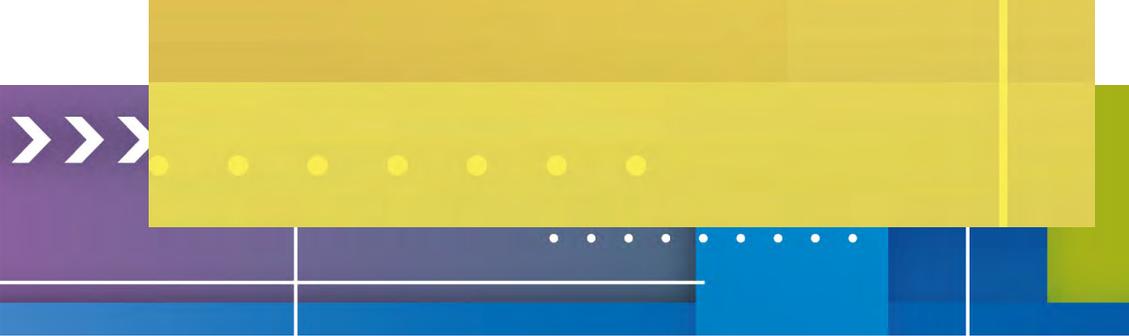
combination of both approaches forms the foundation for growth and profitability. Since 2000, the world society has called for a transformation of value chains due to climate change, digitalization, and migration. Additionally, economic growth rates were jeopardized as the production and consumption of goods needed to be reviewed in light of the three pillars of sustainability. The pandemic forced entrepreneurs to review value chains, working models, and accelerated digitalization. Moreover, the actual geopolitical conflicts demonstrate very clearly that access to energy and raw materials will determine future competition. Access to markets appears limited and threatens existing models of specialization. Currently, there exists a global threat of a worldwide depression.

The arrival of a new entrepreneurial revolution calls for a new balance in entrepreneurial thinking between the need of income generation and social responsibility. The traditional method of a linear optimization of resources through innovations with the perspective of creating growth and income must be extended on the grounds of sustainability and resilience. In answering this question, we must combine new creative thinking with innovative ways of production using alternative energy resources, new opportunities in fields such as biochemistry, or a cyber-based production. In particular, the arrival of the new entrepreneurial revolution requires integrating artificial and human intelligence for new organizational models. Moreover, the latest industrial revolution calls for a new human–machine interface. The digital transformation of value chains focused on creating smart factories and called for highly specialized and creative entrepreneurship. Artificial intelligence allows for managing conventional and monotonous tasks more cost-effectively and calls to stimulate human critical and creative thinking.

In particular, the arrival of the new entrepreneurial revolution requires to integrate artificial and human intelligence for new organizational models to comply future consumer behaviour. The next generation of entrepreneurship will be far more driven by sustainable and social values. The new entrepreneurial mindset calls for rethinking the combination of cyber-physical systems, responsible management of resources, and a human-centered society. The information technology-based production will not only increase productivity in the conduct of value chains but also alter competition on the ground of labor costs. The strategic advantages of developing threshold countries will be reduced as production needs more highly skilled workers for a new human–machine interaction. Moreover, the decision of production places will be more influenced by the cost of raw materials

and energy. Additionally, algorithms and future self-optimization in the planning and performance of production will reduce the entrepreneurial risk. The future success in entrepreneurship will be based on the ability to react highly agile in response to market changes and leverage their own human creativity and operational effectiveness.

The current global challenges support the arrival of a new entrepreneurial revolution that allows for changes and new entrepreneurial chances. These global challenges require breaking the chains of constant self-optimization on the grounds of creativity and human-centered entrepreneurial thinking. Technical systems must be regarded as a tool to answer the questions of sustainability and economic growth. However, they will remain as a tool to challenge human creativity rather than replace the human workforce. The new entrepreneurial mindset must be based on the sustainable use of resources in employing technical innovations and the social requirement of resilience. This consumption-oriented management of value chains will reduce the input of resources and geopolitical conflicts. Nevertheless, the world must rethink how to support and regulate entrepreneurship. The drive for self-determination requires a new entrepreneurial mindset to focus on liberalism and economic freedom to let the necessary changes happen. Moreover, it is required to reconsider how to share knowledge to boost creativity and innovation in a new set of relationships between advanced and developing economies to allow for local production and global social welfare. By the end of the day, the arrival of the new entrepreneurial revolution will be a humane entrepreneurial revolution based on new technologies.



Women's Entrepreneurship Policy

Colette Henry, Barbara Orser & Susan Coleman (Global WEP) Jonathan Potter & David Halabisky (OECD)

*This paper summarises key policy conclusions and recommendations drawn from 27 policy insight notes contained in *Entrepreneurship Policies Through a Gender Lens*, a research report published by the Organisation for Economic Cooperation and Development (OECD) in collaboration with the Global Women's Entrepreneurship Policy Research Network (Global WEP)¹.*

The gender gap in entrepreneurship has been closing slowly. Between 2000 and 2019, the gender gap in entrepreneurship, as measured by self-employment, shrank in 25 out of 31 OECD countries where data were available. While this is an important achievement, it must also be acknowledged that this is due partly to a decline in the share of men who were self-employed. However, progress has been slower in closing other gender gaps associated with entrepreneurship. For example, the gap between the share of men and women entrepreneurs who employ others has

grown only slightly since 2000. In addition, specific gaps remain in entrepreneurship skills and access to finance. The gender gap in entrepreneurship represents a missed opportunity for innovation, social and economic value creation and job creation (OECD/EU, 2021). Policy makers could have an important role to play in closing this gap through targeted entrepreneurship policies.

In 2021, the Organisation for Economic Cooperation and Development (OECD), in collaboration with the Global Women's Entrepreneurship Policy Research Network

(Global WEP) published a report that explored entrepreneurship policies with a gender lens. The report included policy insight notes from 27 countries within the Global WEP network, illustrating a wide range of policy approaches, challenges and contexts. A number of lessons for policy makers can be drawn from these insight notes:

- To close gender gaps in entrepreneurship, greater efforts are needed by governments to **address underpinning biases in society** and the labour market. Gender roles can have a strong and often negative influence on women's entrepreneurship.
- **Strong framework conditions** for entrepreneurship are a prerequisite for women's entrepreneurship policy.
- Women's entrepreneurship policies need **strong commitment and investment**. Even when there is a solid policy framework for women's entrepreneurship, a strong delivery system is needed.
- Policy makers must make more of an effort to contextualise policies and programmes and **acknowledge the diversity of women entrepreneurs**; "one size does not fit all."
- **Gender-neutral and women-focused entrepreneurship education must be offered early** to instil confidence, skills and abilities in young girls to identify entrepreneurial opportunities. Such education is important across all post-secondary disciplines, but particularly in disciplines dominated by women, such as the Humanities.
- There is increasing recognition that women entrepreneurs face greater challenges than their male counterparts in **accessing financial capital** (Coleman et al., 2019). While a growing and diverse array of funding sources are being made

available to women entrepreneurs, many of these gender-neutral initiatives do not adequately account for gender differences in founder motivations, circumstances or contexts.

- More needs to be done to ensure that entrepreneurship ecosystems **reflect the needs of diverse women entrepreneurs**. This includes increasing funding for organisations and initiatives that foster inclusive entrepreneurship cultures, address gender barriers within mainstream interventions and offer direct support.
- **Strong regulatory institutions** are needed to promote and support women's entrepreneurship, particularly in areas such as parental leave and care responsibilities, where employees often have more access to supports than small business owners.

The report also highlighted a number of other important issues relating to the gender gap in entrepreneurship, the impact of the Covid-19 pandemic, the influence of traditional gender roles, the characteristics of current entrepreneurship policies designed to support women entrepreneurs and, going forward, the need for women's entrepreneurship policy frameworks to underpin individual policy actions and be contextualised.

The gender gap is reducing but still exists
Women have traditionally been less active in entrepreneurship than men. Between 2015 and 2019, fewer than 6% of women in the OECD were actively involved in creating a business relative to more than 8% of men. The gap is explained by a range of factors, including differences in individual motivations and intentions for entrepreneurship, levels of entrepreneurship skills, access to finance, networks and social attitudes towards women and men entrepreneurs. Many of these barriers are inter-dependent. For

example, low levels of entrepreneurship skills hinder an entrepreneur from exploring all possible options for accessing financing.

Women entrepreneurs tend to operate different types of businesses than men. On average, women entrepreneurs are more likely to operate businesses in service sectors and on a part-time basis, are less likely to have employees, export, have growth intentions and introduce new products and services (OECD/EU, 2019). It is important to recognise that many of these characteristics are inter-related.

Gender gaps in self-employment reduced between 2000 and 2019 in 25 of 31 OECD countries². The gender gap in self-employment reduced by as much as approximately 5 percentage points in five countries (Iceland, Ireland, New Zealand, Hungary and Greece), and reduced by smaller amounts in 20 countries. However, the gaps between women and men increased in six countries (Estonia, Slovak Republic, Portugal, Poland, the Netherlands and Austria). Furthermore, the gap between the proportion of self-employed women and men with employees grew between 2000 and 2019 in approximately two-thirds of the OECD countries.

COVID-19 risks reversing gains in women's entrepreneurship

The COVID-19 pandemic may exacerbate gender gaps in entrepreneurship. Women entrepreneurs have been disproportionately impacted by the COVID-19 pandemic. Women entrepreneurs are more likely to operate businesses in hard-hit sectors (e.g. personal services, tourism, retail, arts and entertainment), be less financially resilient and have less finance knowledge and confidence. Moreover, women bear a disproportionate share of caregiving responsibilities in households, which restricts the time available for their businesses, and renders them less equipped to pivot business activities in response to

the crisis (e.g. less access to external advice, less likely to be online).

The large-scale COVID-19 liquidity support measures that governments introduced were implemented quickly but were not always gender-sensitive. Governments had to act quickly to support small businesses and the self-employed with liquidity support tools (e.g. loans and wage subsidies). However, these were generally simple undifferentiated tools that followed a one-size fits all approach. Such support may not have filtered equally to all small businesses. Women-owned enterprises may not have benefited as much as men-owned businesses because, on average, they are less likely to use bank loans (many programmes rely on existing bank products) or are smaller (some supports have revenue or employment thresholds). Differences in financial literacy also played a role.

Traditional gender roles exert negative influences on women's entrepreneurship

Gender roles in society can have negative influences on the scale and nature of women's entrepreneurship. In many OECD countries, tax and family policies continue to reinforce traditional gender roles. Income tax models that favour single income earners in households can dissuade women from participating in entrepreneurship. In addition, while family policy is evolving to provide greater support for women's participation in the labour market, a bias towards employment over entrepreneurship remains. This can be illustrated by parental leave and childcare policies, which can negatively influence the feasibility of entrepreneurship for many women.

Greater efforts are needed to legitimize, celebrate and normalize women's entrepreneurship. The 27 policy insight notes on which this paper draws confirm that women entrepreneurs often retain lower status than men entrepreneurs, even within OECD countries with high perceived levels

of gender equality. This is demonstrated by women's entrepreneurship supports that are underpinned by volunteerism, making supports vulnerable to fatigue and high levels of turnover among time-stretched unpaid workers. Governments need to do more to promote women's entrepreneurship, such as promoting diverse role models, recognizing leaders through award programmes and funding women-focused support services.

Characteristics of current women's entrepreneurship policies.

Women's entrepreneurship policies have been in place in some countries for decades. The rationale behind targeted policies and programmes to promote and support women's entrepreneurship is typically built on three arguments:

- Women are under-represented in entrepreneurship compared with men. Closing the gender gap yields welfare gains for individual women and society as a whole.
- There is evidence that women are held back in entrepreneurship by institutional and market barriers, such as social attitudes that discourage them from creating businesses, and market failures that make it more difficult to access resources like skills training, finance and networks.
- Evaluations suggest that women are less aware of public enterprise support programmes, and that mechanisms used to select programme participants can favour men (OECD, 2017)

Going Forward: Women's entrepreneurship policy frameworks are needed to underpin individual policy actions

Women's entrepreneurship policy is a "work in progress" rather than a finished product. In some countries, overall public policies and specific women's entrepreneurship support programmes are working together to achieve desired entrepreneurship goals. In other instances,

there is a lack of an effective overarching women's entrepreneurship policy or the presence of policies and programmes that are not consistent. The good news is that all 27 countries highlighted in the collaborative OECD-Global WEP report are engaged in women's entrepreneurship policy support, with an impressive array of programmes and initiatives. A caveat, however, is that projects and funding are often vulnerable to economic and political changes without underpinning policy frameworks. This threat lends support to the importance of women's entrepreneurship policy as a means for informing, grounding and sustaining different types of women's entrepreneurship programmes. Conversely, programmes that are not linked to policy may represent areas of opportunity and serve as a signpost for under-valued areas of policy.

Women's entrepreneurship interventions must be contextualised.

Context in the form of institutions, culture and social norms has important effects on the existence or non-existence of women's entrepreneurship policies, as well as on the priorities stressed in such policies. As an example, policies in some developed economies, such as the United States, the United Kingdom and Australia, tend to focus on expanding the entrepreneurial ecosystem in ways that will benefit women entrepreneurs. In contrast, developing or in-transition economies tend to focus on foundational challenges to gender equity, social justice, economic security and empowerment. Similarly, women-focused programmes reflect the institutional, cultural and normative characteristics of the respective countries. Such influences are reflected in what gets done to support women entrepreneurs, and who does the work. In some instances, for example, the role of government is to create the legal and regulatory framework that supports women's entrepreneurship, while providing resources. In other country contexts, government plays a more

directive role in creating infrastructure, funding and establishing small business support networks. Both approaches can work, but are different and reflect corresponding differences in the country-level entrepreneurial contexts.

More effective implementation of policies is needed to achieve policy objectives. Policy makers should develop a means for “closing the loop” to ensure that desired outcomes for women’s entrepreneurship policies are clearly articulated and measured on an ongoing basis. Few countries have established systematic methods for monitoring the impacts of women’s entrepreneurship policy against policy objectives, and for identifying progress relative to targets and the effectiveness of different measures. As an example, a common intervention to support women entrepreneurs is women-focused entrepreneurship training and skills development programmes. To date, there is limited objective evidence within or across countries demonstrating the impacts of such programmes in increasing women entrepreneurs’ access to resources and enhancing the viability of their firms. This reflects a lost opportunity to learn from high impact policy interventions and to demonstrate benefits. Lack of evidence may lead to the vulnerability of programme funding.

Greater efforts are needed to address gender gaps in entrepreneurship skills. There are benefits to offering dedicated entrepreneurship training for women. Benefits include increasing the involvement of women in business creation, augmenting the quality of start-ups founded by women, and enhancing the relevance and attractiveness of support for women entrepreneurs. While many countries are implementing dedicated entrepreneurship training programmes for women, approaches are often poorly designed and not well-connected to other small business supports. Moreover, there are many examples of duplication among offers,

which can create confusion among the targeted entrepreneurs. Governments need to improve dedicated training, coaching and mentoring schemes by contextualising the offers (e.g. for local conditions, different profiles of women entrepreneurs, different sectors of start-up projects) and bundling supports into cohesive systems that provide a range of inter-connected and reinforcing schemes.

The development of dedicated training programmes is not sufficient to close the gender gap in entrepreneurship skills. Gender-neutral entrepreneurship education needs to be further developed and implemented early in the mainstream education system so that young girls understand that entrepreneurship is a viable career option. Such programming can instil confidence, skills and abilities to identify and exploit entrepreneurial opportunities. Entrepreneurship education is important across all academic disciplines, but particularly in disciplines dominated by women, such as the Humanities.

Greater use of dedicated measures is needed to address gender gaps in access to financing.

There is a commitment by most governments to increase women entrepreneurs’ access to financing. While a range of mechanisms are in place, a broader use of instruments, such as loan guarantee schemes and microfinance, is needed. This includes increased access to capital for growth-oriented small businesses. Regardless of the type of instrument used, the 27 policy insight notes provided by the Global WEP network showed that mainstream financing sources and government’s use of small business finance schemes are not always as effective for women as they are for men. A greater use of women-focused small business financing programmes is needed. This is because, women have been found to launch their firms with smaller amounts of financial capital than men, and are more reliant on internal sources of financing (Henry et al., 2017).

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Notes

1. The Global Women's Entrepreneurship Policy Research Project (Global WEP – www.globalwep.org) is a network of established researchers from over 30 countries. Established in 2014 by Colette Henry, its goal is to examine, internationally, support policies for women's entrepreneurship, and to identify explicit or implicit gender biases within public policies. Global WEP also seeks to identify evidence-based good policies or practices that are potentially beneficial to other countries in supporting women's entrepreneurial activities.
2. The policy insight notes were authored by the following members of the Global WEP network: Australia: Patrice Braun (Federation University Australia), Naomi Birdthistle (Griffith University) and Antoinette Flynn (University of Limerick); Canada: Barbara Orser (University of Ottawa); Czech Republic: Alena Křížková Pospíšilová (Institute of Sociology, Czech Academy of Sciences) and Marie Pospíšilová (Institute of Sociology, Czech Academy of Sciences); Denmark: Helle Neergaard (Aarhus University); Ethiopia: Atsede Tesfaye (Addis Ababa University); Germany: Friederike Welter (University Siegen and IfM Bonn); India: Roshni Narendran (University of Tasmania); Iran: Nastaran Simarasl (California State Polytechnic University – Pomona) and Vahid Makizadeh (University of Hormozgan); Ireland: Colette Henry (Dundalk Institute of Technology and Griffith University, Australia); Italy: Sara Poggesi (University of Rome Tor Vergata), Michela Mari (University of Rome Tor Vergata) and Luisa De Vita (Sapienza University of Rome); Kenya: Anne W. Kamau (University of Nairobi) and Winnie V. Mitullah (University of Nairobi); Mexico: Rosa Nelly Trevinyo-Rodriguez (Trevinyo-Rodriguez & Asociados); New Zealand: Anne de Bruin (Massey University) and Kate V. Lewis (Newcastle University); Northern Ireland, UK: Joan Ballantine (Ulster University) and Pauric McGowan (Ulster University); Norway: Lene Foss (UiT – The Arctic University of Norway and Jönköping University, Sweden); Pakistan: Shumaila Yousafzai (Cardiff University) and Shandana Sheikh (Cardiff University); Palestinian Authority: Grace Khoury (Birzeit University); Poland: Ewa Lisowska (Warsaw School of Economics); Scotland, UK: Anne F. Meikle; South Africa: Bridget Irene (Coventry University); Spain: Maria Cristina Diaz Garcia (University of Castilla-La Mancha); Sri Lanka: Nadeera Ranabahu (University of Canterbury); Sweden: Helene Ahl (Jönköping University); Tanzania: Dina Modestus Nziku (University of the West of Scotland) and Cynthia Forson (Lancaster University Ghana); Turkey: Duygu Uygur (Istanbul Bilgi University) and Elif Bezal Kahraman; United Kingdom: Helen Lawton Smith (Birkbeck, University of London) and Tim Vorley (Oxford Brookes University); and United States: Susan Coleman (University of Hartford).

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- 1 OECD. (2021). 'Entrepreneurship Policies Through a Gender Lens', May. Retrieved on 25th April 2022 at: <https://www.oecd.org/industry/entrepreneurship-policies-through-the-gender-lens-71c8f9c9-en.htm>
- 2 Where data are available.



Managing social enterprises toward survival

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Social entrepreneurship is the future of business, especially for small and medium-sized enterprises (SMEs). However, social enterprises are embedded in a VUCA world characterized by volatility, uncertainty, complexity, and ambiguity context. These companies have faced several challenges and barriers to survival in this environment, such as access to financial resources and funding sources, financial sustainability, bureaucracy, lack of human resources, etc. (Braga et al., 2015. In addition, they must

manage a high level of complexity and tensions, combining social and economic goals in an environment of scarce resources (Ince & Hahn, 2018).

In this regard, it is proposed the survival of social enterprises can be tackled through its management and depends on different resources and capabilities. Then, managing these challenges and barriers can offer chances to secure survival in social enterprises. Therefore, the importance of preserving and exploring an accumulated

base of resources and capabilities that can contribute to overcoming such difficulties is highlighted (Vézina et al., 2018).

To manage social enterprises toward survival, it is suggested to integrate the Dynamic Capabilities in the discussion based on sensing, to seize, and transforming capabilities (Teece, 2007). The framework proposed by Teece (2007) is composed of: a) the ability to sense the context of the environment (sensing), b) the ability to seize /incorporate opportunities (seizing), and c) the ability to manage threats and transformations (managing/transforming). Although the perspective of Dynamic Capabilities (DC) presupposes the sustainability of the superior advantage in the face of the competition focused on traditional market profit-oriented, the literature has seen a series of attempts trying to transpose the DC to other contexts. For example, debates on DC and social entrepreneurship or social innovation are ongoing (Tablakar et al., 2021; Vezina et al., 2018; Ince & Hahn, 2018; Pirotti et al., 2018; Sanzo-Perez et al., 2015). Thus, other contexts note the importance of managing their distinct resource base and capabilities to achieve better performance toward survivors in the context of social entrepreneurship.

This theoretical research found that the DC adapted to social context can support the social entrepreneurship operations toward its survival. Thus, **sensing** capability refers to understanding the social context, detecting opportunities and threats, and identifying and evaluating options or needs for change. In doing so, sense capability toward survival, elementary individual's skills and contextual interpretation abilities (Castro-Spila et al., 2018), inspiration from external sources, and benchmarking (Pirotti et al., 2018; Chalmers & Balan-Vnuk, 2013). In addition, the recognition of potential beneficiaries and strengthening the relationship between the actors involved in the initiative (Sanzo-Perez et al., 2015, Chalmers & Balan-Vnuk, 2013).

The **seizing** capability means the ability to seize the opportunity, incorporate, and

calibrate into the context. In this regard, Vézina, Selma, and Malo (2018) and Ince and Hahn (2020) reported the importance of establishing bottom-up and decentralized decision-making processes supported by collaborative work. Strategic partnerships must be considered to make strategic decisions and get assets as tacit knowledge (Tablakar et al., 2021; Ince & Hahn, 2018). In addition, an adequate degree of commitment of all the members involved and the willingness and readiness must be constantly verified (Eckhardt et al., 2018).

The ongoing social entrepreneurship operations demand the management of threats and the reconfiguration and adaptation of assets. Thus, transforming capability refers to investing in training and technical improvement (Vezina et al., 2018) toward survival. In addition, innovative governance mechanisms associated with new ways of thinking and measuring the performance of initiatives reveals to be of central importance in the legitimation of social enterprises (Vezina et al., 2018; Corner & Kearins, 2018). A new knowledge transfer mechanism is essential for integrating the actors, favoring the exchange of knowledge and the involvement of the actors for the survival of social enterprises.

Sensing, seizing, and transforming capabilities adapted to social context can be a way to overcome the challenges social enterprises face, and its management issue can help their survival. In addition, it is suggested to tackle this situation using the VUCA approach, which means vision, understanding, clarity, and adaptability/agility for leaders and managers to seek new orientations to guarantee positive results under dynamic environments.

Therefore, this discussion reflects the concern about the survival of social enterprises. Of course, this evidence is not new. However, when we consider the possibility of (re) thinking the DC in a social context as a pathway to keep social enterprises alive, based on its management, we have considered achieving more beneficiaries and communities toward social transformation.

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How do Family Business Improve Post Pandemic?

Enrique Pablo O. Caeg, Founding President of ICSB Philippines and Founder of the Knowledge Hub retail Academy Philippines

My career as an employee took many turns, from doing Marketing related jobs like advertising & promotions, product management, account management. Most of these jobs were spent with Corporate entities that were structured, complemented with systems and procedures that made my role less difficult to function with.

When I worked as an Account Supervisor for Nike Footwear, I had a great experience for five years, achieving the monthly sales quota that blessed me with a financial windfall.

While everything was happening beautifully, I realized one thing: "That it was not about me". I had good sales achievements not because I was a great salesman, but it was because of my Sales Team assigned to the different stores under me. Weekly, I met

with them in the cafeteria and discussed action plans for the week. This motivational method of "making your team feel valued and appreciated" worked well for me. I did not resort to any hard pressure approach. Everybody was happy even while we all got tired especially during mall wide sale events. This experience gave birth to my own employee motto in Tagalog: "Hindi na bale kung pagod, huwag lang masama ang loob" (it does not matter that I'm tired, as long as I'm happy with what I'm doing).

As I moved on to different companies, I found myself working for Family Owned & Controlled Corporations (FOCCs). A new set of experience for me. Mostly, decisions and management were focused on the founder. Professional Employees had more difficult time to blend and work in most family

based environment because there were departments that had incomplete resources. The “Make your dreams come true” wish of most employees will have to wait due to the lack of : lack of merit system, unbalanced approach to discipline and rewards system.

So how can employees of Family Owned Companies achieve their life goals? Family Businesses should consider:

- a. Redefine the way these following words are used: Trust, Loyalty and Competency
- b. Find time to: Organize, Systematize and Manualized process and systems
- c. Create a roadmap for professional succession
- d. Balanced application of the reward and punishment policies
- e. Support continuing professional education of employees

It is understandable that not all of the items listed above will transform and be implemented, owner centered mindset will always rely its decision on return on investment.

Doing my advisory for almost six years now. The success of my engagements was predicated in the involvement and transformation of the Family members who worked in the Companies as well. Ninety percent (90%) of my clients, from various industries (manufacturing, distribution, technology solutions, innovative products like gadgets and computers, athletic wear, shipping and retail & e-commerce. They have different sizes and business volume / revenues but their concerns were similar: high attrition, low morale, undisciplined personnel, weak sense of values and accountabilities, low productivity and less efficient.

In one organization, a manufacturing firm, the Family head once answered, when

asked how stressed he was from 0 to 10, he answered 12. It was four years later that same question was asked to the person and he answered that now it’s down to 2. It was fulfilling to hear directly from the him, to add, he showed me his contribution article that was being launched that afternoon, all that we did in 4 years engagement. Narrated all the experiences and outcomes. It was long, culture transformation, managed well overtime resulted into 33% increase in productivity, employees became highly charged and made weekly projects, something to improve upon, even by just painting the faded gate premises.

This company did not have a structure, it was a flat as designed, this gave the opportunity for the creation of the Leadership Circle, line leaders in the manufacturing area who are in charge of monitoring their daily performance scorecards. The Leadership Circle was a trial and error, having to change the whole team twice, including the most senior employee. The third team was born, and with the lessons from the first batches, this batch lasted until the pandemic came in 2020.

What did the Owner do? He began the transformation from himself, his working family members, the new policies created were considerate of the employees with a great deal of balance between reprimand and rewards, increase on relationships and better communication style.

With the Pandemic hitting most Family Business (Micro to Large), Family Businesses must continue to transform itself starting with the basic origin, the Founders themselves.

Being an Organization Development Consultant for Family Businesses is not easy, but it definitely has a lot of lessons to live and share by to others.



Building an entrepreneurial ecosystem to catalyze ethical technology: a call to action

Carolina Beresford, Digital Marketing Specialist, Globant and Dr. Liesl Riddle, Vice Dean for Strategy, George Washington University

Are you connected to entrepreneurs working to solve the most pressing issues of our time? Are you an investor looking to fund tech designed to benefit humanity? Are you a university ready to shine a light on the pitfalls of tech design so that the next generation of founders can build platforms that bring us closer together? This is a call for entrepreneurial organizations, investors, universities, thought leaders, and agents of change to join us in mitigating the negative effects of technology.

THE CATALYST

In 2003, four friends – Martín Migoya, Guibert Englebienne, Néstor Nocetti, and Martín Umanan – set in motion a series of events that would help reinvent businesses and industries around the world. Nineteen years later, Globant has almost 25,000 employees around the world, with offices in

over 50 cities in 19 countries. The company continues to leverage the latest technologies and methodologies to help organizations reinvent themselves. Globant believes that technology has the potential to improve lives and benefit society. However, it is not always used with that intention. Misapplication and a lack of regulation can at times combine to create an ecosystem where technology may harm individuals, divide communities, and threaten democracy. Some big tech companies acknowledge the issues, yet fail to act. Others chose to ignore the problem completely. Globant is not one of those companies—that is why it has launched the Be Kind Tech Fund.

Administered by Globant Ventures, the Be Kind Tech Fund is the first corporate venture capital fund exclusively focused on mitigating the negative effects of technology. The Fund supports startups developing apps, products,

and platforms that reduce the harms created by the misapplication and abuse of technology. At this initial stage, the Fund has identified five facets of tech that are causing the most damage to individuals and societies around the world. These include AI bias, online harassment and abuse, screen time abuse, information bubbles and polarization, and data privacy issues. These categories will expand as the digital ecosystem continues to evolve.

The Be Kind Tech Fund supports startups looking for Early Stage to Series A funding (tickets from USD 100K to +1M). For a startup to qualify for investment, not only must they focus on mitigating the harm caused by one of the five facets of technology listed previously, but, crucially, they must be able to measure their impact in that category, clearly showing how their work minimizes the negative effects. They must also be for-profit, showing how they plan to scale over time.

With the support of Globant's leading executives and tech experts, the Be Kind Tech Fund is best positioned to take on the challenge of reducing the harms caused by technology. But we can't do this alone. We know that the best solutions stem from collective action, and that's why we invite partners to join us in co-creating this new category of fund.

A CALL FOR INNOVATION PARTNERS

Governments. Many governments are exploring possible responsible technology policies to guide the private sector on their duties in the data age, such as (Jaffar, 2017). Forward-thinking governments understand the technological forces that surround them and look for ways to harness them for the benefit of citizens and constituents alike (Deloitte, 2021).

Governments can make an impact by connecting entrepreneurs and

entrepreneurial ecosystems in their countries to ethical technology innovators. Most importantly, they can share ideas with ethical technologists around the world about unique cultural issues in their countries that might impact the trajectory and nature of ethical technology innovation in their specific context.

Educational Institutions. As long as business models continue to center around capturing and controlling the attention of users, tech will continue to distract, divide, and damage. To combat this trend, ethical technology principles should be infused in the curriculum from primary school onwards. Educators are critical actors in this space as they shape the workforce of the future. Partnering with educational institutions to create ethical technology learning content will socialize the principles and diffuse innovation case studies of ethical entrepreneurship. For example, our partnership with The George Washington University School of Business, one of the top entrepreneurial universities in the world, will allow us to raise awareness of the consequences of the misapplication of tech among the next generation of entrepreneurs, sharing ethical frameworks designed to foster connection, inspire creativity, and spark conversation.

Fortunately, entrepreneurs all over the world are working to solve these challenges. Through capital and mentorship, the Be Kind Tech Fund is supporting these founders on their journey. But we know there are more out there. They need a community of innovators to lean on—futurists who believe in technology's power to bridge divides, and first movers brave enough to challenge the status quo. Not everyone has the courage and vision needed to co-create a new category of investment fund and support entrepreneurs tackling the negative effects of technology. To those who do: Welcome to the Be Kind Tech Fund.

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Women Survivors and Domestic Violence : entrepreneurship as a lever for personal and professional reconstruction

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Domestic violence plague

Violence against women – particularly intimate partner violence and sexual violence – is a major public health problem and a violation of women’s human rights. Estimates published by WHO indicate that globally about 30% of women worldwide have been subjected to either physical or sexual intimate partner violence or non-partner sexual violence in their lifetime.

Most of this violence is intimate partner violence. Worldwide, almost 27% of women aged 15-49 years who have been in a relationship, report that they have been subjected to some form of physical

or sexual violence by their intimate partner. Over% of female murders are committed by their partners.

Violence can negatively affect women’s physical, mental, sexual, and reproductive health. Victims of domestic violence are statistically more likely to develop heart disease, asthma, reproductive health issues, and alcohol addiction, not to mention the fact that the rate of them becoming abusers in the future increases by almost 50%.

Financial independence stake

In many cases, financial control is both a means and a form of domestic abuse, with repercussions for the individual, family, and a country's development. Indeed, financial abuse is a common tactic used by abusers to gain power and control in a relationship. Victims are often isolated, sometimes exploited and prevented from developing the skills necessary to achieve independence. The abusive partner may prevent the other person from working or may control their wages and bank accounts or credit cards, so survivors of domestic violence often need to start over financially.

Gaining financial independence is thus one of the most effective ways for abused people to break the long-term hold of domestic abuse and violence on their lives. When they control their access to fundamentals like food, clothing and shelter, they can view their future and fate with a renewed vision. They are more able to leave and stay out of abusive relationships, ensure the wellbeing of their children and break multi-generational cycles of abuse.

Role of entrepreneurship

Less recognised, however, is the role entrepreneurship can play in permitting abused people gaining that financial freedom. Naturally, everyone is aware that victims of domestic violence have to face extra challenges. While entrepreneurship requires material resources, mental strength and even physical stamina, in most cases, domestically abused persons desperately lack one of these assets if not all because the domination they have so far endured have drained all self-confidence and mental and physical capacities, isolated them from most of their relatives, and left them broke with no credit. Nevertheless, business ownership can be a more viable path than conventional employment. Years of domestic violence leave abused people with spotty employment records that can get in the way of landing a job. For instance,

a lot of victims of domestic violence have lost jobs because of absences caused by injuries or interference by their abusers. Being one's own boss can allow these people to sidestep some of these challenges. And if given space and time, it can also offer an opportunity to heal as well. Entrepreneurship can help restore a survivor's sense of self and mend a broken self-confidence after years of being beaten down physically and emotionally. People who have been abused have healing to do before they can wholeheartedly take on business ownership, but entrepreneurship can play a role in that healing.

Encouraging initiatives

Helping former victims of domestic violence to support themselves and regain self-esteem by means of entrepreneurship is the goal of some initiatives over the world.

The non-profit California-based start-up FreeFrom teaches former victims of domestic violence to become entrepreneurs. Similar to how an incubator helps entrepreneurs, participants receive legal advice, mentoring, marketing advice, and logo and website help through partnerships with relevant social, financial or technical organisations. The organisation runs a six-month training and mentorship programme to coach the women through setting up their business, getting their first customers and coming up with a branding and marketing strategy. FreeFrom also helps them rebuild their credit and win compensation for the harm they have suffered through legal aid. After the programme, the survivors have access to those resources more informally after that. The results are more than encouraging. Three-quarters of the first 30-participant cohort have launched their business, and all of them make a profit in their first month of business. They are almost entirely B2C businesses building on survivors' existing skills, including a cleaning service, hair styling, catering, and jewellery design. Most importantly,

none of the survivors have returned to their abuser. Interestingly, some groups of former victims of violence domestic form business co-ops among themselves. For instance, they might start a cleaning service together and take turns cleaning homes or watching each other's kids.

GreenHouse17, which serves survivors of intimate-partner violence in 17 Kentucky counties, USA, is located on a 40-acre farm where it grows much of its own food. With a \$1.8 million annual budget, it offers traditional services like counselling and legal advocacy as well as yoga, spaces for sewing and making art, and horses. It also offers microloans, a programme that matches savings for things like eyeglasses, schoolbooks or a car as well as opportunities to participate in microenterprises. In addition to food, the farm grows flowers, which it sells locally. Residents may choose to work in the flower business or in a separate enterprise that sells handmade products, such as candles, lip balms, salves and soaps, *via* an Etsy shop. Participants earn a small stipend and get an opportunity to learn about entrepreneurship. The microenterprise program earned about \$40,000 last year, enough to its cover expenses and the stipends, which earn participants up to \$600 over about six weeks. They work only about 10 hours a week, including two hours for reflection through journaling or art. Encouragingly, some participants are also beginning to dream up their own venture.

IPAG and CEFAIRE : a new French Initiative

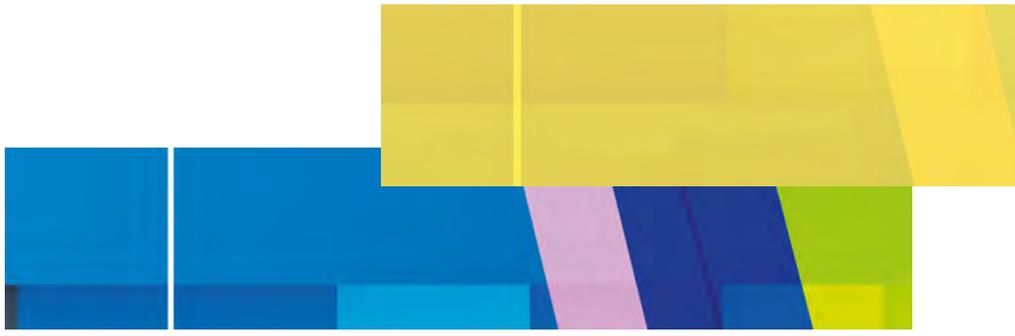
Adopting an impact approach, the Centre for Research, Training, Support Victims of Domestic Abuse (CEFAIRE) has as its aim to offer to former victims of domestic violence the knowledge and skills needed to develop their own businesses as a means to gain both financial independence and self-esteem.

To achieve its goal, CEFAIRE pursues and will achieve the following objectives:

- **Comprehend:** To better aid victims of domestic violence, the Centre undertakes research activities to characterise abused-people entrepreneurship in terms of victims of domestic violence's drawbacks but also advantages, addressed markets, companies' statuses, success rate, failure reasons, etc. The outcomes help the Centre to continuously refine and improve the services provided by the Centre in terms of support and training.

- **Support:** this is done through the Centre's caring structure designed to provide the victims with all the support they need to pull them out of distress, stabilise their situation and help regain self-confidence. CEFAIRE offers all the services needed to assist, protect, and make them feel better: material aid, medical care, psychological support, legal counselling and advocacy but also wellbeing activities like meditation, yoga, arts to make them heal from their psychological wounds.

- **Venture:** CEFAIRE provides the victims who aspire to start their business as a means to gain their financial independence with: i) all the necessary and sufficient entrepreneurship skills, from inception to setup, launch, and management; ii) for the ones who are the most advanced in their ideas, the Centre acts both as: i) an incubator providing services as access to office hardware and automation along with business, legal and financial counselling; ii) a specialised structure helping these entrepreneurs access public subsidies.



Self-resilience through Entrepreneurial learning: Key insights based on the study of battered women while entrepreneuring

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This paper focuses on the outcomes of entrepreneurial teaching. We argue that, beside the objective to help the founder of the business to open and manage any sustainable business, teaching entrepreneurship can also teach self-resilience. It investigates the case of 20 women who have been beaten by their spouse and who joined a specific entrepreneurial program. The comparison between what they initially express right before joining and what they express right after the program allows us to identify

the impact and limits of entrepreneurial programs not only to open new ways of financial emancipation but also to allow self-resilience on the short term. This contribution is discussed on two main levels: first, on the real impact of the program per se – by contrast with the impact of any new spousal or any friendly or professional support that could be obtained during the same period of time; second, on the impact of the program on the long term and sustainable self-resilience of the person.

Introduction

This paper examines the role of empirical entrepreneurial teaching on self-resilience. For that purpose, it refers to the perceived impact of such a program on extreme cases, such as battered women.

1. Literature review

1.1. Entrepreneurial teaching: perceived benefits and learning outputs

In 2007, while providing a systematic literature review on entrepreneurial teaching, Pittaway & Cope (2007) reveals the uncertain results of such initiatives, highlighting the lack of knowledge on the real impact of entrepreneurial teaching for becoming “more effective entrepreneurs” (Pittaway & Cope, 2007, p. 479) among graduate students, the often-targeted population of such programs. These same authors also acknowledge the great diversity of what is put by scholars under the “Entrepreneurial teaching” category.

More than 15 years after the publication, there would benefit to reopen the debate since the literature provide a multitude of studies that respectively refer to a wide variety of entrepreneurial teaching modes, during a more or less long period of time to a variety of audience that is, however, mostly composed of students in graduated programs in school of management (Banha et al., 2022). Whatever, some studies suggest that, beyond this jungle of tested entrepreneurial teaching, have a positive impact on the desirability and the feasibility to open any venture when there has been any positive prior experience, either during any similar business game or during any previous entrepreneurial experience (Peterman & Kennedy, 2003).

However, other studies reveal the positive impact of entrepreneurial teaching on self-efficacy perception. In that respect, Piperopoulos & Dimov (2015) while comparing the respective impact of theoretical and empirical courses on entrepreneurship on self-efficacy perception of individuals show that *“higher self-efficacy is associated with lower entrepreneurial intentions in the theoretically oriented courses and higher entrepreneurial intentions in the practically oriented courses”* (p. 970). In that respect, beyond its nature,

following programs in entrepreneurship could serve self-development through, at least, the improvement of self-efficacy perception.

The benefits of entrepreneurial teaching, especially those of empirical entrepreneurial methods, on self-development would be attested in other studies (Hägg & Gabrielsson, 2019; Bachmann et al., 2021). In particular, those conducted by Gonzalez-Lopez et al. (2019) catches the attention: While experimenting empirical entrepreneurial teaching, these researchers reveal that this type of program indirectly influences entrepreneurial intention through the positive impact on the 3 antecedents of the entrepreneurial intention (perceived behavioral control, attitude, and subjective norm). They also show that such an empirical entrepreneurial teaching also impacts resilience. Resilience can be defined as the “ability to bounce back or cope successfully despite substantial adversity” (Rutter, 1985). Established and most cited states of the art about this concept (Earvolino-Ramirez, 2007) recall that the concept of resilience was initially considered as to be a personality trait. However, after 3 decades of research, resilience refers to a “dynamic and modifiable process” (Luthar et al., 2020). In other way, beyond individual characteristics and traits, resilience can be developed, redeveloped after each perceived and experienced trauma.

1.2. Self-resilience: what could the role of entrepreneurial teaching be?

The literature in entrepreneurship specifies the importance of resilience as personality trait but also as a capacity of the entrepreneur to recover fast from failures (Krueger & Brazeal, 1994, Mc Gee et al., 2009). In that respect, while raising entrepreneurial intention, it is important to raise resilience and self-efficacy among other characteristics (Bullough et al., 2014). Such traits are all the more important during “challenging times” and contexts (Bullough & Renko, 2013). Such traits remain also necessary for expressing any entrepreneurial intention (Renko et al., 2021).

In that respect, scholars who worked on entrepreneurial teaching and education insist on the necessity to make students learn not only on the entrepreneurial process but also to make them acquire skills that allow them to develop their entrepreneurial self-efficacy and entrepreneurial resilience (Morris et al., 2013).

However, what kind of teaching method is the most appropriate for working on self-resilience? Moreover, since studies reveal that entrepreneurial teaching does not necessary lead to entrepreneurial intention, and, moreover, efficient entrepreneurship, shall we assume that entrepreneurial teaching can “simply” lead to the development of self-resilience? Here are the questions we expect to solve.

2. Research Design

In order to grasp the role of entrepreneurial teaching on self-resilience, and not only entrepreneurial resilience, we focus our attention on an extreme situation: the one that refers to women and men who live at the boarder of society and who received violence from their spouse. We assume that such a population has to develop resilience. Moreover, empirical studies show that battered women represent a third of women¹. Other statistics implies that women who face this situation are often trapped into economic instability (Conner, 2013).

In such a circumstance, we focus our attention to the situation in France. Our choice is driven by opportunism (Girin, 2001; 2011). Even though UN figures show that battered women can mostly be found in deprived countries, the French National Observatory of battered women testifies that statistics remain pretty high. Moreover, even though these situations could be perceived as not to be the general cases in the selected country, we assume that our choice for this country could be all the more interesting since being battered would not be considered as to be any “banal” act and, therefore, could cause a trauma.

The entrepreneurial program consists in learning how to exploit one idea of business that has been expressed by each woman

who got involved into the program. During a duration of 8 months, they not only learn basics of entrepreneurship but also apply these basics to their potential project. In such an attempt, they receive the help from coaches and can get support from psychologists.

Following existing research designs that are commonly used to measure the impact of entrepreneurial learning on entrepreneurial intention (González-López et al., 2019), data comes from interviews with battered women who are following a program in entrepreneurship we developed in the purpose to help them find more economic stability. Women who took part to the program have been selected either by institutionalized centers that are providing care and home so that they can escape their spouse or by public services that help women find a job. In total, 60 women followed the program in 2 cohorts. We have been able to trace all of them during the program and 40 accepted to be interviewed before the program and right after the program.

Each interview has a duration of about 2 hours. The first interview consists in a short introduction of the person, the reasons she joins the program and her dream or objectives that are formulated in a more or less defined manner. The second interview refers to the debrief on how they perceived and experienced the program.

Collected Data has been coded thanks to the Atlas TI software. We decided to code in a deductive way. Therefore, 1st order categories refer to signs of resilience (Rogers et al., 2003; Thompson et al., 2011) and especially the list of signs of resilience of battered women (Ferraro, 2003; Shanthakumari et al., 2014) but also to signs of coping strategies. Then, we tried to link these signs with explanations expressed by women on when they developed these coping strategies. By this way, we are partly able to make the link between the program and the first signs of resilience. Meantime, we also identified signs of entrepreneurial intention and signs that of the three antecedents of the entrepreneurial intention that are expressed by these battered women.

3. Findings

To synthesize, our findings reveal that the program per se does not generate the entrepreneurial intention, that appears to be prior and one condition that led women to take the decision to enter the program. However, the program seems to strengthen the perceived behavioral control by these women and, indirectly their resilience.

Our findings reveal that, beyond respective education, women have ideas of business but most of them are too vague to be transformed into a tangible venture. Meantime, most of these women express positive entrepreneurial intention and 80% express their willingness to develop their venture right after the program. The main reason for such an intention is based on the idea to be independent, therefore self-employed and to escape employees they often distrust and, finally, to gain “liberty”, like expressed by some women. This attitude towards entrepreneurship was present before entering the program. Moreover, this attitude seems to be the guideline for taking the decision to enter the program.

At the end of the program, we note that this quest for “liberty” expected, this entrepreneurial intention gets influenced by the absence of any expressed pressure from social norms but many expressed signs of self-esteem: “I knew how to do it”. However, women make references to relatives who are also entrepreneurs they observed in the past. In that respect, we could argue that social norms are implicitly there and is prior to the decision to create any venture and, thus, to enter the program. Here, there are signs that testifies the program per se contributed women to rebuild connections with what they experienced, observed in the past. In other words, the program brought some new knowledge about entrepreneurship but also about what women already knew but might have forgotten.

4. Discussion, contribution, limitations and further research

4.1. Discussion

Our findings are consistent with established ones since they reveal that women who express the highest entrepreneurial intention and are able to give precisions in terms of customer targets are also those who have previously been exposed to entrepreneurship thanks to relatives who are positively perceived by these women and who were quite successful with their entrepreneurial experience. However, they can be discussed at two main levels.

First: What is the real role of the entrepreneurial program in the process of resilience? Here, we note that women already expressed the intention to create any venture before entering the program. We can interpret such a sign arguing the first interview has been conducted right after the entering of the program. Therefore, women would express what they believe they should say. However, such an interpretation can be broken when during the second interview when women express their feedback. Here, we have the feeling that the program strengthened their quest for liberty. Besides, what is important to note is that women also received a psychological support that got included into the program but that is not really part of the teaching process per se. Last, but not least, we observe the positive role of the program on women resilience when prior entrepreneurial experience is here. In that respect, we can argue that entrepreneurial programs could play the role of the vaccine when it comes to regenerate resilience to battered women.

The second level of discussion relies on sustainable resilience. The literature on resilience does not consider resilience as a personal trait anymore but as an individual and more or less singular process by which individuals succeed in recovering from a

failure, a chock. In that respect, our data does not allow us to conclude anything on long term resilience, meaning to be sure battered women acquired the capacity to start a process of resilience and, therefore, will be able to enter a similar process if women meet another “failure”. However, the literature in psychology argues that recovering from a “failure” make individuals stronger and this type of resilience cannot really be destroyed. In our case, we can state that the following an entrepreneurial program that generate signs of resilience can serve on the short term but might also serve on the long run.

4.2. Contribution, limitations and further research

This research contributes to the literature on entrepreneurship since it reveals that following an entrepreneurial program can thus contribute to the development of new venture but, besides, is an appropriate mode to acquire resilience that can be used during any entrepreneurial experience but also any time in life. In this sense, we argue that entrepreneurial learning contributes to help participants to become entrepreneurs of their own lives.

Of course, our study suffers from many limitations. The first one refers to our research design per se: First, like any study in resilience psychology, our data comes from verbatim,

meaning that we analyze discourses in which we try to identify expressed signs of resilience, but we do not observe resilience per se. For that purpose, there would be need to observe women in practice. However, in that respect, it is scientifically really complicated to observe women in practice since there would be need to observe women during their whole working but also private day! In that respect, the only research design that could fit that objective – observing women resilience in practice – could be auto-ethnography or, eventually, the analysis of diary journals. However, here, we note that this mode of data collection remains very unique for our subject, and, maybe very complicated to conduct. The second limitation that refers to our data collection process is that the one we adopted does not allow the analysis of any sustainable self-resilience, meaning if the declared signs of resilience still be present on the long run and, even, if the entrepreneurial program helps long term resilience.

These limitations open doors to further research: Limitations that are refereeing to the measure of self-resilience are inviting further research that could be based on the analysis of any diary journal and a data collection on a long period of time – maybe more than 1 year after the person followed the entrepreneurial program.

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(Endnotes)

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SMEs Must Choose Change

Katia Passerini, Ph.D.
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Dr. Sheena S. Iyengar, a scholar at Columbia University, has conducted significant research on change management, choice, and decision theory. One experiment that she describes is based on data collected at a supermarket: counting how many customers who sampled many different types of jam ended up buying the jam. The final purchase was verified by using the discount coupons used at the cash register¹.

Interestingly, she found, that the higher the number of jam options the customers had tasted, the less likely they were to act on that purchase. She called this phenomenon “the paradox of choice.” Too many choices, too many options, hence analysis-paralysis and unintended consequences (quite the opposite of what the store was trying to achieve by providing more shelving space to the marmalade section). What she identified is that the bigger the number of options and combinations, the higher the costs of acquiring and sorting information, and

the more difficult the decision. Computer scientists try to simplify this complexity by using an algorithm called “merge sort” which brings similar, not the same, groups together and speeds up problem-solving. Gestalt theory predicates similar clustering and simplification approaches. Reductionism, which strives for the simplification of complex problems into small manageable pieces, does the same.

Why does something so positive – such as having access to a larger number of delicious and tasty breakfast options - turn out to be a paradox leading to fewer purchases? David Rock and Jeffrey Schwartz use neuroscience to try to explain it simply: change is painful.² Decisions leading to change are processed in our working memory and activate the energy-intensive part of the brain, depleting such energy. Routine and familiar activities are stored in the basal ganglia and form habits that require less energy to activate since they are already stored in our brain

thanks to training and repetition. David Rock and Jeffrey Schwartz explain *“When you see a new product on a supermarket shelf and rationally compare its benefits to a product you already use, it’s your working memory that takes in the new information and matches it against the old. This kind of memory activates the prefrontal cortex, an energy-intensive part of the brain.”*³

This rather long introduction enables me to talk about a couple of concepts: paradoxes, change, and difficulty of change. Change is indeed painful. Try to read any management theory book or journal article on the subject and you will find a recipe for to-do lists that are meant to help people and organizations adapt to changes. But change is also necessary. We live it constantly around us: biologically, we are under continuous pressures and stresses as our body (and mind) change and adapt to the passing of time. Nature changes continuously, albeit in times that span millennia, while human nature, and even personalities, change several times throughout a lifetime of an individual. And with that change comes something inevitable: the difficulty of adapting or embracing it. The fear of the unknown kicks in, which can be easily explained by its opposite: the comforting certainty of the known. We know how it works now; the last time this was done, it failed, why should it work now?

Embracing agility is essential for SMEs business owners who need to create a dynamic culture in their organizations in order to thrive. Small business leaders should refrain from the status quo and embrace change to adapt to changing circumstances. During the pandemic, many small businesses, especially in the direct services industry, had to completely rethink their business operations in order to survive. In New York City, restaurants started delivering wine and opened outside spaces on the streets, completing transforming the eating experience from an inside to an outside affair that seems to be here to stay also post-COVID, even if with a modified look⁴. The traditional tenets of how we conduct business have changed, moving people outside of their offices into their home offices, thus opening new opportunities to connect to local businesses and local communities in now radically distributed work environments. Those small businesses that can ride this wave of local and community innovation and adapt swiftly will have new opportunities to reach new clients where they are. Choosing to lead this change will open new horizons. It is time to choose change, no matter how taxing, painful or uncomfortable. It is time to choose to change because of the unknown opportunities that it brings.

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Environmental Sustainability, Ethics and Global Finance,

Mariya Yesseleva-Pionka, PhD, Dean of Business and Law School, De Montfort University Kazakhstan

Back in 1987, when United Nations introduced the definition of sustainability, it emphasised that sustainability is about responding to the needs of the present without undermining the ability of future generations to meet their own needs¹. According to Organisation for Economic Co-Operation and Development (OECD) data, many countries are taking action, but progress is insufficient to achieve the goals of the 2015 Paris Agreement. The adoption of renewable energy is on the rise; nevertheless, it still represents 11% of energy supply and 27% of electricity production in the OECD².

The public disclosure of information about the social and environmental impacts of business operations has become widespread since the early 1990s, typically among large companies worldwide. The Global Reporting Initiative³ (GRI) provides a conceptual framework and guidance for social and environmental reporting. The GRI Reporting Framework provides direction on reporting an organisation's economic, ecological and social performance. It was created for application by businesses of any size, sector or location.

Climate and environmental impacts are at the heart of global finance. Can profitability and sustainability co-exist? In answering this question, it is vital to emphasise that long-term profits will not matter if there is no planet. Overall, if we continue to underestimate the importance of environmental resources and our role in promoting sustainable behaviour, this could lead to highly detrimental outcomes for the planet. Thus, there is an immediate urgency to educate everyone concerning climate risk and their role in promoting sustainability.

We are already witnessing green start-ups that provide various tools that measure storm and flood risks, air quality and assess the level of pollution created by businesses. In the financial services industries, many green FinTechs successfully combine finance and technology while promoting and embedding sustainable behaviour among customers. For instance, digital banks allow their customers to round up their transactions to support tree planting, give cash-back for using climate-friendly business services or products, provide green loans for various solar energy projects and deliver a customised analysis of customers' spending to emphasise their carbon emissions footprint and sustainable behaviour⁴.

There is an onset of transformative generational wealth handover from baby boomers to millennials, with new business leaders becoming increasingly attentive to climate risks. Thus, they tend to choose sustainability in business operations. According to an Ernst & Young study, millennial investors are almost twice as likely to invest in businesses or managed funds that target specific social or environmental goals, and 90% of them want sustainable investing as an option within their pension/superannuation plan⁵. Originally sustainable investing started in equities; however, over the years, government and private companies have been issuing various debt

instruments to finance environmentally friendly projects.

There seems to be an assumption that carbon footprints and environmental impacts are mainly connected to large organisations. However, micro, small and medium enterprises (MSMEs) account for over 90% of all businesses worldwide. Thus, it is evident that MSMEs collectively are classified as significant polluters globally, and there are increasing requirements for these enterprises to participate in and implement sustainable business practices. There is an urgency to educate entrepreneurs, MSME owner-managers and future business leaders in general on how SDGs require changes to business finance, management and investment.

Climate changes have initiated many transitions and shifts across government and industry sectors to reduce the negative impact on the environment worldwide. With every new and existing business comes great responsibility for making climate-friendly decisions. To align with the United Nations Environment Programme Finance Initiative, new and existing businesses in the financial services sector must foster better conditions for forming ethical finance behaviour. The starting point is to embed achievable sustainability targets into the business models and strategic plans and introduce quantifiable approaches for measuring the impact of financing on the environment. The transparency and accountability of sustainable behaviour are of paramount importance for all businesses.

Over the past years, government and private companies are issuing various debt instruments to finance environmentally friendly projects. The beginning of the Sovereign Green Bonds' era took place in 2016 when Poland issued the inaugural Green Sovereign Bond to reduce the reliance on coal and transition to the lower-carbon targets. France became the second country

in the world that issued the sovereign green bond in 2017, with many other governments following the suit. China's first batch of Green (carbon neutral) Bonds was issued in February 2021 with the aim of reducing carbon emissions⁶.

The Blue Bond market was created in 2018 when Seychelles, with assistance from the World Bank, launched USD15 million blue bonds to develop the economy while preserving the marine areas. Blue bonds represent new financial instruments for funding marine projects aimed at ocean conservation.

The Transition Bonds have also been growing in popularity and were originally introduced for industry sectors labelled as heavy polluters to start the transitioning process from brown to green status. Whereas, Nature Bonds have a broader purpose and are aimed at making sovereign debt connected with biodiversity and carbon neutrality to achieve net-zero emissions. Pakistan is planning to offer the very first Nature-performance Bond as part of the climate mitigating strategy and assist with recovering from the global pandemic.

The demand for climate-friendly and socially responsible investments is on the

rise. The Social Bonds were created to assist vulnerable groups of society in improving their lives. The first Social Impact Bond (SIB) was introduced in the United Kingdom in 2010 to reduce recidivism. It was evident that after just a few years, there was an increase in the SIBs, with the US, Australia, Canada and South Korea following an example and introducing the path for other governments to follow. Also, the introduction of the very first Wildlife Bonds by the World Bank marked the beginning of funding projects aimed at protecting endangered species, such as rhinos in Africa.

With the myriad of emerging sustainable investment options, it is essential to understand the underlying projects, sustainability targets, risks and returns. COVID-19 has contributed to a further increase in sustainability-link bond investments, allowing companies to establish business-wide targets and spend proceeds from funding on pre-determined projects. At this stage, there are numerous terms in the financial markets worldwide that describe green investment options. Given the diversity of financial markets worldwide, it is essential to introduce taxonomy when classifying green projects.

(Endnotes)

- 1 United Nations Brundtland Commission, 1987
- 2 <https://www.oecd.org/environment/climate-data/>
- 3 <https://www.globalreporting.org/>
- 4 <https://icsb.org/environmental-sustainability-and-global-finance/>
- 5 www.ey.com/en_au/financial-services/why-sustainable-investing-matters
- 6 <https://icsb.org/ethical-finance/>



#Women2030: Sustainable Career Development

Prof. Analia Pastran, Member in the Steering Committee of WUC-UN-Habitat and CEO of Smartly and Evangelina Colli, Director of Localizing the SDGs of Smartly, Social Entrepreneurship on the SDGs

When you are a woman it becomes complex to define the professional development you would like to achieve, since in some way the family, the traditions and customs were preparing us mainly for family assistance tasks. In these times, we are experiencing a global paradigm shift in which the proposal that is promoted is to abandon that role for another that puts the core of beliefs in tension.

In this context, being able to see yourself as an economically independent professional woman who can express her own thoughts but at the same time strengthen the foundations of a society by thinking in community, it requires an effort that you must be willing to make, but also of a

boldness that is achieved through alliances.

From the observation and experience of the Urban Thinkers Campus (UTCs) in Mexico and Ecuador carried out since 2019 to date, we can point out that when innovating and advancing in issues that concern humanity, such as life in cities, women have been the most tenacious allies. Women face challenges that are replicated regardless of the region, country, culture or belief, and whose solutions are global given that local problems are global.

The Urban Thinkers Campus (UTC) model is an initiative of the UN-Habitat World Urban Campaign, conceived as an open space that includes a series of plenary sessions

with debates at the level of international experts, with the aim of bringing together governments, civil society, researchers and personalities from academia, local authorities, professional organizations and youth groups, to propose solutions to urban challenges and achieve green, productive and more inclusive cities.

From this logical framework, we can analyze the real and effective possibilities that women have to access knowledge and power, to apply technology to personal and community development, and to generate alliances during and after these urban thought encounters.

On the other hand, we observe that the generation and escalation of alliances represent a great challenge to be addressed, since there is a vocation and intention to carry them out but the routines of the organizations and personal objectives make them a difficult and harsh matter to specify and to hold.

Women 2030, a *Smartly* initiative, comes to propose a scheme of alliances between women to achieve sustainable career development. During the campuses we emphasize the importance of *Women Promoting Women*, aware that the model of women that we propose is resisted by society and by the women themselves who are already in decision-making positions.

The analysis postulated so far will be under the scrutiny of the social, economic and environmental model that the political systems of the region propose for our democracies.

In this sense, *Smartly* promotes Parliaments SDGs, a unique initiative dedicated to bring an International Agenda to the legislative level of cities, where usually a Global Agenda hardly reaches.

Smartly unites different topics: urban legislation, women, sustainable entrepreneurs.

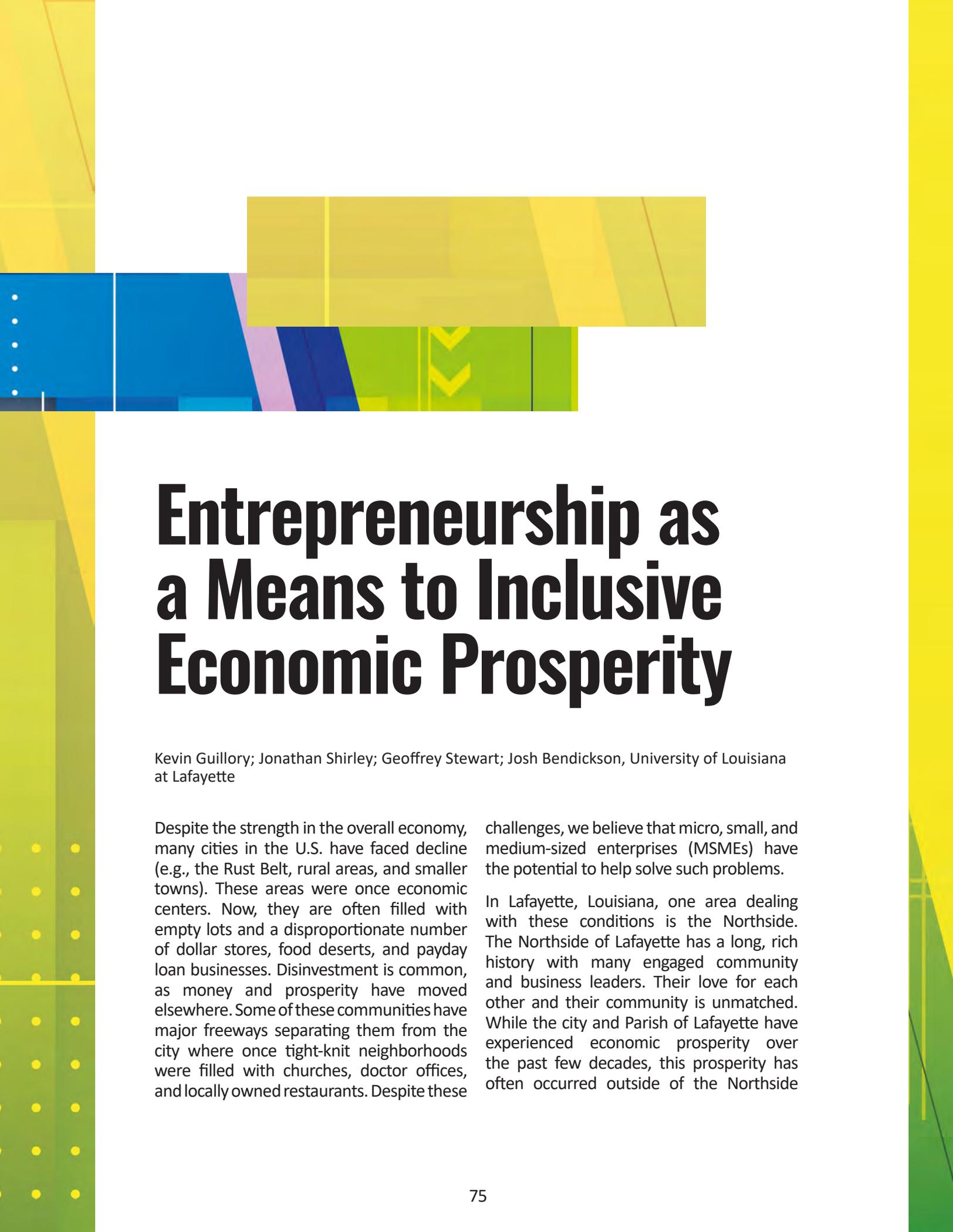
For instance, we developed an ordinance on beekeeping and SDGs that promotes and protects this economic activity, highlighting its relevance to the production of healthy and accessible food for the population, and showcasing bees as an indicator of a healthy environment. The Food and Agriculture Organization (FAO) indicates that beekeeping can help alleviate poverty, protect biodiversity, and ensure food security.

In that context, we focused on the role of women as a key player in this activity and we included a specific article about Women and SDG 5 in the ordinance. When analyzing beekeeping, in the social imaginary the activity is usually represented by men beekeepers while there are plenty of women who attend to the hive and develop the activity with their husbands. As a consequence, this men's visibility in the activity has impacted on the absence of womenpreneurs and businesswomen doing beekeeping.

Also, we have observed that beekeeping has not had enough inter-generational transmission and it is a lucrative activity in multiple aspects that can be carried out by female-headed households, single women, or any women that want to leave poverty and be included in the economy.

In the context of three global crisis like Climate Change, the COVID-19 pandemic and the global security crisis and latent nuclear risk that affects human life and impacts all communities, we emphasize the preponderant role of the Governments in implementing the Sustainable Development Goals (SDGs) and the New Urban Agenda for the good living.

This article is based on the experience of the *Smartly #Women2030 program*, and the conclusions published in the *UTC online Reports: Vibrant and Inclusive Urban Life First and Second Edition*.



Entrepreneurship as a Means to Inclusive Economic Prosperity

Kevin Guillory; Jonathan Shirley; Geoffrey Stewart; Josh Bendickson, University of Louisiana at Lafayette

Despite the strength in the overall economy, many cities in the U.S. have faced decline (e.g., the Rust Belt, rural areas, and smaller towns). These areas were once economic centers. Now, they are often filled with empty lots and a disproportionate number of dollar stores, food deserts, and payday loan businesses. Disinvestment is common, as money and prosperity have moved elsewhere. Some of these communities have major freeways separating them from the city where once tight-knit neighborhoods were filled with churches, doctor offices, and locally owned restaurants. Despite these

challenges, we believe that micro, small, and medium-sized enterprises (MSMEs) have the potential to help solve such problems.

In Lafayette, Louisiana, one area dealing with these conditions is the Northside. The Northside of Lafayette has a long, rich history with many engaged community and business leaders. Their love for each other and their community is unmatched. While the city and Parish of Lafayette have experienced economic prosperity over the past few decades, this prosperity has often occurred outside of the Northside

of Lafayette. Like many other cities (in the U.S. and globally), the Northside of Lafayette needs a catalyst that can stimulate economic development if it is going to have a chance of recapturing its former economic vibrancy. This catalyst could come in the form of programs that support MSME development, which we further explain in this International Council for Small Business Global MSMEs 2022 report.

Cultivating Entrepreneurship on Lafayette's Northside

The Louisiana Entrepreneurship and Economic Development Center (LEED) is an Economic Development Administration (EDA) funded university center housed in the B.I. Moody III College of Business at the University of Louisiana at Lafayette. As a university center, the goal of the LEED Center is aligned with the EDA to focus "...on leveraging university assets to build regional economic ecosystems that support innovation and high-growth entrepreneurship, resiliency, and inclusiveness" (U.S. Economic Development Administration, 2022). The mission of the LEED Center is to strengthen and diversify the economy through relationship-based entrepreneurship and economic development programming to build a better Lafayette, a thriving Acadiana, and a stronger Louisiana. Supporting local MSMEs is a key component of this programming.

In 2020, The LEED Center was awarded a two-year CARES ACT grant that focused on "Accelerating and Planning in Rural & Low-Income Areas of Louisiana" (U.S. Economic Development Administration, 2020). This grant allowed for the LEED Center to partner with the Urban Poverty and Business Initiative (UPBI) in the creation of "Accelerate Northside," a start-up and small

business program focused on people, their dreams, ideas, and business interests. The Accelerate Northside program consists of six sessions to assist MSMEs which includes the following topics: The entrepreneurial mindset, creating a business plan, getting resources, knowing your numbers, customers driving business, and operations.

While the topics covered in the program are not new to the world of entrepreneurship, the approach used by the LEED Center is different. From the very beginning, the program educates the head and heart of the entrepreneur. This philosophy starts with the premise of caring more about the individual than their idea. Accelerate Northside seeks to create entrepreneurs and surround them with an environment of support so that they can work through opportunities and business concepts. Given that the region has often been neglected, starting with the person has been a key component to the program before helping participants grow their MSMEs.

Accelerate Northside not only brought a new approach to entrepreneurship programming, but also serves a geographic location and audience that has received less attention, specifically minority and underrepresented populations. In the Fall of 2020, the LEED Center staff embarked on a listening tour with community leaders and residents on Lafayette's Northside. Rather than trying to tell people what they need, the staff used the listening tour to meet civic and business leaders, to learn about community needs and business development efforts, to share the framework of the program, to create buy-in for the program, and to prepare a foundation for building trust with the community. Great connections were made during this time, including bringing on the Greater Southwest Louisiana Black Chamber of Commerce as a co-host of Accelerate Northside.

Launching Accelerate Northside

Since the Spring of 2021, there have been three Accelerate Northside cohorts and the results are promising. Over 130 participants have completed the program, with 100% of participants coming from underrepresented populations. Female entrepreneurs have made up over 80% of the program. In that time period, many participants launched businesses during or after completing the program, and many more have grown MSMEs that already existed prior to the program. These businesses are typically survival and lifestyle MSMEs (Morris et al., 2018). Some businesses are full-time jobs, while others are side hustles focused on

bringing extra income to their household.

UPBI programming has expanded to 10 cities (McKenna Center, 2022) and the LEED Center will continue to be a partner in helping underserved people start and expand their MSMEs. Further development of such programs can be emulated across the globe to help grow economic prosperity through MSME assistance. We encourage entrepreneurship educators and mentors to engage in doing so given the growth potential and economic advancement possible through helping disadvantaged communities grow their MSMEs.

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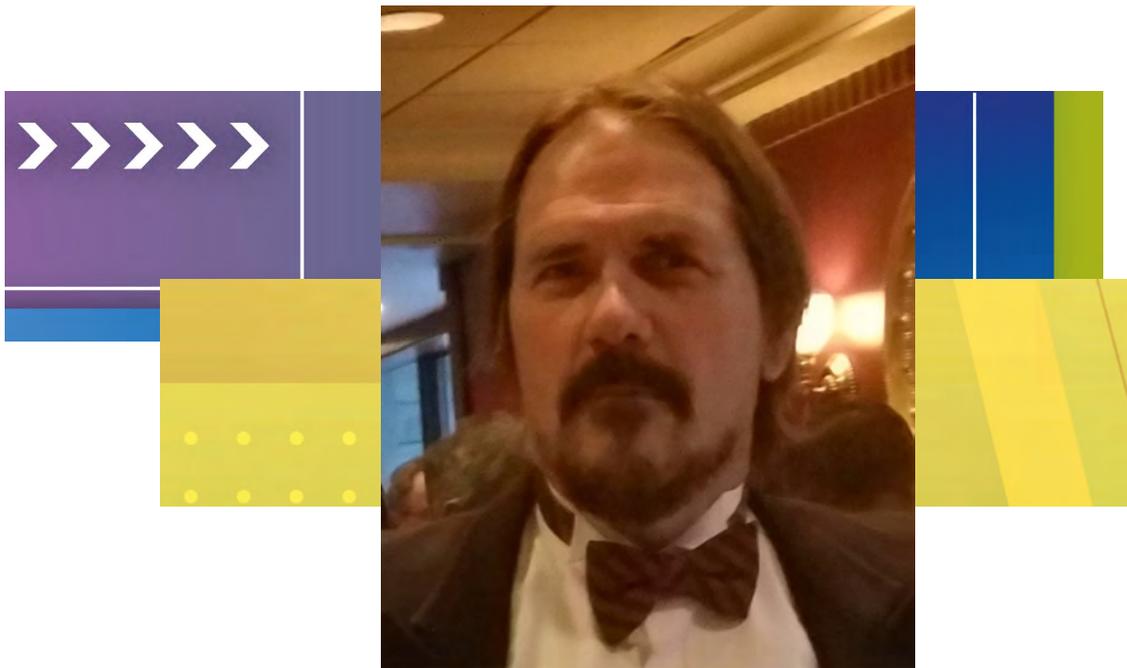
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It Takes An Ecosystem to Raise a Solopreneur

Why ecosystem building and
ecosystem builders matter more than
ever. And why entrepreneurs need a
responsive ecosystem more than ever.

Norris Krueger, Ph.D, Visiting Research Professor of QREC, Kyushu University

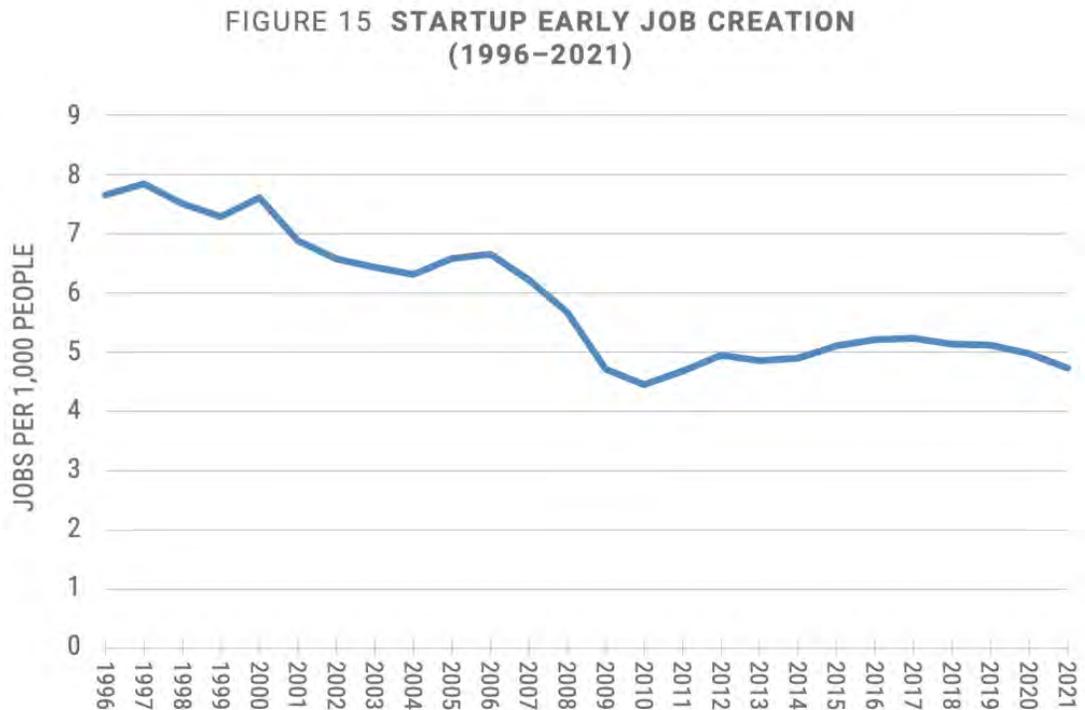
While we may have buried the myth of The Lone Wolf Entrepreneur;

The number of solopreneurs continues to rise;

Is this *really* a contradiction?

The surge in solopreneurs is hardly new. The average size of new ventures has been in a long decline (Figure 1). Meanwhile, the COVID-19 pandemic has accelerated the gig economy. Now **36%** of US citizens gross more from their “side” hustle than their ‘day’ job.

Figure 1.



<https://indicators.kauffman.org/reports/2021-early-stage-entrepreneurship-national>

GoDaddy tracks 20+ million US microenterprises (many solo), finding remarkable economic contributions (Mossberger, et al., 2022). They were diverse geographically (not tech hubs) and demographically (disproportionately from under-represented populations). These ventures also report the importance of connectivity with markets and the entrepreneurial ecosystem.

Thus solopreneurs need more -and better- engagement with their entrepreneurial ecosystem. (Krueger 2020a, 2021a). Solopreneurs are the canary-in-the-coal-mine that the traditional model of entrepreneur support delivered top-down from institutions simply does not serve entrepreneurs well, especially solopreneurs. What solopreneurs want is more personalized support from allies/champions who meet them where they are. Ecosystem and entrepreneur engage mutually. Such bottom-up, entrepreneur-centric “ecosystem builders” are growing (2020 MSME Day report (Krueger 2020a)).

What is Ecosystem Building? Who are Ecosystem Builders?

Every successful startup community exhibiting support activity must: **(1)** be led by what entrepreneurs want, not what experts deem needed; **(2)** serve all ‘flavors’ of entrepreneur (Feld 2012). Entrepreneurial/innovative economies were complex adaptive systems, they truly are ecosystems (Hwang 2012). Entrepreneurial activity is thus emergent, driven more by the entrepreneurs than institutions. Academic research also argues that a community’s entrepreneurial potential depends on growing potential entrepreneurs especially the under-represented (Krueger 2020a, 2021a)

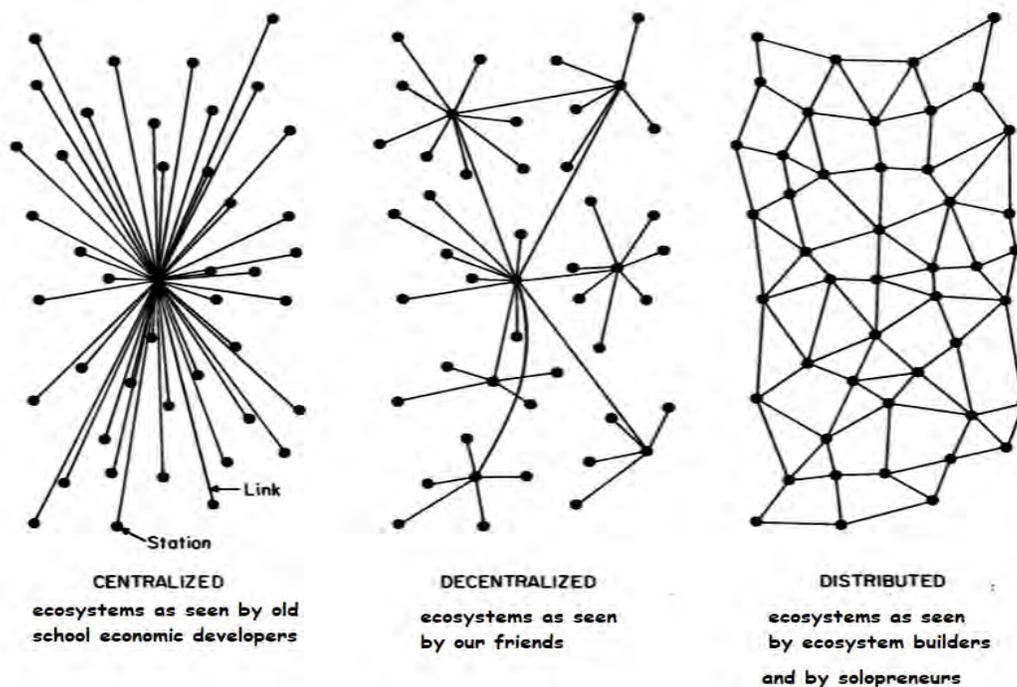
The Kauffman Foundation proposed the term “ecosystem building” for this bottom-up, entrepreneur-centric support and “ecosystem builder” as its key enablers (2017). So what have we learned about ecosystem building and builders? And how does that help us to help solopreneurs?

Table 1

| <u>Moving from...</u> | <u>to....</u> |
|-----------------------|---------------------------|
| Top-down | Bottom-up |
| Institutions | People/Liaison-animateurs |
| Hierarchies | Networks |
| Linear | Nonlinear (CAS!) |
| Discrete, Static | Connected, Dynamic |
| Intentional | Emergent |

Table 1 summarizes how the basic assumptions about entrepreneurial activity have been upended. We now understand the key activity is connecting; connecting requires connectors. Healthy ecosystems look more like the rightmost network in Figure 2 and powered by connectors who connect proactively, both a liaison and an energizer, a/k/a *liaison-animateurs*. 2021's MSME Day report (Krueger 2021, also 2022) showed most share multiple facets of the entrepreneurial mindset; they all share beliefs that constitute the ecosystem mindset.

Figure 2



Why Ecosystem builders matter so much, now more than ever

Ultimately, developing entrepreneurship means developing entrepreneurs. It is ultimately "retail", yet many still cling to the notion that we can develop innovation without innovators, develop entrepreneurship without entrepreneurs. So how do we scale this personal touch?

Entrepreneurial support systems must themselves be more entrepreneurial – learning and adapting to what the entrepreneurs want (versus legacy programs). They need to promote resilience in the entrepreneurs and in the economy (Zebryte, et al. 2019). One intriguing new US pilot is SBA's Community Navigator where a hub entity channels resources to grassroots/ bottom-up ecosystem builders (example: www.IdahoConnect.org).

The Dark Alley

Even experienced entrepreneurs understand their path is like walking into a dark alley – you don't know what hazards are there but you must find your way through. For solopreneurs, that requires them to connect with the very best expertise and resources for them. Ecosystem builders will help them connect with the very best for them, not the "usual suspects." So what does that mean in practice?

Implications for solopreneurs (but really any entrepreneur or MSME)

Demand the best – the best for you.

Find the right local connectors for you

Become a connector yourself [Check Sourcelink's "1 hour" model]

Implications for academics and universities

Research opportunities – explore skills and mindset, not just what facets matter most for solopreneurs, but how they learn them

Be a 'feeder' (vs 'leader') *eg*, be a convener.

Students are still our secret weapon! Best boundary-spanners you have.

(appendix)

Resources

ESHIP: www.bit.ly/ESHIPgoals; www.bit.ly/ESHIPdashboard

Key thinkers & doers: The best ecosystem builder thinkers (and doers)– the people you should call! Jeff Bennett, CJ Cornell, Katie Gales, Scott Gillespie, Anika Horn, Dara Macan, Eric Renz-Whitmore, Charles Ross, Kristin Slice, Beth Zimmer (and more).

Sourcelink, Startup Commons, Ecosystem Builder Hub (especially *Unsung Heroes*), InnovaChile, Deep Ecosystems/Startup Heatmap Europe, Startup Genome, Startup Blink.

OECD, e.g., Better Entrepreneurship Policy Tool, International Compendium of of Entrepreneurship Policies, Missing Million Entrepreneurs

These are USA-based reports but have also global applicability:

Center for American Entrepreneurship (Hathaway & Morris): *Entrepreneur-Led Economic Development*

Main Street America: *Jump Off the Business Recruitment Train: The Real Returns are in Cultivating Local Entrepreneurship.*

Implications for policy

Flip the script: Hear the voice of the entrepreneur- listening sessions

Support bottom-up efforts, especially for under-represented (e.g., new Ecosystem Builder Leadership Project)

Assess impact ruthlessly, *eg*, Do entrepreneurs actually think your flagship legacy programs work?

Who ARE your 'best & brightest' advisors? Vet entrepreneurial support organizations; Vet mentors

Ensure organizations you support engage with all relevant stakeholders

Support topflight multi-stakeholder research. Example: AoM & ICSB "Meetings of the Mind" of scholars, practitioners, policy experts.

Right to Start America's New Business Plan (applicable globally!)

The new solopreneur mantra

Yea, though I walk through the valley of death, I will fear no evil. The ecosystem builders are walking with me.

Right to Start's America's New Business Plan (Victor Hwang, CEO)

USA program that also generalizes:

<https://www.sba.gov/local-assistance/community-navigators>; for a great exemplar, www.idahoconnect.org [Idaho Women's Business Center orchestrates resources to the 5 Native American tribes, the Black chamber, both Hispanic Chambers & both veteran entrepreneurs groups.]

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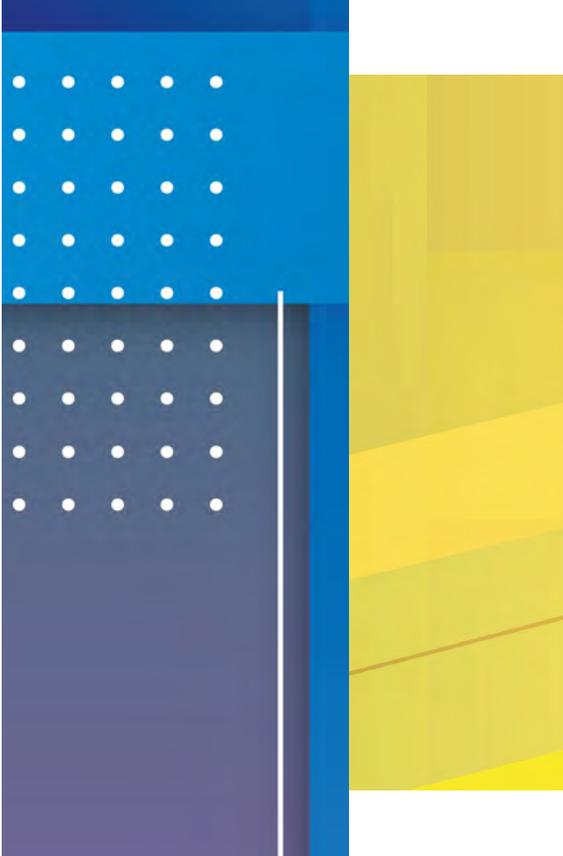
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Embracing Agility: the Need for Harmony

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The global pandemic has not only brought about change in the ways of working but an increased awareness of the problems facing the planet and the need for a more caring, sharing society (Ashan, 2020). With it has come an appreciation that the purpose of business is not solely to “*make as much money as possible*” (Friedman, 1970), especially if it is at the expense of people and planet.

Although entrepreneurship is seen as having the potential to address the sustainability challenge (Villar and Miralles, 2019), it has not done so despite complementing the

traditional wealth creating (economic) approach with such new approaches as social entrepreneurship (Borzaga and Defourny, 2001), ecopreneurship (Kainrath, 2011) and, most recently, humane entrepreneurship (Kim et. al., 2018). As a consequence, questions have been raised about whether entrepreneurship and sustainability are compatible (Gawel, 2012) and both academics and practitioners have begun to search for a new business model (Schaltegger, et. al., 2015).

The reason why entrepreneurship has failed to impact the sustainability challenge

is because it has failed to recognise the systemic nature of the problem. The new approaches to entrepreneurship have continued to be implemented separately not as a holistic, systemic solution and, as a result, solving one problem invariably has created other problems elsewhere in the system. Accordingly Kirby and El-Kaffass (2021) have introduced the concept of Harmonious Entrepreneurship. This is based on systems thinking and the integration or harmonisation of the traditional approaches to produce a new business model which addresses the SDGs and in which profit, planet and people (Elkington, 1999) are in harmony.

The model is exemplified by SEKEM Holding in Egypt (Kirby and El-Kaffass, 2022) and by over 60 global cases (<https://harmnious-entrepreneurship.org/>). It is paralleled by the Terra Carta, which was introduced by HRH The Prince of Wales at the *“One Planet”* Summit in Paris in January 2021. Not only does this recognise and harness the role of the private sector, but it acknowledges the need to reinvigorate innovation, recognises that all ecosystems need to be treated as one common system and addressed simultaneously and emphasises the importance of *“local”*. While the sustainability challenge is global, it results from local actions which require the creation of innovative, entrepreneurial solutions that may be scaled to address the global problem.

As COP26 demonstrated the planet needs entrepreneurship perhaps more than at any other time in its history. In particular it needs people with the vision and strength to bring about change by working in harmony with each other and nature. It needs Civic

Entrepreneurs concerned not just about wealth creation (profit) but people and planet – people whose mission is not *“to make as much money as possible”* but to do so *“within the rules of society both those embodied in law and those embodied in ethical custom”* (Friedman, 1970). While environmental law is relatively recent, ethical custom is embodied in the ancient religions of the world, all of which advocate respect for, and protection of, the environment and nature.

At COP26, the 15 year old female Indian entrepreneur, Vinisha Umashanker from Tirvannamalai in the province of Tamil Nadu, demonstrated both the ability of entrepreneurship to address the sustainability problem and the pro-activity of the entrepreneur. Not only did her innovative solar powered ironing cart address several of the SDGs and harmonise profit, planet and people but she implored the world leaders to stop debating and instead come up with a new vision for a new future. If they did not, she said, *“we won’t wait for you to act. We will lead, even if you don’t. We will act if you delay”*.

As HRH Queen Elizabeth II advised the world leaders *“the time for words has now moved to the time for action”*. Let us be entrepreneurial and take action. Let us challenge the status quo, be innovative and learn to collaborate rather than compete. Let us embrace agility and recognise that the problems the planet is facing *“cannot be solved by carrying on with the very approach that has caused them”* (HRH The Prince of Wales et.al. 2012, 3). Let us remember, also, that *“all things under the sun will flourish when harmony prevails”* (Xun Zi, 310-238BC).

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Entrepreneurship, the Circular Economy and the sustainability challenge: the need for Harmony

David A Kirby, Honorary Professor at the University of Wales Trinity Saint David and Almaty Management University. Co-founder of the Harmonious Entrepreneurship Society and in 2006 was a recipient of The Queen's Award for Enterprise Promotion.

Though entrepreneurship has failed to address, substantially, the sustainability challenge and both academics and practitioners have begun to search for new business models (Schaltegger et al, 2016), some contend that the problems the planet is facing are the result of the linear process of production, consumption and disposal that dates back to the start of industrialisation in the 17th century. To address the challenge, they argue, a revised circular production-consumption process is required based on the 3 R principles of "reduce, re-use and recycle". However, not only does research by Corvellec et al. (2022) question the contributions of such a Circular Economy to sustainability but the problem is more complex than the proposed solution would suggest.

The planet is a system which means that attempts to address the sustainability challenge cannot address just one aspect of it as they will impact on all connected elements in the system. Hence, in accordance with Ashby's (1968) Law of Requisite Variety, proposed solutions need to be as complex as the problem being addressed. This has led Kirby and El-Kaffass (2021) to propose the concept of Harmonious Entrepreneurship, which contends that rather than being implemented separately, the main approaches to entrepreneurship (economic, eco, humane and social) should be integrated or harmonised, thereby creating a holistic, systemic business model with a triple bottom line (Elkington 1999) in which profit, people and planet are in harmony.

Since the 1970s, if not earlier however, the social and ethical responsibility of business has been perceived to be to its shareholders and to “*making as much money as possible*” (Friedman, 1970). This doctrine has very much led to the current crisis as the pursuit of profits and wealth has been at the expense of people and the environment. Accordingly the proposed harmonisation of profit, people and planet will require its rejection. Fortunately, what Friedman actually said was that the social and ethical responsibility of business is about “**making as much money as possible while conforming to the basic rules of society both those embodied in law and those embodied in ethical custom**”. While the law is relatively new, ethical custom is centuries old being embodied in all of the world’s ancient religions and requiring man to respect each other and to care for the environment

Thus the actual Friedman message is clear. The social and ethical responsibility of business is to make money but not at the expense of planet and people, which it has been doing. To address the sustainability challenge, a new business model is needed – a model that harmonises profit, planet and people and requires the “*take, make*

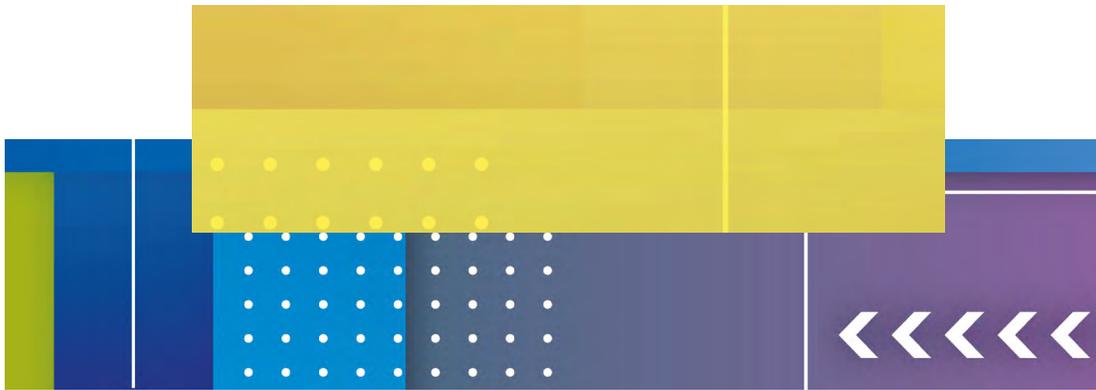
and dispose” linear model of production and consumption to be replaced with a circular model that eliminates waste, maintains profits and respects both the natural and social environments.

Simultaneously, given the urgency and scale of the challenge, perhaps there needs to be a shift in the focus of entrepreneurship from the creation of stand alone new entrepreneurial ventures to entrepreneurial communities in which the residents take ownership of, and responsibility for, their own destinies. In such communities, which would be local, the sustainability challenges would be recognised as would the benefits from their resolution. Doubtless help and support would be needed to create them, but as the Right Honourable Margaret Thatcher MP famously said “when the state owns everything nobody owns anything and when nobody owns anything nothing gets done”.

One thing is certain, “the many environmental problems that now loom large on our horizon cannot be solved by carrying on with the very approach that has caused them” (HRH The Prince of Wales, et.al. 2012).

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Sustainability Performance of MSMEs Standardization and automation of ESG rating and reporting may help MSMEs improve their sustainability performance

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The European Commission presented its proposal for a Directive on corporate sustainability and due diligence in February 2022. Its primary purpose is to promote sustainable and responsible corporate behavior throughout global value chains by obliging companies above a specific size to consider and mitigate adverse effects upon human rights and the environment

caused by their business activities. In this context, these ‘Relevant Companies’ are to conduct due diligence on third-party companies in their value chain and prove, via reporting, that they are not destroying the environment or committing human rights violations in politically unstable low-income countries. Otherwise, they can be sued in Europe under civil liability law.

Even though the aim to make large companies more accountable for their potentially negative impact on people and the environment is commendable, it is highly questionable whether corporate reporting effectively combats human rights violations, climate change, and environmental destruction on this planet.

Even though the EC Proposal points out that MSMEs will be exempted from such obligations, it also states that the Directive will be applicable to 'Relevant Companies' and their subsidiaries and entities in their Value Chain, which have an "established business relationship." This refers to suppliers who are mostly MSMEs. In this regard, the additional administrative burden for MSMEs could become a real challenge. Moreover, the means that have to be mobilized to comply with new due diligence requirements may no longer be available for investing in future markets and innovations. If that is the case, the Directive may not be in line with the UN Sustainability Development Goals (UN SDGs), which aim to enable sustainable change through inclusive economic growth driven mostly by MSMEs. Furthermore, the entrepreneurial ecosystems are reacting, and the awareness of new business models is increasing. Data provided by the Global Entrepreneurship Monitor show that, despite the impact of Covid 19, starting a business to make a difference in the world remains a strong motivator and increased impressively in 2021.¹

The need to ensure compliance with corporate responsibility and sustainability standards throughout the supply chain may also lead to growing tensions within the

real economy because large international companies are likely to make their suppliers pay the costs for implementing their widely proclaimed, ambitious, and sustainable value chain targets. Already today, many MSMEs lack the means to comply with the Environment, Social, Governance (ESG) reporting standards prescribed as prequalification requirements in tenders. Even those who can comply complain that each client demands compliance with a different proprietary ESG reporting system. The best-known systems are based largely on self-assessment, and they lack any possibility to measure, compare, and verify the sustainability performance within a particular industry. Therefore, they have often been criticized for promoting 'greenwashing'. Moreover, these ESG rating and reporting systems are expensive and merely designed to provide data to a particular client. This makes it difficult for MSMEs to present this data to other parties as a sustainability certificate.

With [esg2go](http://www.esg2go.org) (www.esg2go.org), the Center for Corporate Responsibility and Sustainability (CCRS) at the School of Management Fribourg and its academic and private sector partners have developed an automated rating and reporting system that effectively addresses the shortcomings listed above. Its two main goals are to

- prevent greenwashing by enabling the measurability and comparability of a company's sustainability performance
- lower transaction costs for MSMEs through standardization and automation of sustainability rating and reporting.

For that purpose, the first version of [esg2go](http://www.esg2go.org) was used in a pilot phase in which more than 200 MSMEs were prepared to enter

their verifiable raw data in the area of E, S, and G. The test data obtained provided the basis for the first calibrated benchmarking system that enables an MSME to compare its sustainability performance with its peers in the same industry. In order to achieve the greatest possible acceptance and legitimacy in the business community, as well as compatibility with existing standards, esg2go is systematically compared with various established reference sustainability standards. It also offers MSMEs the opportunity to improve their overall sustainability score by indicating and documenting through a 'handprint' self-assessment that its core business also generates positive externalities for society and the environment. In this context, the rating is also more compatible with the spirit of the UN Sustainable Development Goals that regard business as part of the solution.

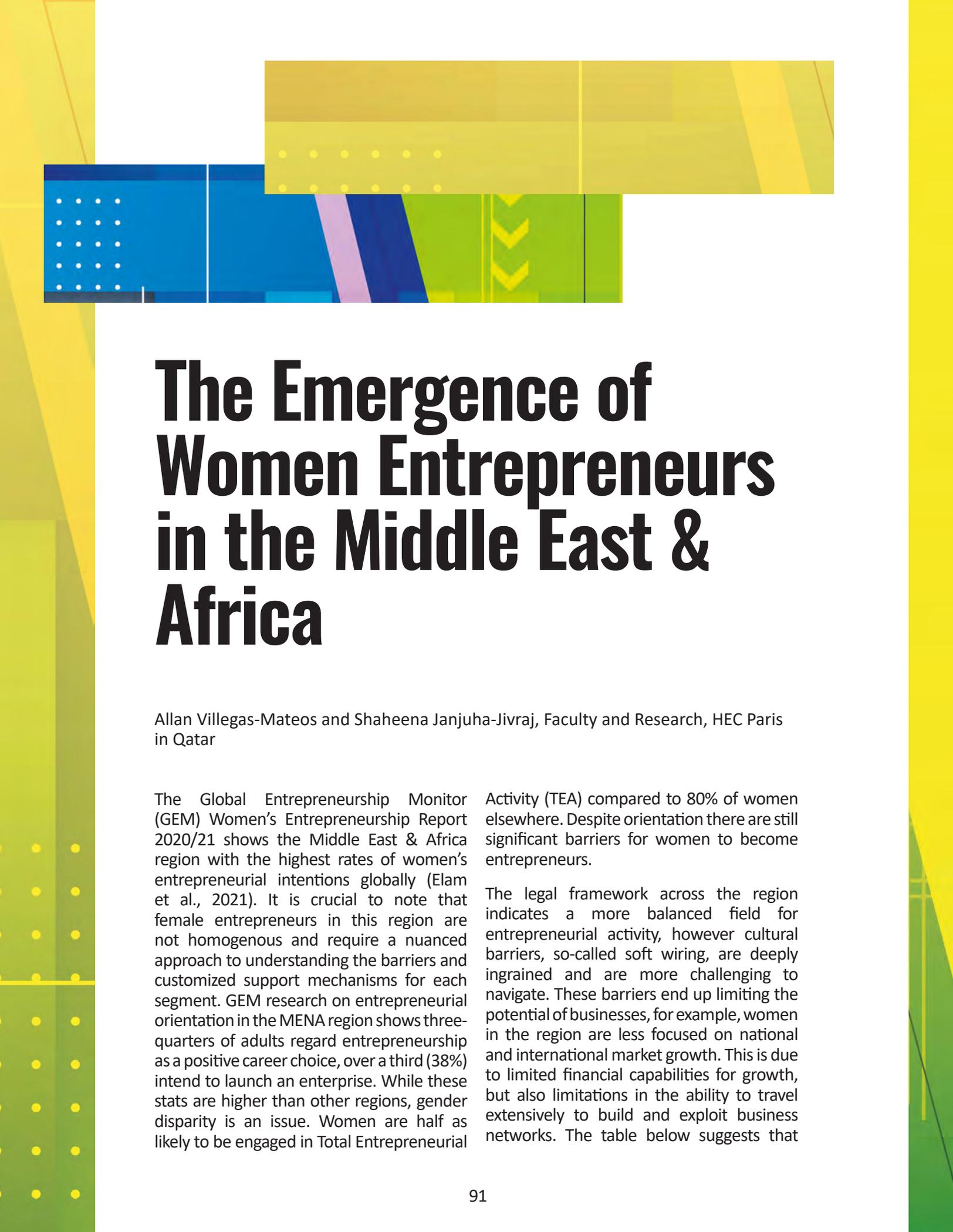
In short, esg2go could help MSMEs cope with the proposed EU Directive and the increasingly strict national legislation

in Europe on corporate responsibility and sustainability by offering a rating and reporting system that produces an automated sustainability report based on hard numbers. As such, it generates a sustainability certificate that should be accepted by all large clients because it contains less greenwashing and is more compatible with the UN SDGs. Esg2go may require an initial effort to collect the required data within the company, but once this initial effort is completed, it can be integrated into the company's management system; it will require only a few hours to obtain the automated annual sustainability report. As such, many MSMEs would finally be able to leave the hamster wheel of completing different sets of ESG criteria for various clients. Instead, they could re-focus on where they generate true value for society, namely, investments in innovations and new markets to create good jobs and provide scalable solutions to scarcity problems.

(Endnotes)

1 Baldegger, R., Gaudart, R., Wild, P. (2022). Global Entrepreneurship Monitor (GEM) 2021/2022:

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The Emergence of Women Entrepreneurs in the Middle East & Africa

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The Global Entrepreneurship Monitor (GEM) Women's Entrepreneurship Report 2020/21 shows the Middle East & Africa region with the highest rates of women's entrepreneurial intentions globally (Elam et al., 2021). It is crucial to note that female entrepreneurs in this region are not homogenous and require a nuanced approach to understanding the barriers and customized support mechanisms for each segment. GEM research on entrepreneurial orientation in the MENA region shows three-quarters of adults regard entrepreneurship as a positive career choice, over a third (38%) intend to launch an enterprise. While these stats are higher than other regions, gender disparity is an issue. Women are half as likely to be engaged in Total Entrepreneurial

Activity (TEA) compared to 80% of women elsewhere. Despite orientation there are still significant barriers for women to become entrepreneurs.

The legal framework across the region indicates a more balanced field for entrepreneurial activity, however cultural barriers, so-called soft wiring, are deeply ingrained and are more challenging to navigate. These barriers end up limiting the potential of businesses, for example, women in the region are less focused on national and international market growth. This is due to limited financial capabilities for growth, but also limitations in the ability to travel extensively to build and exploit business networks. The table below suggests that

women face significant cultural barriers in some countries in this region, potentially tied to very conservative systems of gender beliefs and restrictions on women. The legislation provides the framework for progress, but the catalyst for change will only occur with attitudes and behavioral shifts around gendered norms and assumptions about the role of women. Changing behavior means integrating these areas, legislation, awareness, and access to resources, and this means ensuring the entrepreneurial ecosystem is not gender-neutral. It is crucial every aspect of entrepreneurial support has a gender lens to understand how to promote and sustain female entrepreneurship effectively. Amplifying the impact of female entrepreneurs locally,

nationally, and internationally creates a visible presence. Role models are essential to nurture entrepreneurial mindset among women.

It is essential to highlight that increasing support for women entrepreneurs appears in every economic development plan. Women entrepreneurs play a substantial role in growing their economies (Terjesen and Amorós, 2010). Therefore, we analyzed the economic landscape for them in the Middle East and Africa region by researching the entrepreneurial ecosystem indicators divided into three (see **Table 1**): (1) conduciveness business environment, (2) legal environment, and (3) cultural perceptions of women entrepreneurs.

Table 1 International Reports Benchmark

| Variable | | Regional Average | Source |
|---|--|------------------|---|
| Conduciveness of business environment for women entrepreneurs | Female/Male Total Early-stage Activity ratio | 73/100 | Global Entrepreneurship Monitor (2021) |
| Legal environment for women entrepreneurs | Women, Business and the Law Index | 53/100 | World Bank (2022) |
| | Secure access to formal financial services (Scale from 0=same legal rights to 1=no legal rights) | 0.17 | OECD Gender, Institutions and Development Database (2019) |
| | Secure access to land assets (Scale from 0=same legal rights to 1=no legal rights) | 0.28 | OECD Gender, Institutions and Development Database (2019) |
| Cultural perceptions of women entrepreneurs | Social Institutions and Gender Index | 41/100 | OECD Gender, Institutions and Development Database (2019) |
| | Global Gender Gap Index | 61/100 | World Economic Forum (2021) |

For policymakers is vital to be close to their entrepreneurial ecosystem research to address the more important social issues first. By consequence, social policies are emerging to reduce the gender gaps since

they must provide a general blueprint for promoting the well-being of society and individuals(Jenson,2017).Inotherwords,the governments have the power to intervene in such economic processes as a dominant

actor that can initiate divergent institutional change (Evans and Rauch, 1999; Child et al., 2007; Nasra and Dacin, 2010; Flynn et al., 2014). We recommend that any social policy aiming to alleviate gender gaps and raise the opportunities for entrepreneurs, must incorporate the three levels minimum levels of entrepreneurial ecosystems as in **Table 1**. Despite the prevalent weight of culture on women perceptions and regulations through the Middle East and Africa, the

region is experiencing a shift on them supported by the identification of women role models and success stories across the different entrepreneurial ecosystems as a tool to enhance the motivations for women to become entrepreneurs and for governments to prioritize public policies aiming to reach gender neutral reforms. Another emerging trend in the region are the women-led MSMEs as successions of second or third family generations.

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Sport as a Job Creator

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Research indicates that participation in sport is a means to build skills for employability, but sport is also a significant job creator. According to the U.S. Bureau of Labor Statistic, employment of entertainment and sports occupations is projected to grow 22 percent from 2020 to 2030, much faster than the average for all occupations. The global sport market including participatory and spectator activities is estimated at

approximately \$500 billion with the fastest growing regions being South America and the Middle East. Sport is also said to be resilient as it was the first activity to return after 9-11, sustained during the global economic crisis of 2008, and continued throughout the COVID-19 pandemic.

Although the most recognized sport jobs are with high profile teams and leagues as players and coaches, there are over a quarter

million small to medium sized sport clubs and organizations providing opportunities to play sport for fitness, recreation, or competition. Many of these are non-profit organizations using sport for social good including health, education, and conflict resolution. Historically many sport positions in clubs and organizations were volunteer based but with the demand and commercialization of sport increasing, the number of full-time positions is rising.

Furthermore, there are countless entrepreneurs who are inventing new sports, equipment, and technology to support athletes, coaches, administrators, and fans. Each new sport such as Pickleball and Spikeball creates jobs in equipment and apparel manufacturing, to training and event management. Although there are roughly 200 sports that have international recognition through an international governing body, it is estimated that over 8,000 sports are played worldwide.

The growth of wearables and other athlete performance technology as well as technology to enhance officiating and sport fans' experience be it in-venue or broadcast or streaming are also generating employment not only from the development side but

through sales and marketing. Esports, a digital sport activity through video games, is also rapidly growing and creating jobs in game and content creation to coaching and event management.

Additional global factors driving the number of sport jobs include the expanding recognition regarding the benefits of exercise and its impact on managing health care costs as well as the acceptance and growth of women participating and competing in sports. The more people who play sport, the greater the need for professionals to manage facilities, programs, and competitions along with the ancillary products and services required.

In conclusion, although sport is often considered as a recreational pastime, the number of associated jobs in small to medium sized companies continues to grow. The increase in universities offering academic programs in sport management is further professionalizing the industry and stimulating job opportunities. It is time that more people recognize sport as a job creator and economic driver.

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Global Sports Market Opportunities and Strategies Report 2021: Sports Market Forecast to Reach \$599.9 billion by 2025 as COVID-19 Lockdowns Ease <https://www.yahoo.com/now/global-sports-market-opportunities-strategies-080800261.html>

How many sports are there in the world?

<https://steemit.com/sport/@sportspodium/how-many-sports-are-there-in-the-world>

U.S. Bureau of Labor Statistic, Occupational Outlook Handbook <https://www.bls.gov/ooh/entertainment-and-sports/home.htm>



Resilience of Argentine SMEs in the era of Covid 19 and the invasion of Ukraine

Dr. Rubén Ascúa,
Andrea Minetti
UNRaf K-Hub

After a severe economic recession in 2020, Latin America and the Caribbean grew strongly in 2021. Due to the COVID-19 pandemic, the region suffered a triple sudden stop: capital flows ceased, mobility stopped and trade collapsed.

During the months before the invasion of Ukraine, GDP was recovering, while employment was lagging. The loss of jobs was particularly serious for women, workers in the informal sector and those with less education. As a result, poverty and inequality have increased.

Evidence was also emerging of persistent job losses in sectors most vulnerable to automation. Apparently, the crisis accelerated the trend towards the adoption of new technologies, which had an impact on labor markets. At the same time, the

region was emerging from the COVID-19 Crisis with more debt, less fiscal space, and higher inflation.

In this 2022, the invasion of Ukraine had a strong impact on the global economy and, therefore, on the Region. As a result, uncertainty increased, pre-existing challenges intensified and new challenges emerged. Geopolitical security risks have grown given the aforementioned armed conflict and could represent a significant threat to global recovery, as well as trigger volatility in financial markets and increase inflationary pressures. Russia and Ukraine are major exporters and importers. They are closely linked to the global economy, and the conflict could have unpredictable consequences. Fortunately, the Region's direct trade links with Russia are relatively

small in Latin America, with a few exceptions, such as meat from Paraguay, inorganic chemicals from Jamaica, or fruit from Ecuador. Likewise, and with the exception of fertilizers, the region imports little from Russia. In the case of fertilizers, imports from Russia represent about 20% of imports for the average country in the region. The replacement of these markets, both for exports and imports, is a crucial task for the Region¹.

Industrial panorama in Argentina

According to the industrial news report No. 4/2022 of the UIA Study Center², in March, 2022 industrial activity had a monthly increase of +4.1% compared to February (without seasonality) and a rise of +5.9% YoY. During the first quarter of the year, industrial production registered less dynamism. It had a slight increase of +0.1% without seasonality compared to the fourth quarter of 2021, while in the year-on-year comparison it registered a rise of +5.3%. The first available data for April 2022 indicate that the recovery continued, although with more moderate variations than those registered during the previous year. There was a high year-on-year rise in auto production (albeit largely due to a lower comparison base given the impact of the second wave at the end of April 2021). The rise in the indicators for construction and cement dispatch was also maintained, along with those linked to agricultural machinery.³ With this data, the outlook for the rest of the year continues to show some elements of uncertainty, both in terms of costs and inflation, financing and difficulties around currencies. Internationally, the outlook has deteriorated over the months. The war between Russia and Ukraine

worsened global growth projections, further accelerated already high inflation and generated tensions in supply chains, which led several developed economies to accelerate their contractionary monetary policies. On the other hand, transport and logistics continue to be elements of concern. Increases in freight costs, a shortage of containers for maritime transport and an increase in energy prices are among the main difficulties pointed out by Argentine companies.

As reported by the UIA, due to the adjustment of international transport values so far this year, eight out of ten companies indicated that they were affected by these strong increases and by the shortage of containers.

They also pointed out among the difficulties delays at the border crossings with Chile (36.4% of companies affected) due to sanitary controls.

Industrial activity is at a turning point after the strong recovery during 2021. After a less dynamic first quarter, the outlook for the year continues to be highly conditioned by the evolution of the macroeconomic, international and supply restrictions.

The current resilience in Rafaela is verified by an increase in productivity efficiency from the incorporation of technology and human resources, within the framework of a strategy that contemplates the macro environment.

The international context demands a greater dose of individual responsibility, institutional commitment and social belonging, a process in which SMEs have an important role to play. Once again, micro, small and medium-sized companies are resisting the adversities of the context, which deserves strong general recognition.

¹Cavallo, E., Galindo, A., Nuguer, V., Powell, A. 2022. "2022 Latin American and Caribbean Macroeconomic Report", Inter-American Development Bank. Felipe Herrera Library.

²UIA: Argentine Industrial Union.

³Industrial news report No. 4/2022. UIA Study Center.







ICSB SPANISH REPORTS



Por primera vez en la historia de **ICSB** se realiza una edición especial con **artículos** en idioma **español**.

En la actualidad, hay **más de 570 millones** de **hispanoparlantes**, siendo el **segundo idioma del mundo** en cantidad de hablantes nativos.

Teniendo en cuenta la **diversidad de productos y servicios a escala global**, se vuelve imperiosa una comunicación que se exprese en el **idioma** que conocemos y en el que trabajamos a diario en cada una de nuestras empresas y proyectos.

Es por ello que esta iniciativa de **acercar conocimiento en español** sobre el ecosistema emprendedor y las **PyMEs** se vuelve una herramienta valiosa.

Prof. Analia Pastran

Coordinadora de la sección ICSB en español
Directora ejecutiva de Smartly, Emprendedorismo Social en ODS



La manera revisada de volver al trabajo

Ayman ElTarabishy, Presidente y Director Ejecutivo, ICSB
Analia Pastran, Directora de Smartly Emprendedorismo Social en ODS

Los últimos dos años han sido una serie de paradas y arranques, esperanza y frustración y, a veces, incluso resignación, como intentar acelerar el encendido de un automóvil defectuoso. Desde el año 2020, el COVID-19 ha desviado nuestra vida personal y profesional. Hoy, más de dos años después, antes de que el mundo regrese a su nueva forma de normalidad, es imperativo que evaluemos los cambios experimentados por los dueños y dueñas de pequeñas empresas, los/as empresarios/as y la sociedad para informar las prácticas comerciales centradas en el ser humano de cara al futuro.

COVID-19 ha revelado problemas sistémicos nacionales y mundiales desde una perspectiva fundamentalmente humana. Si

bien estas grietas en nuestra infraestructura afectan a todos, nuestros grupos menos protegidos corren el mayor riesgo. Por ejemplo, según el Foro Económico Mundial, las mujeres ya dedicaban 16.000 millones de horas al trabajo doméstico no remunerado y al cuidado de los niños antes de la pandemia, lo que representa alrededor de una décima parte de la producción económica mundial si dicho trabajo se paga de manera justa. Sin embargo, ahora que la pandemia se ha hecho un hogar en nuestro mundo, más de 28 millones de mujeres mayores de 25 años han dejado la fuerza laboral en promedio, en comparación con los 24 millones de hombres. Se estima que la pandemia obligará a otros 47 millones de mujeres y niñas a vivir en la pobreza extrema en todo el mundo.

Los niños son otro excelente ejemplo de los pacientes silenciosos de la pandemia. Los niños suelen recibir la mayor parte de su socialización en la escuela. Pero con el cierre de las escuelas, esta falta de socialización se manifiesta de formas inesperadas. Debido a la escuela en línea, muchos niños pierden habilidades evidentes en matemáticas y lenguaje. Un estudio de McKinsey and Company reveló que la mayoría están cuatro meses por detrás de su nivel de grado. Aún así, quizás lo más impactante son las habilidades prácticas para la vida de las que carecen los niños. Muchos niños luchan por alcanzar hitos que la mayoría de las personas sin discapacidades dan por sentado. Esto implica atarse los zapatos, cortar con tijeras a lo largo de una línea punteada o desenroscar la tapa de una botella. Además de estas brechas de conocimiento, los niños están bajo un estrés increíble en el salón de clases y en el hogar. Algunos niños de tan solo diez años han asumido roles de cuidadores de sus hermanos menores, y muchos adolescentes han sido empujados a la fuerza laboral con trabajos de medio tiempo para ayudar a mantener a sus familias.

Los propietarios de pequeñas empresas, empresarios y trabajadores también sienten los efectos de larga duración de la pandemia. Las oficinas quedaron vacías a medida que los empleados se adaptaron a trabajar desde casa. Los compañeros de trabajo se distanciaron tanto emocionalmente como físicamente mientras permanecían a seis pies de distancia y usaban máscaras. Trabajar desde casa disolvió el límite entre el trabajo y la vida familiar. Se esperaba que muchos empleados trabajaran de forma remota y al mismo tiempo cuidaran a los niños o a los padres ancianos.

En esencia, hemos estado viviendo en un estado de crisis a largo plazo. Entonces, volvamos a lo básico. ¿Qué necesita nuestra especie para sobrevivir?

- Refugio y seguridad,
- alimentos nutritivos y agua limpia,
- conexión física,
- intimidad emocional y confianza en quienes nos rodean, y
- varios niveles de conexión social.

Con las cuarentenas, los confinamientos y el distanciamiento social, muchas de estas necesidades se han vuelto cada vez más difíciles de adquirir. Podemos recurrir a la esperanza. Como comunidad global, podemos decidir cómo será nuestro nuevo mundo. Además, podemos moldear activamente nuestras realidades actuales y futuras al revolucionar nuestras prácticas comerciales.

Nuevas reglas del juego

Después de estos dos últimos años, algunos negocios empezaron a volver a la oficina. Necesitamos reconstruir los límites entre el trabajo y la vida familiar para lograr esto. Operar de forma remota ha sido vital para mantener nuestra salud mientras continuamos trabajando. Sin embargo, también ha aumentado la prevalencia del fenómeno conocido como agotamiento laboral. Debido al aislamiento, la falta de privacidad y el aumento de las cargas no laborales, como el cuidado de niños o ancianos, los trabajadores se sienten agotados, sin energía, mentalmente distanciados y emocionalmente cínicos con respecto a su trabajo. Según un artículo revisado médicamente por Everyday Health, la Organización Mundial de la Salud describe

esto como una reducción importante de la “eficiencia profesional”. El riesgo de que el estrés laboral se convierta en agotamiento aumenta cuanto más tiempo se prolonga la pandemia.

Entonces, ¿cómo redefinimos este límite? Con nuevas reglas, por supuesto. Los trabajadores son personas primero y, por lo tanto, la humanidad, no solo los negocios, debe ser nuestro enfoque principal. Los datos del Centro Wilson sugieren que la pandemia tendrá efectos destructivos a largo plazo en la salud y la posición económica de las mujeres y, por lo tanto, en nuestras sociedades y economías. Este problema exige un enfoque interseccional e inclusivo para abordar las necesidades de diversas comunidades, como las mujeres migrantes, indígenas y de color, y las personas LGBTQ+. Al unirse para lograr el equilibrio entre el trabajo y la vida personal, las personas pueden pasar de sentirse más agotadas e insatisfechas tanto en el trabajo como en su vida personal a sentirse valoradas y apasionadas en ambos espacios.

Una opción para lograr un mejor equilibrio entre el trabajo y la vida es la muy debatida semana laboral de cuatro días. Esta nueva forma de trabajar ha mejorado la productividad empresarial, la salud de los empleados y las familias y comunidades. También desafía la desigualdad de género y crea culturas de trabajo más sostenibles. Al practicar este modelo de trabajo, al 63 por ciento de las empresas les resultó más fácil atraer y retener talento, y el 78 por ciento de los empleados informaron estar más felices con niveles más bajos de estrés. Sin embargo, este cambio requiere que los empleadores y los empleados reevalúen radicalmente sus objetivos y la cultura del lugar de trabajo.

De manera similar a la semana laboral de cuatro días, adoptar un modelo de trabajo remoto puede ofrecer beneficios más significativos que trabajar a tiempo completo en la oficina. Las personas informan que sus compañeros de trabajo las distraen menos cuando trabajan desde casa y pasan menos tiempo evitando el trabajo. Según un artículo de Apollo Technical, el trabajo remoto puede aumentar el rendimiento en un 13% y la productividad hasta en un 77%. El principal inconveniente de este modelo es la soledad por aislamiento, que impacta negativamente en la salud física y mental de las personas, al mismo tiempo que reduce su productividad y satisfacción laboral con el tiempo. Por lo tanto, muchas empresas están optando por practicar un modelo de trabajo híbrido, donde los empleados eligen si trabajan de forma remota o en la oficina en un día laboral determinado. Con estas nuevas reglas, podemos consolidar los métodos comerciales tradicionales con los modernos, aumentando efectivamente la satisfacción de los empleados y reduciendo el riesgo de agotamiento.

La guía para la vuelta al trabajo

Con los principios tradicionales convirtiéndose en una idea del pasado, los dueños de negocios deben adaptarse a un nuevo modelo de negocios que valore el equilibrio entre el trabajo y la vida personal y lo priorice. Por ejemplo, las empresas deben crear tiempo para que los trabajadores con hijos los envíen a la escuela y manejen responsabilidades adicionales en el hogar. Como se mencionó anteriormente, el trabajo remoto ofrece efectos tanto positivos como negativos. Trabajar de forma remota da como resultado una mayor productividad, pero esto puede verse obstaculizado con el tiempo por la falta de socialización en el lugar de trabajo. Por otro lado, el modelo

de trabajo híbrido otorga a los trabajadores más instancias para reducir el estrés y permite una mayor productividad creativa y un mayor bienestar.

Un libro de reglas simple

Aquí hay algunas pautas simples para un modelo comercial del futuro más productivo y centrado en el ser humano*:

- Todos trabajan desde casa los viernes.
- Los padres que trabajan desde casa pueden comenzar a trabajar a las 10 a.m.

- Todos trabajan en la oficina los miércoles.

- Las personas pueden trabajar en la oficina los lunes y miércoles, o martes y jueves, como un esquema híbrido.

- La oficina está centralizada para la socialización.

*Estas reglas deben adaptarse a las necesidades de cada empresa y comunidad en particular.

Resumen

Más de dos años después de la pandemia, se ha abierto la cortina que oculta los problemas sistémicos de nuestro país y del mundo que tienen como objetivo a las comunidades vulnerables. Por lo tanto, ahora es el momento de reconocer que estamos en una posición única para crear nuevos modos de operación comercial más centrados en el ser humano. Debemos aprovechar esta oportunidad y crear un mundo más humano, adoptando la interseccionalidad para apoyar a las mujeres, las personas de color y otros grupos minoritarios. Podemos lograr nuestro futuro ideal realizando negocios humanizados.



JOURNAL OF INTERNATIONAL COUNCIL FOR SMALL BUSINESS

**SPECIAL ISSUE:
SUSTAINABLE ENTREPRENEURSHIP**



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Special issue on sustainable entrepreneurship

Analia Pastran, Executive Director of Smartly, Social Entrepreneurship on SDGs

Chantal Line Carpentier, Chief of UNCTAD New York

Adnane Maalaoui, Managing Director IPAG Entrepreneurship Center

This special issue of the *Journal of the International Council for Small Business (JICSB)* originated after conferences and seminars organized by entities such as Smartly and IPAG and builds on an ongoing dialogue taking place in International Council for Small Business journals around entrepreneurship as a mechanism to achieve the United Nations' Sustainable Development Goals (SDGs; for example, Carpentier & Braun, [2020](#); Dickel & Eckardt, [2020](#); Liguori & Bendickson, [2020](#); Muñoz & Cohen, [2018](#); Nguyen et al., [2020](#)). The SDGs framework is an ambitious, action-oriented roadmap to solving some of the world's biggest challenges (extreme poverty, hunger, inequality, achieving peace and justice, and protecting our environment). While these are big challenges, the pathway to achieving them is paved by incremental joint efforts from a collective populous of nations, organizations, and individuals around the globe. It is our hope this diverse set of seven articles highlighted in this issue helps incrementally contribute to our collective achievement of the SDGs.

The first article, by Inés Gabarret and Aude D'Andria, explores the role of women's

business incubators in the development of female entrepreneurship as a key driver of women's empowerment and gender equality. Gabarret and D'Andria observed some important aspects within women-dedicated business incubators, such as the development of confidence and inspiration through role models, but also a psychological attachment and a focus on mostly traditional female activities.

The second article, by Prince Gyimah and Ogechi Adeola, examines the critical sustainable factors of micro-, small, and medium-sized enterprises (MSMEs) across the three sectors in the developing nation of Nigeria. They find that the most critical sustainable factors among these sectors are capital, planning, and marketing skills. Ultimately, they show that MSMEs are especially vulnerable, highlighting the importance of education and mentorship to assist in building foundations on which growth and prosperity can occur.

The third article, by Shinu Vig, explores how sustainable entrepreneurs can help play a critical role in achieving the SDGs by promoting inclusive economic development, generating income and employment

opportunities, and protecting our planet. Vig does so through the lens of the work of Noraa, a sustainable micro-enterprise in India, run by two young entrepreneurs, which provides a range of organic and biodegradable sanitary pads for menstrual hygiene.

The fourth article, by Bastian Thomsen, Jennifer Thomsen, Mario Cipollone, and Sarah Coose, explores sustainable entrepreneurship as a balanced approach to biodiversity conservation and sustainable development. Specifically, they take a case study approach to analyze two nonprofit organizations working to protect the endangered Apennines brown bear, *Salviamo L'Orso* and *Rewilding Apennines*, showing how these organizations embraced multispecies livelihoods sustainable entrepreneurship to tackle five of the United Nations' SDGs (8, 10, 11, 15, 17) in an attempt to save this species.

The fifth article, by David J. Hansen and David Wyman, examines the entrepreneurial journeys of two students as they evolved from entrepreneurship students to sustainable entrepreneurs. Among the lessons from the two cases, they highlight the importance of early exposure to sustainable development issues and the SDGs, the positive role of an entrepreneurial education program, and the critical role of a supportive entrepreneurial ecosystem that includes diverse and passionate students along with supportive faculty and mentors.

The sixth article, by Kellen Copeland, focuses on SDG 14 (Life Below Water) and 15 (Life Above Land), advocates for a more comprehensive view of triple bottom line inclusive of nonhuman animals. Specifically, Copeland advocates for more coordination between government, industry, and entrepreneurial support organizations, in strategically achieving the SDGs while ensuring there are no adverse impacts on

nonhuman animals in doing so.

The seventh article, by Analía Pastran, Evangelina Colli, and Claudia Poclaba, explores how the COVID-19 pandemic could have a silver lining via the creation of new possibilities and opportunities to reevaluate priorities, especially in regard to climate change and sustainability. It reflects on the changes in consumption and production patterns, providing an explanation of sustainable entrepreneurship and identifying successful examples in Latin America and the U.S. (Note: this article was overseen by the *JICSB* editorial office distinct from the special issue editors, given one of the authors was a special issue guest editor.)

In closing, this special issue presents seven powerful articles, each of which uniquely contributes to our collective efforts to solve some of the world's biggest challenges. This collection is representative of the global and diverse perspectives and reach of the International Council for Small Business (ICSB) community. ICSB aims to be a catalyst for small business, a supporter of entrepreneurship, and an aid to policy makers to empower entrepreneurs to not only create jobs and inclusive economic growth, but also an agent of change for the SDGs. Prior work in *JICSB* has offered insights into how small and medium-sized enterprises can navigate and survive the COVID-19 pandemic (cf. Durst & Henschel, [2021](#); Liguori & Pittz, [2020](#); Schreiber, [2020](#)), the importance of SMEs to economic prosperity (cf. Crane, [2020](#); Radic, [2020](#)), and how social entrepreneurship and humane approaches result in powerful and positive outcomes (cf. Landowska et al., [2020](#); Parente, [2020](#)). This issue builds on these important topics, specifically focusing on sustainability and the United Nations' SDGs, and we hope it serves as a call to action for additional scholarship in this very important domain.

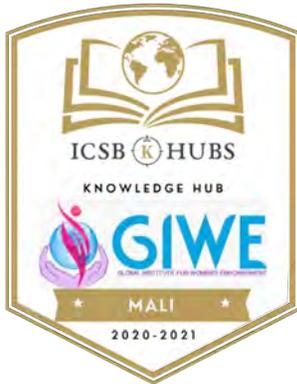
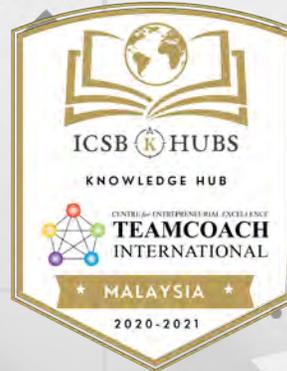
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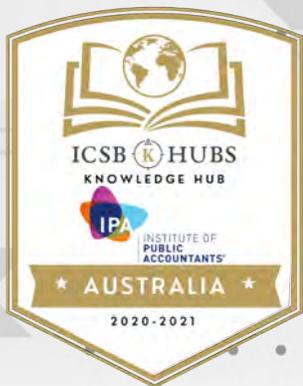
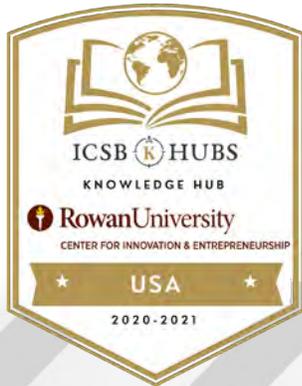
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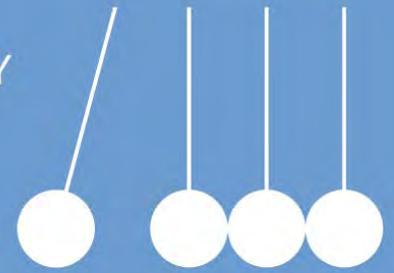


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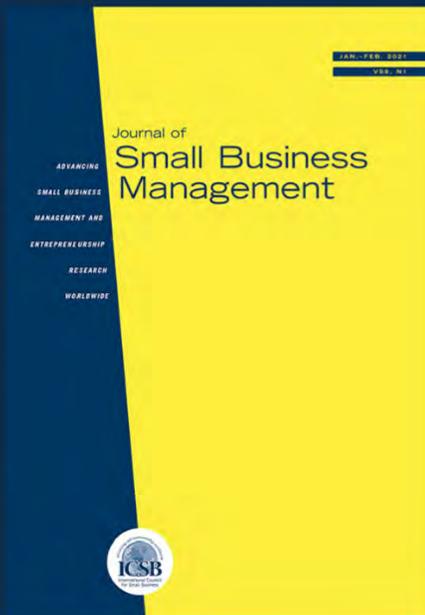
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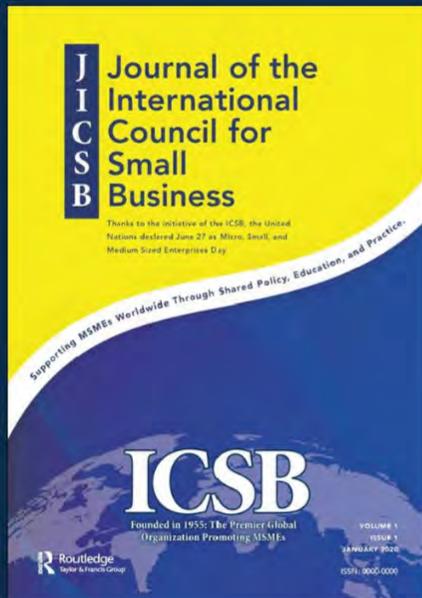
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As we restore prosperity post- COVID-19 through the means of entrepreneurial resilience, we must focus on imagining our lives, businesses, and the world in new ways.

- ▶ The 2022 GW October Entrepreneurship Week centers around the theme of **"Imagine."**
- ▶ This is the third annual, week-long event, hosted at the George Washington University in Washington D.C.
- ▶ The conference will be available through digital platforms, includes sessions, networking, and site visits that will challenge attendees to imagine beyond.



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