



Research for inclusive trade: focus on small businesses

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Mekong Forum “New Geo Economics: Reshaping the Future of the GMS”

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What is IDRC? Focus on research

- IDRC supports **local research** in the developing world **to improve lives and livelihoods** through three strategic objectives:
 - (1) Invest in **knowledge and innovation** for large-scale positive changes
 - (2) Build the **leaders** for today and tomorrow
 - (3) Be the **partner** of choice for greater impact
- 1,000+ research grants a year ; 350+ staff; 5 offices
- Contributes to Canada's foreign policy



Geo-economics & Global Value Chains

World trade in intermediate goods is **now greater than** all other non-oil traded goods together

Up to 80% of global trade measured in exports now linked to production of multinational firms

Research estimates suggest that of the 3.3 billion people employed worldwide, **1 in 7 jobs** are related to Global Supply Chains

Mekong countries are at the centre of supply chains.



Can new geo-economics be more inclusive?

Global value chains

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graph TD; GVC[Global value chains] --> LE[Large enterprises]; GVC --> SE[Small enterprises]; LE --> BE[Business environment, infrastructure, investment]; SE --> QS[Quality, skilled labour, customer service, ambition, attitude]; BE --> J[Jobs]; QS --> J; J --> BE; J --> SE; J --> LE; J --> GVC;
```

Large enterprises

Small enterprises

Business environment,
infrastructure, investment


Quality, skilled labour, customer
service, ambition, attitude

Jobs

Inclusive industrialization in Global Value Chains

Just Jobs in Vietnam, Myanmar & Thailand

1. What kind of business strategies do firms pursue?
Economic and social up-grading or down-grading?
2. Which **conditions needed for participation** in value chains to foster the quantity and quality of employment opportunities for potentially marginalized groups?
3. Are there any **structural advancement barriers** for women or other groups?
4. What are the **perceived benefits of participation in value chains**? What actual goals do governments, firms and workers seek to achieve through participation in value chains?



A 2017 comparative study of apparel and electronics, based on interviews in both sectors with:

- 200 workers
 - 80 managers
 - 40 experts
- 

Social upgrading value chains

Vietnam and Myanmar



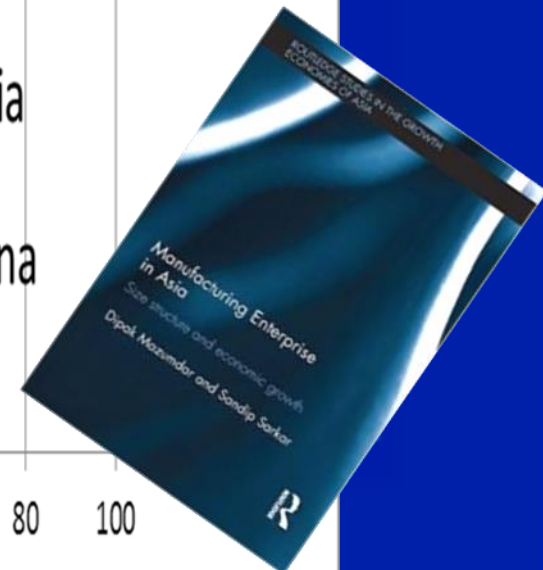
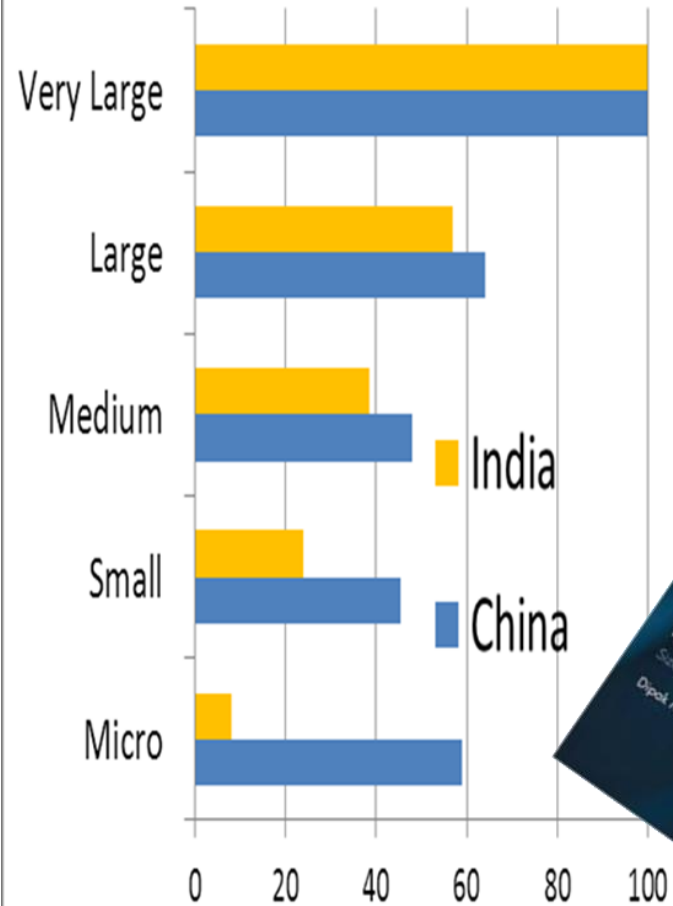
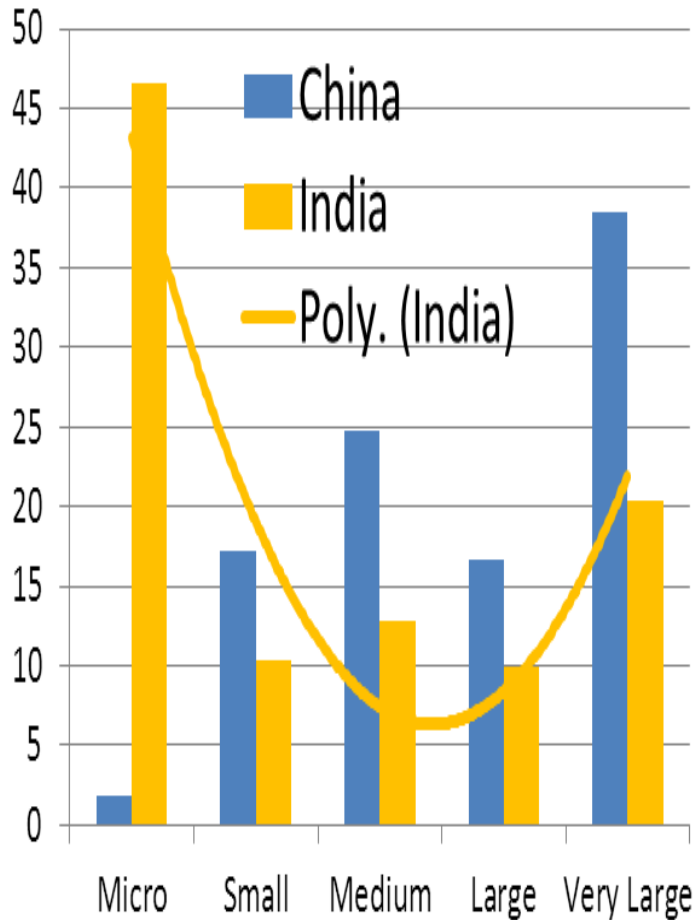
COUNTING
WOMEN'S
WORK



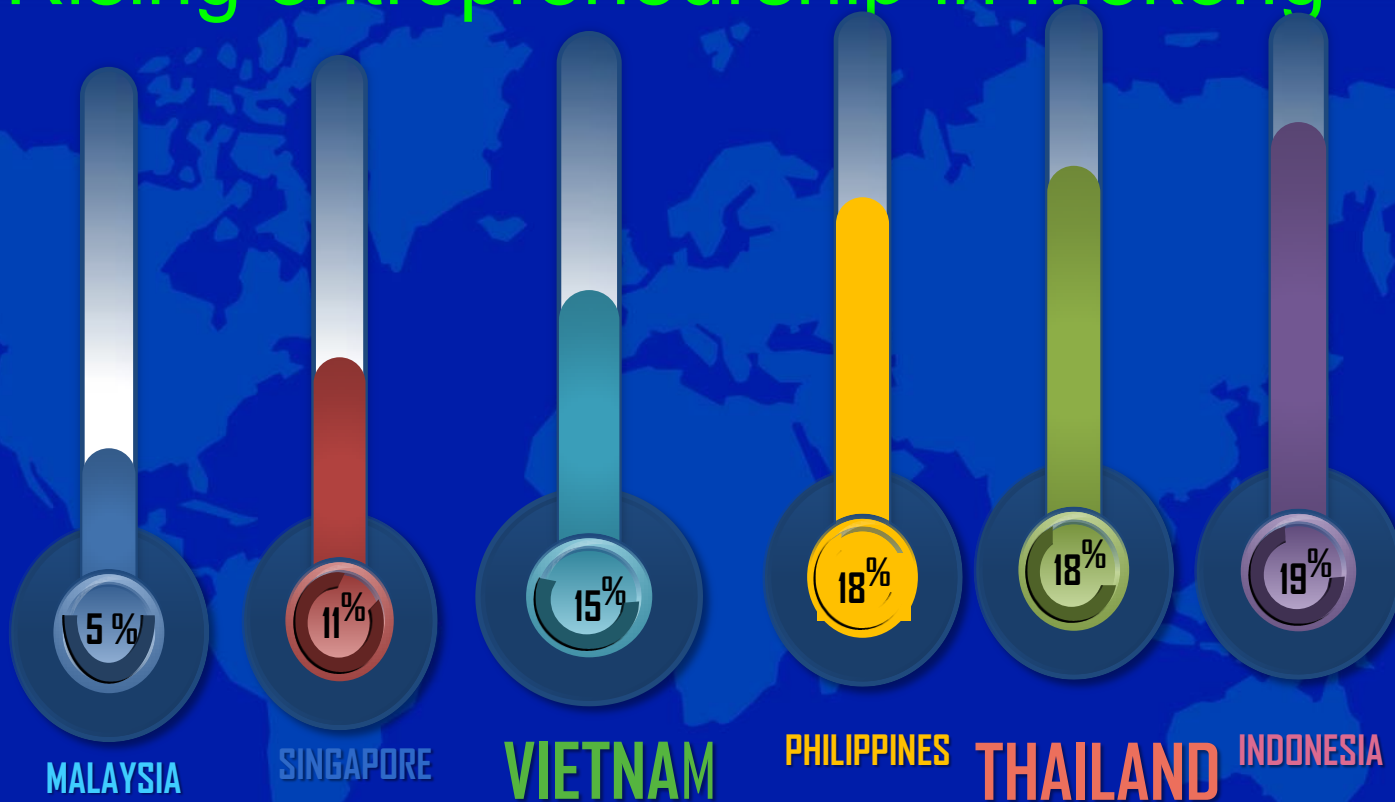
Working hours	Worker age	
	14-16	16-18*
4 hours or less	Legal	Legal
More than 4 hours/day	X	Legal
Between 6 p.m.-6 a.m.	X	Legal
Work on Sundays	X	Legal

*with medical certificate of fitness

Can small entrepreneurs play a role?



Rising entrepreneurship in Mekong





GEM
2015 Global
Average
15%

In Canada, 7% of the adult population is involved in early stage entrepreneurship, the highest rate in the developed world, ahead of Australia and the US.

Business environment & geo-economics

Firms are not as productive

Ranking out of 190 economies	Start a business 	Trade across borders 	Getting credit 
Cambodia	180	102	7
Philippines	171	95	118
Lao PDR	160	120	75
Indonesia	151	108	62
Myanmar	146	159	175
Vietnam	121	93	32
Malaysia	112	60	20
Brunei	84	142	62
Thailand	78	56	82
Singapore	6	41	20
East Asia & Pacific	82.0	68.9	53.6

Helping small entrepreneurs be **more productive**: Focus on women

WOMEN-OWNED BUSINESSES CAN BE EMPOWERED THROUGH:

- In-depth and longer training programs and mentorships
- Backing legal reforms with efforts to strengthen enforcement and shift biased norms
- Strengthening women's role in value and distribution chains
- Applying a gender lens to trade and procurement
- Investing in closing data gaps

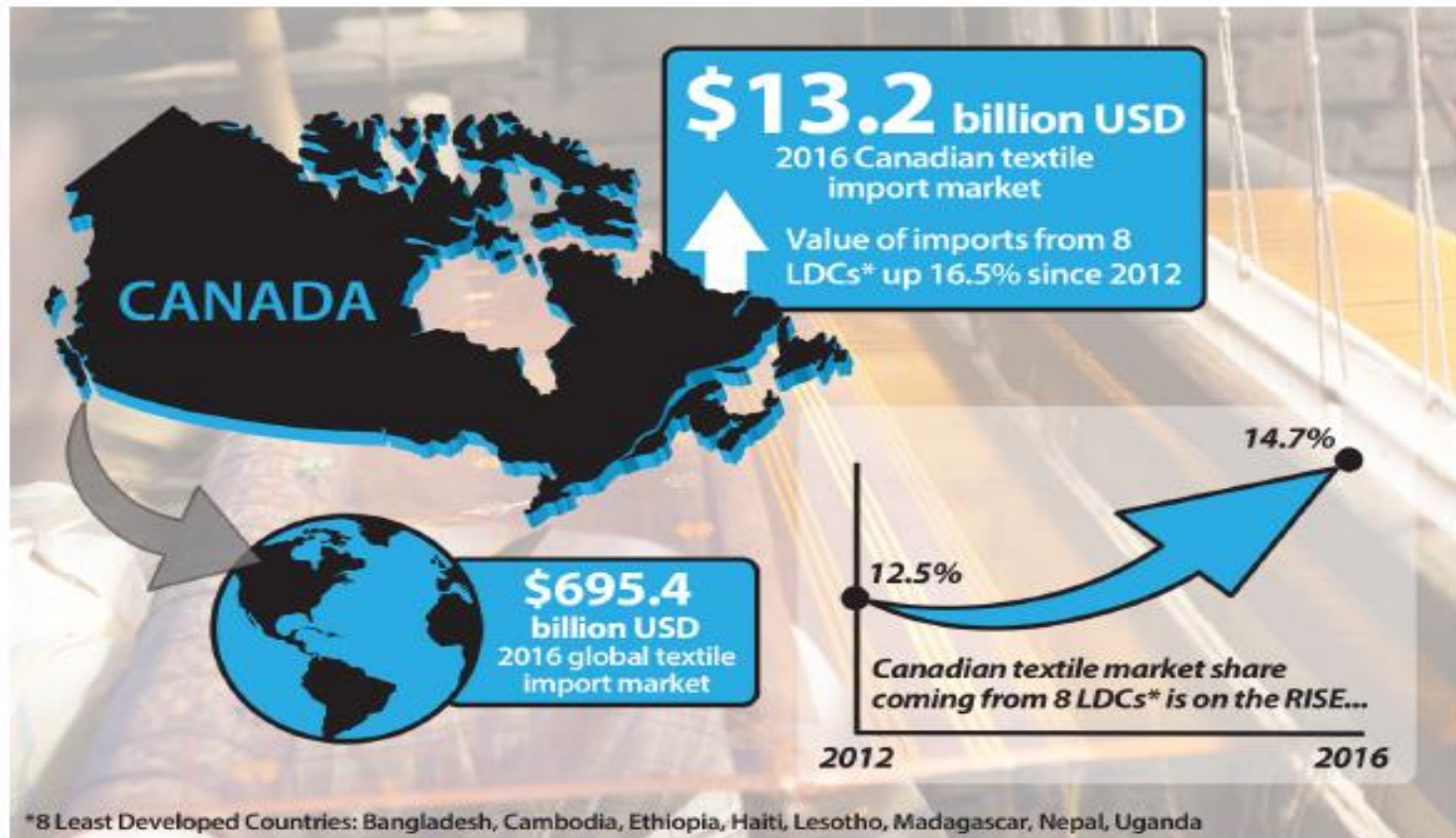


Training & mentoring for women: Mekong Institute

- Focus on **female entrepreneurs**
- Providing training for effective **business plans**
- Exploring **export potential** among these businesses
- **Follow-up action plan** by entrepreneurs
- 25 entrepreneurs : Can we scale it up?



Research for market entry: “Artisan Hub” - Trade Facilitation Office



Source: TradeMap, UN COMTRADE data, <http://trademap.org/>
Based on the combined value of HS 50-63 textiles imports to Canada and to the world.

A faint, light blue world map is centered in the background of the slide.

Thank you

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