



5th Global YES Summit: Rework the World

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Globally, the post-meltdown recovery of formal job markets remain quite sluggish; extensive employment creation in micro, small and medium scale enterprises therefore remains crucial for generating employment and income; so as to quell possible social unrest or instability.

Risks in financing small scale self-employment initiatives are high, and the formal financial sectors are not adequately geared to address the financing needs of micro and small enterprises, either in developed or developing economies. Financial sectors in developing economies have some extent of familiarity with financing small scale enterprises; but small businesses in many mature developed economies are known to be struggling for access to financing in the post crisis period, although large corporates are freely drawing funds from both banks and capital markets. Apart from access to financing, there is need for mobilizing and motivating the unemployed and underemployed masses into creative, innovative entrepreneurship; the general and technical education and training establishments need to focus on promoting entrepreneurship and nurturing innovativeness. Micro and small scale enterprises also face substantial uncertainties in profitably marketing their output for consumption or for further processing; unless they can forge viable horizontal and vertical linkages with larger businesses.

Public authorities, NGO/civil society initiatives, official donor agencies, philanthropies and socially responsible businesses must work in unison to bridge these major gaps and shortcomings in institutional support arrangements for self employment initiatives; helping tie up small entrepreneurs, their financiers and larger non-financial businesses into durable, viable linkages. In Bangladesh the government and the central bank remains proactive in promoting lending for micro, small and medium scale enterprises through MFIs, commercial and specialized banks; supported

by refinance lines from the government and the central bank. Government establishments spread throughout the country offer entrepreneurship training, particularly for the unemployed youth. BRAC and Grameen Bank in Bangladesh have succeeded in forging viable linkages of their micro and small enterprise borrowers with their own non-financial subsidiaries in related business lines.

There are lots to be done in upgrading the entrepreneurship training arrangements; and linking up of micro and small enterprises with related larger socially and environmentally responsible businesses has to go much further. There is as yet no risk mitigation arrangement in Bangladesh for micro and small enterprise borrowers by way of partial loan guarantees. Equity participation from a government owned Equity Fund is available for medium scale enterprises in agro and IT based sectors, but this Fund or the few small private sector venture capital/private equity fund operations do not involve themselves in equity of small enterprises.

Possible options in addressing these issues are diverse, of varying applicability in varied situations. I am much impressed by the approach of this seminar of looking at examples across the globe, highlighting what has worked and why the same approach may or may not work elsewhere; and above all building up optimism and inspiration for proactivity. I am grateful to the Tallberg Foundation for the opportunity of participating in this seminar, and I look forward to international donor agencies and philanthropies helping broader dissemination of the successful examples; public authorities and MFI/NGO/civil society initiatives in Bangladesh will proactively learn from success examples elsewhere, while happily sharing their own success examples, and also welcoming assistance in know-how and resources.

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