



SRMUN Atlanta 2018
Our Responsibility: Facilitating Social Development through Global Engagement
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Honored Delegates,

Welcome to SRMUN Atlanta 2018 and the United Nations Economic Commission for Latin America and the Caribbean (ECLAC). My name is Nicole Calcagno and I am honored to serve as Director of ECLAC this year. This will be my third year on SRMUN Atlanta staff, having previously served as Assistant Director of the Group of 77 in 2017, and the Organization of Islamic Cooperation in 2016. Joining me on the dais is my Assistant Director, Alyssa Jaime. This is Alyssa's second time on SRMUN Atlanta staff, having previously served as the Assistant Director for the Economic and Social Commission for Asia and the Pacific in 2017. Alyssa has previously worked for a foreign Ministry of Foreign Affairs and hopes to bring valuable diplomacy experience to the dais.

ECLAC's primary mandate is to contribute to regional economic and social development by creating meaningful changes along this premise. The dais wants to expand on the two topics listed below to help facilitate a positive shift towards development. Connecting with this conference's theme of "Facilitating Social Development through Global Engagement," ECLAC's impact on economic stability, education, and development certainly correlates with the work to be done under this theme. We expect thoughtful and researched ideas that will prompt action towards ECLAC's goals.

- I. Addressing Labor Rights through MSME Development
- II. Advancing the Economic Opportunities of Women Through Cash Transfers

Each delegation is required to submit a position paper covering both topics. Position papers should be no longer than two pages in length, single-spaced. The objective of the position paper is to provide realistic, creative solutions to each topic, while incorporating the history and policy of your Member State. These position papers should serve as a foundation for your delegation's plan of action, and the solutions contained within should help argue that your plans are the best course of action for ECLAC and the region as a whole.

The dais is very passionate about these topics and we look forward to robust and meaningful discussions with substantive results. The following background guide should be used as a guideline and introduction to the concepts of these topics but should by no means be referenced to as an exhaustive resource. We expect you to expand your studies to include outside resources and personal research. For this purpose, the attached Annotated Bibliography will also be useful. For more information regarding formatting and examples for position papers, please refer to the SRMUN website. **All position papers must be submitted by Friday, October 26, 2018 at 11:59 pm via the SRMUN Website.**

If there is anything we can help with your research, please feel free to contact Deputy Director-General Jacob Howe, Alyssa, or myself. Good luck on your preparations, and we will see you in November!

All the best,

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Committee History of the Economic Commission for Latin America and the Caribbean

On February 28, 1948, the Economic and Social Council (ECOSOC) Resolution 106 (VI) established the United Nations Economic Commission for Latin America (ECLA).¹ Commonly referred to by its Spanish acronym “CEPAL,” ECLA initially focused solely on Latin America. It later expanded to include Member States from the Caribbean through the adoption of ECOSOC Resolution 1984/67 on July 27, 1984.² After its expansion, the ECLA officially changed its name to the Economic Commission of Latin America and the Caribbean (ECLAC).³

ECLAC’s statement of purpose is to:

Function as a centre of excellence charged with collaborating with [M]ember States in a comprehensive analysis of development processes geared to the design, monitoring and evaluation of public policies and the resulting provision of operational services in the fields of specialized information, technical cooperation services, (advisory services) training and support for regional and international cooperation and coordination.

- Resolution 553/XXVI of the twenty-sixth session of the Commission, San Jose, 1996.⁴

ECLAC is one of five regional commissions within the United Nations system. The Commission comprises of thirty-three Member States from Latin America and the Caribbean, as well as thirteen from Europe, Asia, and North America in accordance with maintaining “historical, economic, and cultural ties.”⁵ ECLAC also includes thirteen Associate Members of non-independent territories. The established headquarters is located in Santiago, Chile and there are two sub-regional headquarters; one in Mexico City, Mexico and the other in Port-of-Spain, Trinidad and Tobago.⁶ Additionally, there are several offices located in Buenos Aires, Brasilia, Montevideo, and Bogotá, as well as a liaison office in Washington, D.C.⁷ The current Executive Secretary of ECLAC is Alicia Bárcena, who has been in office since 2008.⁸

The majority of the budget for ECLAC comes from Member State contributions.⁹ To ensure effectiveness and transparency throughout its financial structure, ECLAC works from a three-step process of “cycle planning” that includes strategy and legal framework, program and budgeting, and accountability and evolution.¹⁰ The first phase includes creating the structure of discussion for the body and initiatives that need to be addressed.¹¹ As part of this initial planning session, the body also reviews legislative documents and mandates from the United Nations General Assembly (GA), Economic and Social Council (ECOSOC), and Member States to understand viability, limitations, and any other relevant information for producing the outcomes of its initiatives.¹² The second phase of the three-step “cycle planning” involves more detail than the first. In this phase, the Commission often creates a logical framework addressing the priorities and strategies for each planned initiative.¹³ The final phase, known as the “accountability and evaluation” phase, is crucial to understanding previous successes, failures, and the best practices of past

¹ “About ECLAC,” Economic Commission for Latin America and the Caribbean, October 8, 2014, <http://www.cepal.org/en/about> (accessed March 27, 2018).

² “About ECLAC,” Economic Commission for Latin America and the Caribbean.

³ “About ECLAC,” Economic Commission for Latin America and the Caribbean.

⁴ Report on the Activities of the Commission from January 2012 to December 2013, United Nations Economic Commission for Latin America and the Caribbean, LC/G.2590 (SES.35/7).

⁵ “Member States and Associate Members,” Economic Commission for Latin America and the Caribbean, October 8, 2014, <http://www.cepal.org/en/estados-miembros> (accessed March 27, 2018).

⁶ “Member States and Associate Members,” Economic Commission for Latin America and the Caribbean.

⁷ “About ECLAC,” Economic Commission for Latin America and the Caribbean.

⁸ “Office of the Executive Secretary,” Economic Commission for Latin America and the Caribbean, <http://www.cepal.org/en/about/office-of-the-executive-secretary> (accessed March 27, 2018).

⁹ “Office of the Executive Secretary,” Economic Commission for Latin America and the Caribbean.

¹⁰ “Cycle Planning - Programme – Evaluation,” Economic Commission for Latin America and the Caribbean, October 15, 2014, <http://www.cepal.org/en/ciclo-planificacion-programa-evaluacion> (accessed March 29, 2018).

¹¹ “Cycle Planning - Programme – Evaluation,” Economic Commission for Latin America and the Caribbean.

¹² “Cycle Planning - Programme – Evaluation,” Economic Commission for Latin America and the Caribbean.

¹³ “Cycle Planning - Programme – Evaluation,” Economic Commission for Latin America and the Caribbean.

initiatives.¹⁴ To achieve this goal, ECLAC produces a report on the activities of the ECLAC system as well as a report on the technical cooperation within the ECLAC system.”¹⁵

Although ECLAC has accomplished much progress and success, the history of the Commission is not without its faults. Regardless, what is most notable about ECLAC is its constant growth and evolution. ECLAC’s work is considered some of the most impactful development efforts within the region and remains a worldwide example to other international bodies.¹⁶

ECLAC has advanced through five phases of theoretical ideals: import substitution industrialization (ISI) starting in 1950; reforms to facilitate industrialization in the 60s; reorientation of development "styles" towards social homogeneity and diversification as a means of promoting exports in the 70s; overcoming the external debt crisis through "adjustment with growth" in the 80s; and finally, changing production patterns with social equity in the 90s.¹⁷ At the 40-year anniversary of the institution, José Cayuela remarked on the difficulties faced prior to the creation of ECLAC, stating, “There were no reliable and prompt communication systems and interregional trade was insignificant.”¹⁸ The region has seen a substantial amount of growth since the inception of ECLAC, particularly under the leadership of economists Raúl Prebisch and Celso Furtado, and the institution has since taken a leadership role on the subject of structural economics throughout Latin America and the Caribbean.

¹⁴ "Accountability and Evaluation," Economic Commission for Latin America and the Caribbean, October 15, 2014, <http://www.cepal.org/en/accountability-and-evaluation> (accessed March 27, 2018).

¹⁵ "Accountability and Evaluation," Economic Commission for Latin America and the Caribbean.

¹⁶ "History of ECLAC," Economic Commission for Latin America and the Caribbean.

¹⁷ "History of ECLAC," Economic Commission for Latin America and the Caribbean.

¹⁸ Jose Cayuela, "ECLAC 40 years (1948-1988)," Economic Commission for Latin America and the Caribbean, October 8, 2014, <http://archivo.cepal.org/pdfs/librosCepal/S8800010.pdf>.

I: Addressing Labor Rights through MSME Development

Introduction

Micro-, small, and medium-sized enterprises (MSMEs) envelop approximately 99 percent of the world's industrial fabric, collectively producing the majority of jobs today.¹⁹ According to the International Council for Small Business (ICSB), formal and informal MSMEs account for over 90 percent of enterprises and approximately 50 percent of gross domestic product (GDP).²⁰ Sometimes referred to as the backbone of the world economy, there are currently 500 million MSMEs in the world.²¹ Despite the fact that MSMEs do not possess a concrete, universal definition, their low number of personnel is what typically categorizes them. Most small and medium enterprises (SMEs) employ less than 250 employees, with sometimes as little as 50 employees for medium sized enterprises.²²

In Latin America and the Caribbean (LAC), MSMEs are largely associated with lower income groups, including less profitable firms and lower paid workers.²³ Upwards of 70 percent of the Latin American workforce, for example, is prevalent in the lower productivity sectors, including agriculture, construction, and commerce. An additional 20 percent can be found in medium levels of productivity (manufacturing and transport), and the remaining ten percent in higher productivity sectors including finance, energy and mining.²⁴ Consequently, these companies often maintain poorer labor conditions and lower wages than that of large enterprises (LEs). This is due to the large percentage of industry that MSMEs comprise and their low levels of productivity and development.²⁵ As a result, the financial and political inclusion of MSMEs has been of utmost concern to the committee in its efforts to improve labor rights and conditions, as well as the average household income.

Labor Rights and Social Development in MSMEs

Recent involvement in the advancement of MSMEs has further allowed for social development within regions and their labor markets. As such a large and integral part of the world economy, MSMEs must remain responsible for the various groups of people in which they effect. According to the United Nations (UN), MSMEs typically employ the larger majority of the vulnerable sectors of the workforce, which include women, youth, and the poor.²⁶ In some cases, and especially in rural areas, MSMEs are often considered to be the only source of employment available.²⁷ MSMEs are responsible for income distribution at the "base level of the pyramid," meaning that they comprise the most number of employees, primarily for lower income households. This makes them opportunistically positioned to play the crucial role as a safety net for guaranteed inclusivity within economies.²⁸

However, with 80 percent of the workforce in Latin America engaged in small firms with low to medium productivity rates, it is not shocking to learn that ECLAC finds there to be an association between MSMEs and severe social inequality within the region:

"These productivity lags are one of the explanations for the high structural heterogeneity in the region's economies, which in turn is partly responsible for the severe social inequality in Latin America, to the

¹⁹ Economic Commission, "Micro, Small and Medium-sized Enterprises (MSMEs)," Latin America Population Will Reach 625 Million Inhabitants by 2016, According to ECLAC Estimates, <https://www.cepal.org/en/topics/smes> (accessed August 2, 2018).

²⁰ "Micro-enterprises, Small Enterprises, Medium-sized Enterprises, Business, Entrepreneurship, Sustainable Development," United Nations, <http://www.un.org/en/events/smallbusinessday/> (accessed May 29, 2018).

²¹ "Export Impact For Good," ITC, <http://www.intracen.org/MSME-Day-2017/>, (accessed May 29, 2018).

²² Khristyna Kushnir, Melina Mirmulstein, and Rita Ramalho, "Micro, Small, and Medium Enterprises Around the World: How Many Are There, and What Affects the Count?," Micro, Small, and Medium Enterprises, 2010, <https://www.ifc.org/wps/wcm/connect/9ae1dd80495860d6a482b519583b6d16/MSME-CI-AnalysisNote.pdf?MOD=AJPERES>.

²³ "Convergent and sustainable strategies in the current global environment," Economic Commission for Latin America and the Caribbean, July 2018, https://repositorio.cepal.org/bitstream/handle/11362/43741/1/S1700868_en.pdf.

²⁴ "Convergent and sustainable strategies in the current global environment," ECLAC.

²⁵ "Convergent and sustainable strategies in the current global environment," ECLAC.

²⁶ "Micro-enterprises, Small Enterprises, Medium-sized Enterprises," United Nations.

²⁷ "Micro-enterprises, Small Enterprises, Medium-sized Enterprises," United Nations.

²⁸ "Micro-enterprises, Small Enterprises, Medium-sized Enterprises," United Nations.

extent that these wide productivity discrepancies (between sectors and between companies) both reflect and reinforce gaps in capacities, in participation in technological progress, in bargaining power, in access to social networks and in upward occupational mobility opportunities throughout people's working lives."²⁹

Productivity gaps between MSMEs and LEs make it harder for small firms to develop at a rate comparable to that of larger firms. As a result, wage discrepancies within MSMEs can severely affect income distribution and therefore, contribute to the problem of inequality within the workplace.³⁰

Another labor dispute present with MSMEs deals with the differentiation between formal and informal MSMEs. Formal MSMEs embody the firms represented in the registered sector of the economy. Consequently, to be considered a registered entity, firms must comply with regional laws and maintain required labor conditions. On the other hand, of the 90 percent of total enterprises that MSMEs constitute today, 74 percent are considered a part of the informal economy.³¹ Informal MSMEs, one of the largest contributors to the economy, can outnumber formal firms registered at a 17:1 ratio.³² According to the UN, "unregistered firms rely mostly on informal financing, which — although important in facilitating access to finance — is associated with lower firm growth and increased firm illegality."³³

As previously mentioned, lower productivity, which results in lesser firm growth, largely results in social inequality and wage discrepancies within MSMEs. Firm illegality, another concern when it comes to standardizing and developing MSMEs, poses a way to avoid elevated costs in starting and closing businesses.³⁴ Studies have found that formal MSME density is heavily correlated to the minimum capitals for starting businesses and recovery rates for the closure of businesses.³⁵ In economies where these costs are increased, the density of formal MSMEs is low and the density of informal MSMEs are higher.³⁶ Referred to as "off the books" jobs, not only do informal MSMEs enjoy decreased costs in terms of starting and closing their business, but they also offer poor, irregular, and/or uneven pay for their employees, saving firms additional profit. Further labor concerns with informal MSMEs include little to no fixed hours and zero benefits of any sort for their employees.³⁷

Many Member States have made plans for MSME development by tackling "cross-cutting" issues via collaboration with government entities, MSME associations, and trade associations. Doing so will help cultivate greater social capital to carry out initiatives targeting youth, gender, persons with disabilities, and environmental stewardship.³⁸ These initiatives play a great role in addressing labor rights pertaining to MSMEs, such as equal-gender workplaces, work accessibility for the disabled, and youth laws. Institutions such as the International Finance Corporation (IFC) and the World Bank Group (WB), for example, have been at the forefront of tackling social issues facing the MSME community. For example, the IFC's inclusion of women-owned MSMEs has helped to create more jobs for women through microloan programs.³⁹ Some areas in which the IFC and WB have invested in women-owned MSMEs

²⁹ "Convergent and sustainable strategies in the current global environment," ECLAC.

³⁰ "Convergent and sustainable strategies in the current global environment," ECLAC.

³¹ "Micro-enterprises, Small Enterprises, Medium-sized Enterprises," United Nations.

³² "Micro, Small, and Medium Enterprises Around the World: How Many Are There, and What Affects the Count?," World Bank, <https://www.ifc.org/wps/wcm/connect/9ae1dd80495860d6a482b519583b6d16/MSME-CI-AnalysisNote.pdf?MOD=AJPERES> (accessed June 19, 2018).

³³ "Micro-enterprises, Small Enterprises, Medium-sized Enterprises," United Nations.

³⁴ "What Is the Difference between Formal Economy and Informal Economy?," Funds for NGOs, December 9, 2009, <https://www.fundsforngos.org/development-dictionary/what-is-the-difference-between-formal-economy-and-informal-economy/>.

³⁵ "Micro, Small, and Medium Enterprises Around the World," World Bank.

³⁶ "Micro, Small, and Medium Enterprises Around the World," World Bank.

³⁷ "What Is the Difference between Formal Economy and Informal Economy?," Funds for NGOs, December 9, 2009, <https://www.fundsforngos.org/development-dictionary/what-is-the-difference-between-formal-economy-and-informal-economy/>.

³⁸ "Micro, Small & Medium Enterprise (MSME) and Entrepreneurship Policy," Ministry of Industry Investment and Commerce, May 2013, Accessed August 02, 2018.

³⁹ "MSME Finance," International Finance Corporation, https://www.ifc.org/wps/wcm/connect/industry_ext_content/ifc_external_corporate_site/industries/financial_markets/msme_finance/ (accessed August 03, 2018).

include an increased access to finance, reduced gender-based barriers in the workplace, improved working conditions for women, and skill trainings for women, among other initiatives.⁴⁰

Challenges of MSME Development

Achieving fully developed, legally registered MSMEs within an economy is undoubtedly a multifaceted issue and goal for ECLAC. In comparison to other regions, such as the European Union (EU), ECLAC remains behind in many aspects pertaining to MSME inclusion and growth.⁴¹ Considering MSMEs' substantially lower productivity rates in comparison to LEs, and with productivity gaps twice as high in lesser-developed countries (LDCs), better efficiency is a key component to improving conditions.⁴² In LAC, productivity discrepancies between MSMEs and LEs are monumental, with smaller firms hardly attaining 40 percent of the productivity rates of LEs and medium-sized enterprises following suit at merely 50 percent. This is in comparison to small and medium firms in the EU reaching 50 percent and 60 percent, respectively.⁴³

Another great challenge facing MSMEs is the limited options available to ensure long-term success. The WB, a major contributor in ensuring the development of MSMEs, stated, "MSMEs are, collectively, the largest employers in many low-income countries, yet their viability can be threatened by a lack of access to such risk-management tools as savings, insurance, and credit. Their growth is often stifled by restricted access to credit, equity, and payments services."⁴⁴ Opportunities to build credit, save money, and be backed by insurance policies are not readily available to the vast amount of employers and employees involved with MSMEs. This lack in viable options marks a path of little to no financial progression for employees and enterprises alike. Access to capital and finance is even more of a threat for MSMEs in least developed countries (LDCs). Of the SMEs in LDCs, 41 percent claim lack of access to finance to be a hindrance to development, while 30 percent in middle-income countries (MICs) and 15 percent of high-income countries (HICs) do not share the same dilemma.⁴⁵ Access to these opportunities is essential to economic growth and to the prevention of exposure to vulnerability for households and enterprises alike.⁴⁶

Other than developing better relationships between MSMEs and private banks, more needs to be done. Regarding bank credit, larger enterprises typically engage in fewer transactions and require fewer loans. Since these costs are at a fixed rate that decreases per unit as more loans are taken out, MSMEs, which engage in more transactions and require more loans, attain this feat at higher costs. Thus, it is relatively costlier for banks to make loans out to MSMEs than to larger enterprises.⁴⁷ Better-established policy, relationship, and incentive between banks and MSMEs may help with demands for particular financial services for smaller firms, such as in obtaining credit and loans. Focusing on the importance of public-private dialogue between MSMEs and financial institutions in order to reduce friction, increase trust, and minimize overly bureaucratic communications may serve to better sustain these relationships.⁴⁸

ECLAC's goal for inclusion in MSME-business is guided by basic principles of financial inclusion, comprising access (the ability to use services/products through formal financial systems), usage (the frequency of the use of the aforementioned ability), and quality (determined by evaluations based on available data via surveys).⁴⁹ Lack of affordable usage of financial services is one of the main culprits for little to no growth in these companies. Arancha González, the Executive Director of the International Trade Centre (ITC) claims a reason for poor efficiency is due

⁴⁰ "Women and Business," International Finance Corporation, September 2012, https://www.ifc.org/wps/wcm/connect/bb0b20004d0481febbebfff81ee631cc/IFC-issue-Brief_AM12_Women-and-Business.pdf?MOD=AJPERES.

⁴¹ "Convergent and sustainable strategies in the current global environment," Economic Commission for Latin America and the Caribbean, https://repositorio.cepal.org/bitstream/handle/11362/43741/1/S1700868_en.pdf (accessed August 02, 2018).

⁴² "Convergent and sustainable strategies in the current global environment," ECLAC.

⁴³ "Convergent and sustainable strategies in the current global environment," ECLAC.

⁴⁴ "Micro, Small, and Medium Enterprise (MSME) Finance," World Bank, <http://www.worldbank.org/en/results/2013/04/05/msme-finance-expanding-opportunities-and-creating-jobs> (accessed May 29, 2018).

⁴⁵ "Micro, Small, and Medium Enterprise (MSME) Finance," World Bank.

⁴⁶ "Micro, Small, and Medium Enterprise (MSME) Finance," World Bank.

⁴⁷ "Background," CEPAL, <https://www.cepal.org/en/inclusion-financiera-pymes/background/#A3> (accessed May 29, 2018).

⁴⁸ "Convergent and sustainable strategies in the current global environment," ECLAC.

⁴⁹ "Background," CEPAL.

to lack of connectivity.⁵⁰ With greater access to financial tools, smaller firms may improve their relationships with markets and suppliers, leading to increased efficiency in their businesses.⁵¹ The growth and successful financial inclusion of MSMEs is not only necessary for an improved economy, but also to promote better labor conditions and increased wages, as these smaller entities remain responsible for the majority of jobs in the industrial sector today.

One obstacle that ECLAC must overcome is the isolation amongst differing policies, which result in little integration and awareness.⁵² The integration of MSME policy into already existing legislature draws more importance to these initiatives and prevents isolation. Such was the case within Europe, where the integration of MSME policies was, “gradually integrated into plans and actions that focused on strengthening territories, productive clusters, technological service promotion networks, technical and professional training, and research and development efforts.”⁵³ With constraints that include limited access to markets, sustainable financing solutions, business infrastructure, and adequate regulatory systems, successful integration of MSME policy must be initiated by governmental efforts.

Plans for Progression

In recent years, MSMEs have merited increased attention in the global sector, so far as to the point that an international holiday, MSME Day, was created. MSMEs play a vital role in achieving the Sustainable Development Goals (SDGs) of the UN, including efforts to promote innovation and sustainable work environments. SDG targets 8.3 and 9.3 have called for the enhancement of access to financial services for SMEs.⁵⁴ MSMEs are additionally important elements in the implementation of SDG 8 (decent work and economic growth) and SDG 9 (industry, innovation and infrastructure).⁵⁵

Regardless of the hindrances Member States face when integrating MSMEs into their economies, efforts have been taken to ensure a successful plan for progression. The WB, for example, has assisted over 60 Member States in providing an active environment for MSMEs to thrive, offering approximately 38 active lending projects totaling USD \$3.2 billion in support.⁵⁶ These lending projects helped pave the way for more inclusive access to financial services for MSMEs. The WB has recognizably aided MSMEs in utilizing financial services that were not once available to them. They have “contributed to the advancement of MSMEs in this arena through lending tools such as Development Policy Loans (DPLs), investment loans, and technical assistance, aiding over 100 states.”⁵⁷

While there are many contributing factors to economic development within the region, ECLAC shares a distinct and specific overall goal, optimizing MSMEs in order to better facilitate growth and improve labor conditions for the workforce:

“[An] end goal of renewed and dynamic collaboration based on multilateralism, which goes beyond trade integration ... promotes investment and the development of real production integration, encourages technology transfer and innovation, favours the inclusion of micro, small and medium enterprises, and ultimately facilitates progressive structural change with stronger productivity, more and better jobs, and higher wages.”⁵⁸

In regard to formalizing MSMEs and addressing their labor conditions, policies have been adopted throughout the region. These initiatives, such as the One-day Company Act in Chile, for example, aim to assist firms in formalizing themselves in an efficient and inexpensive manner.⁵⁹ “Mostly, these actions are aimed at simplifying formalization

⁵⁰ “Boosting the Productivity of Latin American MSMEs,” The MasterCard Center for Inclusive Growth, <https://mastercardcenter.org/action/tech-tools-partnerships-boost-productivity-latin-american-msmes/> (accessed June 19, 2018).

⁵¹ “Boosting the Productivity of Latin American MSMEs,” The MasterCard Center for Inclusive Growth.

⁵² “Convergent and sustainable strategies in the current global environment,” ECLAC.

⁵³ “Convergent and sustainable strategies in the current global environment,” ECLAC.

⁵⁴ “Micro-enterprises, Small Enterprises, Medium-sized Enterprises,” United Nations.

⁵⁵ “Micro-enterprises, Small Enterprises, Medium-sized Enterprises,” United Nations.

⁵⁶ “Micro, Small, and Medium Enterprise (MSME) Finance,” World Bank.

⁵⁷ “Micro, Small, and Medium Enterprise (MSME) Finance,” World Bank.

⁵⁸ “Convergent and sustainable strategies in the current global environment,” ECLAC.

⁵⁹ “Convergent and sustainable strategies in the current global environment,” ECLAC.

and accounting procedures, as well as granting tax exemptions or creating special tax regimes. The majority of measures are horizontal in nature, meaning that they do not discriminate among micro-, small and medium-sized beneficiaries by sector or location.”⁶⁰

Conclusion and Committee Directive

With about two-thirds of the LAC population aspiring to start a business within the next few years and 90 percent of Latin America already composed of SMEs, it is unquestionable that MSME reform must be prioritized in the fight for improving labor conditions within the region.⁶¹ The livelihood of workers, their spouses, children, and family depend on this enormous effort, with the market and region’s economy benefiting close behind. With many people and economies reliant on adequate policy reform and development, it is the committee’s directive to facilitate meaningful dialogue pertaining to the advancement of MSMEs while maintaining the rights of workers. This includes fundamental policy reform, which may achieve the following: the establishment of an acceptable definition for MSMEs; better public-private partnerships between banks, lenders, and MSMEs; initiatives to switch from informal to formal MSMEs; and, to optimize each initiative to include the importance of labor rights for the individuals involved in MSMEs. All of these initiatives play an integral role in refining MSMEs, the economy of LAC, and in turn, the precious lives of those involved.

⁶⁰ “Convergent and sustainable strategies in the current global environment,” ECLAC.

⁶¹ "Latin America and the Caribbean Small Online Business Growth Report." EBay Main Street. October 2017. Accessed August 31. <https://www.ebaymainstreet.com/sites/default/files/ebay-latin-america-caribbean-small-online-business-growth-report-october-2017.pdf> ; "Challenges of SMEs in Latin America." Five Challenges to Achieve Gender Equality in Latin America | CAF. Accessed August 31, 2018. <https://www.caf.com/en/currently/news/2014/03/challenges-of-the-smes-in-latin-america/?parent=30234>.

II. Advancing the Economic Development of Women through Cash Transfers

Introduction

ECLAC is a commission that focuses on the development of its Member States by working through several areas of focus such as economic development, international trade and integration, population, and human development.⁶² ECLAC works closely with the nation-level organization to progress women issues across Latin America and the Caribbean (LAC). They also take a more grassroots approach by working with civil society, local women's movements, and feminist organizations.⁶³ ECLAC works towards economic development by aiming to increase long-term economic growth and the proper allocation of financial resources, which would in turn, support development and equality within their Member States.⁶⁴ whereas economic development is crucial to Member States, the effect on women is especially important. Cash Transfers (CTs) allow women to gain independence, create revenue, and obtain further experience. CTs lead to an increase in the number of female business owners and better equips women with decision-making skills for their businesses and families. Additionally, CTs also assist women who are the head of their household,⁶⁵ which is rare in some Member States. With the pursuit of gender fairness in conjunction with economic development, the end goal is to improve the quality of life for LAC States.

The Benefits of Cash Transfers for Women

CTs are payments that Governmental Organizations, NGOs, or other relief organizations give to the disenfranchised. The goal of these CTs are to boost the economy. Additionally, there are various types of CTs. Unconditional Cash Transfers (UCTs) consists of money given to the poor with no conditions attached. They are meant to give the recipients autonomy on how they want to spend it with the intention of it going toward improvement. An example of this is the organization GiveDirectly in Kenya, which is an active non-profit organization that allows donors to donate money directly to those in need via mobile money transfers..⁶⁶ GiveDirectly has done research on 1440 households throughout 120 countries on how the money was spent and they have found that the money was used to improve the participants' overall wellbeing as it pertains to food, medical care, and education.

Meanwhile, Conditional Cash Transfers (CCTs) is a CT with required actions attached to them. While both forms of CTs provide monetary assistance, the biggest difference is that CCTs are transferred based upon certain requirements, including evidence that indicates beneficiaries are seeking health care and attending school regularly.⁶⁷ In order to disperse these CCTs, the agencies funding them rely on health services and educational means.. CCTs are often looked at as more of an investment in humans as opposed to a handout.⁶⁸ However, both UCTs and CCTs have the same end goal as they aim to reduce long-term poverty and strive to incentivize investment in productivity.⁶⁹

CCTs may help promote ones status and strengthen their bargaining power in the hierarchy of a household by providing an avenue to fulfill their rights within that household.⁷⁰ This is an important aspect for women and children specifically, as their statuses are the ones that are typically uplifted. For example, CCTs can reinforce the

⁶² Economic Commission, "Gender Affairs," Latin America Population Will Reach 625 Million Inhabitants by 2016, According to ECLAC Estimates, <https://www.cepal.org/en/work-areas/gender-affairs> (accessed May 23, 2018).

⁶³ Economic Commission, "Gender Affairs."

⁶⁴ Economic Commission, "Work Areas," Latin America Population Will Reach 625 Million Inhabitants by 2016, According to ECLAC Estimates, <https://www.cepal.org/en/work-areas/economic-development> (accessed May 23, 2018).

⁶⁵ "The impact of cash transfers on the economic advancement and decision-making capacity of rural women," Food and Agriculture Organization of the United Nations, <http://www.fao.org/3/a-i4726e.pdf> (accessed May 23, 2018).

⁶⁶ "Unconditional Cash Transfers: Investing Directly in Poor Families," The Abdul Latif Jameel Poverty Action Lab, <https://www.povertyactionlab.org/scale-ups/unconditional-cash-transfers> (accessed July 26, 2018).

⁶⁷ Kathy Lindert, "Conditional Cash Transfers (CCTs)," The World Bank, December 2014. <http://www.worldbank.org/content/dam/Worldbank/Event/social-protection/Lindert%20-%20CCTs%20.pdf>

⁶⁸ "Unconditional Cash Transfers: Investing Directly in Poor Families," The Abdul Latif Jameel Poverty Action Lab.

⁶⁹ Kathy Lindert, "Conditional Cash Transfers (CCTs)," The World Bank.

⁷⁰ "Conditional Cash Transfers and the Human Right to Social Security," UNRISD, <http://www.unrisd.org/80256B3C005BE6B5/httpNewsViewsTagCloud?ReadForm&keyword=human+rights&count=10000&cookieLang=es&newstype> (accessed June 20, 2018).

mentality that caring for children is a maternal duty while infantilizing men for potential careers.⁷¹ If correctly relied upon, CCTs can help women gain some financial freedom and positively affect the outlook on gender roles.

Many regions have analyzed the benefits of supplying CTs to women like the economic advancement for female recipients. One such example is Protection to Production (PtoP), which is a project that is a multi-country impact evaluation of CTs in sub-Saharan Africa. This project includes the collaboration between the Food and Agricultural Organization of the United Nations (FAO), the United Nations International Children's Emergency Fund (UNICEF) Eastern and Southern Africa Regional Office, and the governments of Ethiopia, Ghana, Kenya, Lesotho, Malawi, Zambia and Zimbabwe.⁷² Qualitative studies by PtoP have found that CTs support economic advancement by helping their recipients save money and obtain assets to start small businesses.⁷³ This same study found that in East Africa, activities to generate income had increased, including the trading of goods, selling of foods and homemade goods, and investing in larger assets. It also showed that women could pay off their debts and increase their savings by utilizing CTs they were given. For example, when women in Mexico were provided with CTs, research showed that they gained livestock ownership, utilized land in new ways, and created crops, among many other agricultural endeavors.⁷⁴ This was also the case in places like Malawi, Kenya, and Zambia.⁷⁵

In Kenya, GiveDirectly, an active non-profit organization that allows donors to donate money directly to those in need via mobile money transfers, has helped over 60,000 households in Kenya, Rwanda, and Uganda.⁷⁶ Through GiveDirectly, over 280,000 people have been provided with financial assistance. In an evaluation done in Kenya, analysts measured the effectiveness of UCTs on the wellbeing of its recipients. GiveDirectly evaluated large one-time transfers based upon timing, gender, and amount of the payment.⁷⁷ They found that the monthly consumption of households was up 23 percent across sectors like education, food, and medicine. Apart from financial benefit, there was also an improvement on the psychological wellbeing of the households surveyed for the evaluation.⁷⁸ Further research indicated that CT distribution also led to an increase in tangible assets such as metal roofing for their homes, furniture, and livestock.⁷⁹

Despite the clear advantages to giving CTs to women, there is a noticeable difference between the benefits men and women experience. "Bolsa Família" in Brazil is the country's CT program and has resulted in an increase in women's overall participation in the labor force at a higher rate than men's.⁸⁰ Based upon the cultural context, men and women have different opportunities. For example, the Colombian programme, Familias en Acción (Families in Action), has produced an increase in women and their ability to participate in urban-located labor opportunities, while men's participation only increased in rural areas.⁸¹ There has also been an increase in women's participation in agriculture at all levels; whereas men have increased participation in non-farming roles. Some roles were not available to women prior to CTs, and depending on their region or culture, some women were solely primed to be a caretaker for children and men.⁸² As the studies show, CTs have increased a women's ability to be more proactive for their families, less defined by gender roles and allowed more options outside of the home.⁸³

⁷¹ "Conditional Cash Transfers and the Human Right to Social Security," UNRISD.

⁷² "Conditional Cash Transfers and the Human Right to Social Security," UNRISD.

⁷³ "The impact of cash transfers on the economic advancement and decision-making capacity of rural women," Food and Agriculture Organization of the United Nations, <http://www.fao.org/3/a-i4726e.pdf> (accessed May 23, 2018).

⁷⁴ "The impact of cash transfers on the economic advancement and decision-making capacity of rural women," Food and Agriculture Organization of the United Nations.

⁷⁵ "The impact of cash transfers on the economic advancement and decision-making capacity of rural women," Food and Agriculture Organization of the United Nations.

⁷⁶ "Unconditional Cash Transfers," The Abdul Latif Jameel Poverty Action Lab.

⁷⁷ "Unconditional Cash Transfers," The Abdul Latif Jameel Poverty Action Lab.

⁷⁸ "Unconditional Cash Transfers," The Abdul Latif Jameel Poverty Action Lab.

⁷⁹ "Unconditional Cash Transfers," The Abdul Latif Jameel Poverty Action Lab.

⁸⁰ Overseas Development Institute, *The Impact of cash transfers on women and girls, The Summary of the evidence*, March 2017. <https://www.odi.org/sites/odi.org.uk/files/resource-documents/11374.pdf>.

⁸¹ Overseas Development Institute. *The Impact of cash transfers on women and girls, The Summary of the evidence*.

⁸² "The impact of cash transfers on the economic advancement and decision-making capacity of rural women," Food and Agriculture Organization.

⁸³ "The impact of cash transfers on the economic advancement and decision-making capacity of rural women," Food and Agriculture Organization.

CTs have provided a distinct change in household decision making capabilities as well. CT programs such as Studies of Mexico via Prospera/Oportunidades, Brazil via Bolsa Família, and Somalia's Cash Transfer Program have shown a positive increase in the decision making power among women.⁸⁴ For example, women have more influence on choices about contraception, clothing, managing extra income or household income by having their own labor supply.⁸⁵ There was also a noted increase in health and the option for more access to schooling for their children.⁸⁶ Traditionally in some regions, women have no control or access to these advantages due to lack of resources or cultural ideology.⁸⁷ CT's are not only giving women financial freedom and independence in their homes, but they are also changing the perceptions of women's contributions. In some Latin American Member States, women who have received CTs have noted a sense of feeling more respected by men in society and in the home.⁸⁸ As a result of CT distribution in Kenya, Zimbabwe, and Indonesia, there has been an increase in the perception of a women's ability to manage cash and contribute to their household income as well.⁸⁹ In some cases, gender roles are being reversed in different households. For example, in Peru there is some evidence that men who receive CTs from the Juntos program are absorbing more domesticated tasks such as the role of caretaker for children. As a result, men are sharing the decision making capability for the household with their female counterparts.⁹⁰ In some cases, CTs help promote the access to justice for women, particularly when gender conflicts arise as a result of women controlling cash flow and becoming more economically independent. All of the regions that are currently using these programs have seen several benefits and positive changes. As studies indicate, this is a positive way to advance economic development for women and, all those who benefit from CTs.

Challenges of Cash Transfers for Women

In addition to the many advantages highlighted by studies that analyze the outcome of exposure to CTs, there have been some challenges for women as well. For example, women who exhibit financial freedom may not be as easily accepted in regions where there is a stronger patriarchal presence than others.⁹¹ In some Latin American Member States, groups that offer CTs have linked judicial services for women to protect them from domestic and sexual violence.⁹² For example, some studies indicate that women who are granted CTs experience more physical and emotional abuse.⁹³ The same study found that there was an increase in physical violence toward women who received a larger CT payout.⁹⁴ Studies found that male counterparts were resentful toward the women receiving these CTs and threats or actions of violence increased in attempts to coerce the money from the women.⁹⁵

Increasing the Economic Development of Women through Cash Transfers

While there have been some positive transitions for women in the areas of labor and social status, it has been noted that CTs will not singlehandedly change the role of women at home or in the economic landscape.⁹⁶ There are other factors that will contribute to the success of the actual economic development for women using these CTs such as

⁸⁴ "The impact of cash transfers on the economic advancement and decision-making capacity of rural women," Food and Agriculture Organization.

⁸⁵ Overseas Development Institute, *The Impact of cash transfers on women and girls, The Summary of the evidence.*

⁸⁶ "The impact of cash transfers on the economic advancement and decision-making capacity of rural women," Food and Agriculture Organization.

⁸⁷ "The impact of cash transfers on the economic advancement and decision-making capacity of rural women," Food and Agriculture Organization.

⁸⁸ "The impact of cash transfers on the economic advancement and decision-making capacity of rural women," Food and Agriculture Organization.

⁸⁹ "The impact of cash transfers on the economic advancement and decision-making capacity of rural women," Food and Agriculture Organization.

⁹⁰ "The impact of cash transfers on the economic advancement and decision-making capacity of rural women," Food and Agriculture Organization.

⁹¹ "The impact of cash transfers on the economic advancement and decision-making capacity of rural women," Food and Agriculture Organization.

⁹² Overseas Development Institute, *The Impact of cash transfers on women and girls, The Summary of the evidence.*

⁹³ "The impact of cash transfers on the economic advancement and decision-making capacity of rural women," Food and Agriculture Organization.

⁹⁴ Overseas Development Institute, *The Impact of cash transfers on women and girls, The Summary of the evidence.*

⁹⁵ Overseas Development Institute, *The Impact of cash transfers on women and girls, The Summary of the evidence.*

⁹⁶ "The impact of cash transfers on the economic advancement and decision-making capacity of rural women," Food and Agriculture Organization.

seen through access to education.⁹⁷ Some initiatives that will help usher this cause along include more resources for women, access to education, advancing their skills and better employment options.⁹⁸ If they have the financial aspect to start a business or make financial decisions, they need to have the skills to match.⁹⁹ Currently, ECLAC is working toward this goal and in doing so, they have created a Gender Equality Observatory meant to drive the advancement of women economically and outline any challenges in this field.¹⁰⁰ One of the issues addressed in its report is on the transparency of the budget and how it's divided up in regards to policies for gender equality.¹⁰¹

In addition to the Gender Equality Observatory, ECLAC has many Member States with CCTs currently in place. In addition to the abovementioned CCT programs, Argentina, Chile, Costa Rica, Ecuador, and Honduras all have similar initiatives in place. This year, the Fifty-seventh meeting of the Presiding Officers of the Regional Conference on Women in Latin America and the Caribbean will meet and discuss these and other potential programs. They have met periodically since 1977 with a focus on women's rights and autonomy. They will discuss the results of working groups within ECLAC, report on meetings throughout the year between different bodies of ECLAC, and discuss how to change the economic framework for women in ECLAC Member States. This is a crucial conference that will help move along progress on this topic.

Conclusion

Research has shown that CTs have improved the quality of life for the women and families who receive these CTs, but it has also developed the economy within those Member States that are utilizing them. Even though there have been challenges like an increase in violence toward recipients, the overall effect of CTs has been a positive one.

With CT programs like Bolsa Familia and GiveDirectly in place, there has been documented, successful milestones made by and for women.

Committee Directives

In preparation for committee, delegates must research the effectiveness of past and present CT programs. They should be prepared to analyze the policies of those programs that were successful. What programs worked best? What programs needed work? They should also prepare action plans for their respective Member States. They must be aware of the differences between UCTs and CCTs and know their effectiveness or lack thereof. What is the opposition to CT-based programs and why? Delegates can prepare by keeping tabs on any gender issues within their Member States. Lastly, delegates must work together to create a common goal aimed at elevating the status of women through the use of CTs, which in turn would boost the economy.

⁹⁷ "The impact of cash transfers on the economic advancement and decision-making capacity of rural women," Food and Agricultural Organization.

⁹⁸ "The impact of cash transfers on the economic advancement and decision-making capacity of rural women," Food and Agricultural Organization.

⁹⁹ "The impact of cash transfers on the economic advancement and decision-making capacity of rural women," Food and Agricultural Organization.

¹⁰⁰ Economic Commission for Latin America and the Caribbean, *Gender equality plans in Latin America and the Caribbean*, March 2017, <https://www.cepal.org/en/publications/41015-gender-equality-plans-latin-america-and-caribbean-road-maps-development>.

¹⁰¹ Economic Commission for Latin American and the Caribbean, *Gender equality plans in Latin America and the Caribbean*..

Annotated Bibliography

I. Addressing Labor Rights through MSME

"Doing Business 2018 Fact Sheet: Latin America and the Caribbean." 2018.
http://www.doingbusiness.org/~media/WBG/DoingBusiness/Documents/Fact-Sheets/DB18/FactSheet_DoingBusiness2018_LAC_Eng.pdf?la=en.

Delegates will be glad to uncover this simple yet useful fact sheet issued by the WB. In "Doing Business 2018," the WB has compiled the statistical profiles of all LAC Member States, detailing trends, reforms and highlights of business and economics throughout the region. Although not tailored to MSMEs, this article will assist in the profiling and researching of Member States' economies, strengths, and weaknesses.

"MSME Country Indicators." SME Finance Forum. Accessed September 01, 2018.
<https://www.smefinanceforum.org/data-sites/msme-country-indicators>.

This site, managed by the IFC and WB, provides useful MSME country indicators including an interactive map, reports, and statistics for most ECLAC Member State in the Country Pages tab in the form of downloadable pdfs. The data addresses questions such as firm-size breakdowns, growth trends, and the economic impact of MSMEs. The site goes on to provide historical Member State data and lists of sources under the Data tab.

"Micro-Small-Medium Enterprise Development in the Caribbean: Towards A New Frontier." 2016.
http://www.caribank.org/wp-content/uploads/2016/05/Study_Micro-Small-and-Medium-Enterprise-Development.pdf.

A Caribbean-centric take on MSME development, this source is a 164-page book published by the CDB on MSMEs within the Caribbean. The book entails countless amounts of graphs, charts and visuals detailing MSME statistics within the Caribbean, along with major findings and recommendations for improvement.

Ram, Justin A. "Micro, Small and Medium Enterprise Development in the Caribbean: Towards a New Frontier." May 2016. http://www.caribank.org/wp-content/uploads/2016/05/MSME-Development-in-the-Caribbean-Towards-a-New-Frontier_Justin-Ram.pdf.

This presentation by the Caribbean Development Bank (CDB) details vital statistical data relating to MSMEs within the Caribbean. The presentation is equipped with charts, graphs, and recommendations to support MSMEs and innovation within the Caribbean.

"Latin America and the Caribbean Economies Record Nearly 400 Business Reforms Over Last 15 Years: Doing Business." World Bank. Accessed September 02, 2018.
<https://www.worldbank.org/en/news/press-release/2017/10/31/latin-america-and-the-caribbean-economies-record-nearly-400-business-reforms-over-last-15-years-doing-business>.

In this article, delegates will find business reforms taking place in the LAC region over the last 15 years. These reforms, mainly aimed at revolutionizing the way businesses in LAC are made and done, are great examples of initiatives than can take place for the betterment of MSMEs and labor conditions within ECLAC. The article also mentions some Member States within LAC who are at the forefront of business and economic reforms.

"Latin America and the Caribbean Small Online Business Growth Report." EBay Main Street. October 2017.
<https://www.ebaymainstreet.com/sites/default/files/ebay-latin-america-caribbean-small-online-business-growth-report-october-2017.pdf>.

This case study, while only briefly mentioned within the background guide, provides an incredible overview of MSMEs within ECLAC as they perform in the online market. Beyond detailed overview and

history of LAC Member States, the analysis goes even deeper to encapsulate policy recommendations to better MSMEs in the online sector. The article further goes on to supply graphs, statistical facts, and an abundance of sources relating to LAC and MSMEs.

II. Advancing the Economic Development of Women through Cash Transfers

Green, Duncan. "Just Give Them the Money: Why Are Cash Transfers Only 6% of Humanitarian Aid?" *Blogs.worldbank.org*. Accessed May 23, 2018. <https://blogs.worldbank.org/publicsphere/just-give-them-money-why-are-cash-transfers-only-6-humanitarian-aid>.

This gives insight into the fact that Cash Transfers are not used as much as they can be. It also shows another way they can be used for humanitarian aid as well. It highlights the benefits for people who receive those transfers. Also it gives examples on ways to use them and why they are used.

"Conditional Cash Transfer Programmes." CEPAL Innovacin Social. Accessed May 23, 2018. <https://dds.cepal.org/bdptc/en/>.

This is a list from the ECLAC website of every cash transfer that is active or was active. You can click each link and find out additional information from each one. This list is a comprehensive record of what has been done in the ECLAC Member States. This is a wealth of knowledge and insight CT programs and can aide in helping created new ones.

Aguirre, Alvaro. "To Condition or Not to Condition: CCTs vs UCTs." *Medium*, May 02, 2016. <https://medium.com/@alvaroaguirremoya/to-condition-or-not-to-condition-ccts-vs-ucts-25e2f5a30235>.

This article takes a look at CCTs and UCTs in a more in depth way. It highlights the good and bad aspect of each one, shows how they differ, and how they have worked out for participants. It is an opinion piece but the information is helpful to see the difference in how these CTs have affected the participants.

Department for International Development, *Cash Transfers: Evidence Paper Policy Division 2011*, April 2011, http://www.who.int/alliance-hpsr/alliancehpsr_dfidevidencepaper.pdf.

This document is a deep dive into the uses of CTs in countries that are developing or have issues with poverty. It's a guide on to what has worked and what hasn't so far. It's a great research tool to see what's been done so far. It also breaks down what areas need what kind of CTs and how they have worked. It's a great tool to gain some extra knowledge on CTs.

Adatao, Michelle, ED., and John Hoddinott, ED. "Conditional Cash Transfers in Latin America." Ifpri.org. Accessed September 12, 2018. <http://www.ifpri.org/publication/conditional-cash-transfers-latin-america>.

This is an excerpt from a book that gives some detail on specific CT programs in Latin America. While the information is just an excerpt, it links to several other resources that are reviews on current or past CT programs. This includes the outcomes of those programs, how they worked, what they did. It's a great additional resource for this topic.