

ICSB GAZETTE

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MSMES AND THEIR CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

WRITTEN BY: AMBASSADOR MARTÍN GARCÍA MORITÁN, PERMANENT REPRESENTATIVE OF ARGENTINA TO THE UNITED NATIONS



"ICSB made a declaration about the urgent need to have a day to recognize the important role of micro, small, and medium enterprises in the development of economies as a whole."

On April 6th 2017, the United Nations General Assembly adopted the resolution to establish June 27th as the Micro, Small and Medium-sized Enterprises Day.

The United Nations designates specific days, weeks, years, and decades as occasions to mark particular events or topics in order to promote and raise awareness about these issues. Usually, it is one or more Member States that propose these observances and the General Assembly establishes them with a resolution.

As most of you know, Argentina introduced and lead the negotiations. But the spark that initiated all this process came from ICSB, which held its 61st Annual World Conference at the United Nations in 2016 with the support of the Republic of Korea. On that occasion, with authorities from over 55 countries, ICSB made a declaration about the urgent need to have a day to recognize the important role of micro, small, and medium enterprises in the development of economies as a whole.



That is when the authorities from Argentina, with the support of ICSB, especially its Executive Director, Dr. Ayman El Tarabishy, decided to step forward and promote this important initiative in the General Assembly.

The draft resolution was presented in January and immediately garnered a lot of support among Member States. Nonetheless, there were some negotiations which extended until February to adjust the language and make it acceptable for everyone. Finally, on April 6th, the draft resolution was adopted by the General Assembly by consensus, with the co-sponsorship of more than 50 countries from every region of the world.

This widespread support is a product of the recognition of the importance of these enterprises in the future of the world. Since the adoption of the 2030 Agenda for Sustainable Development, all the countries have been working in its implementation and in finding ways to ensure that every actor could contribute in the best possible way.

Micro, Small and Medium-sized Enterprises are one of these actors and they are mentioned in the SDG 8.3., which consists in promoting development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encouraging the formalization and growth of micro-, small- and medium- sized enterprises, including through access to financial services.



"Estimates suggest that more than 95% of enterprises across the world are Micro, Small and Medium-sized Enterprises, accounting for approximately 60% of private sector employment."

These enterprises have the potential to make a long-lasting positive impact on the world's development needs, since, by number, they dominate the world business stage. Estimates suggest that more than 95% of enterprises across the world are Micro, Small and Medium-sized Enterprises, accounting for approximately 60% of private sector employment.

These enterprises can in fact become the engines that sustain growth for long-term development in developing countries. When growth becomes stronger, micro, small and medium-sized enterprises gradually assume a key role in industrial development. They can satisfy the increasing local demand for services, which allows increasing specialization, and furthermore support larger enterprises with services and inputs.

Micro-, small and medium-sized enterprises are powerful partners. They can have great impact in embedding responsible business practices and sustainability in today's complex global value chains. Engaging with the SDGs can contribute to MSMEs improving long-term returns and redefining Public-Private Partnerships with governments and organizations.

Also by aligning their sustainability strategies with the SDGs, these enterprises can help achieve many of them, since they can contribute to the improvement of the quality of the environment and mitigation of climate change impacts, the achievement of gender equality and the empowerment of all women and girls, the reduction of inequalities, the promotion of innovation, and many other goals.

In the case of my country, Argentina is a very entrepreneurial one; we are very highly ranked in that respect. But, regarding the doing of business, ecosystems, and other aspects, we were in a very bad situation, so when the new government took over on December 2015, it started to work on them. This included regulation, training, the development of ecosystems across the country, and financing. All these issues were worked with the introduction of a new entrepreneur and MSME law.

Up until the approval of the law, the process of incorporating a company, registering with the tax agency, and opening a bank account took from 2-3 months up to a year or more, depending on the province. With the law, a company can be established and registered in 24 hours. This is local regulation, so the city of Buenos Aires is the only place you can do that right now, but the national government is currently working on helping other provinces to introduce this.

This is a vision that comes from President Macri, as he sees that entrepreneurs are the key to bringing Argentina into the 21st century. This is related to the first priority of the G20 Presidency of Argentina, which is the future of work and the challenges every country has. More than half of the jobs in Argentina will be replaced by automation in the next few years, so the development of high-impact entrepreneurs and MSMEs is vital.

The importance that the President assigns to this topic can be exemplified by his participation in a reception organized during the 62nd ICSB World Conference, held in Buenos Aires last June. On that occasion, which served to commemorate the first MSMEs Day, the government of Argentina and ICSB organized an event in one of the biggest venues in Buenos Aires, in which, among others, the Minister of Production and the Secretary of MSMEs and Entrepreneurship spoke in front of an audience of more than 500 persons.

The following day, the 62nd ICSB World Conference took place and included discussions and events with academia and the private sector, and also with authorities of the Ministry of Finance.

All these discussions and exchanges of best practices regarding MSMEs will be more necessary than ever if we want to achieve sustainable development and create a better future for all. When we drafted the resolution on the establishment of June 27 as the Micro, Small and Medium-sized Enterprises Day, we were hoping that it could serve as a platform for improving these discussions and unleashing the potential of these enterprises. We are delighted to see that only a year after the adoption, this is happening in a big way, with events in many countries in different regions of the world.



About ICSB Gazette:

The ICSB Gazette is a weekly edition of a key topic that ICSB will showcase. The content is varied from research, practice, policy, and education. The editor of the ICSB Gazette is Ms. Jordyn Murphy, ICSB Operational Manager. She will be soliciting ideas and articles from ICSB members world-wide.

ICSB Executive Director Comment:

ICSB is grateful for Argentina's support in declaring the need for MSMEs Day. Its important to recognize that MSMEs have the potential to make a long-lasting positive impact on the world's development needs, especially when the world population continues to rise.

Dr. Ayman El Tarabishy



**Jordyn Murphy
Editor, ICSB Gazette**

Jordyn is the Operations Manager at the International Council for Small Business in Washington, D.C and the Editor of the ICSB Gazette.

Contribute:

Have a topic you would like to see or an article to share? Please submit for consideration to jordyn@icsb.org

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THE VOICE OF MICRO-SMALL AND MEDIUM ENTERPRISES