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**Follow-up to the World Summit for Social Development and
the twenty-fourth special session of the General Assembly:
priority theme: rethinking and strengthening social
development in the contemporary world**

Statement submitted by World Union of Small and Medium Enterprises, a non-governmental organization in consultative status with the Economic and Social Council*

The Secretary-General has received the following statement, which is being circulated in accordance with paragraphs 36 and 37 of Economic and Social Council resolution 1996/31.

* The present statement is issued without formal editing.



Statement

Small and Medium Enterprises and Crafts (SMEs) as Engines for Social Development

Introduction

At its 53rd regular session, held from 4 to 13 February 2015, the Commission for Social Development emphasized that sustainable development must integrate the social, economic and environmental aspects of development — the vision and principles of the World Summit for Social Development that are gaining renewed recognition today.

In this statement WUSME will focus on issues that have a direct impact on social development now and in the future, where SMEs and Crafts play an important role, such as health care, technical innovations, environment protection, education of entrepreneurs and their employees, gender equality, repatriation of refugees and services for civil society and communities.

Objective and Purpose of Statement

The objective and purpose of this statement is to contribute to greater awareness of the significance of SMEs and Crafts development worldwide to improve social development, particularly in less privileged countries.

Empirical studies have shown that SMEs contribute over 55 percent of gross domestic product (GDP) and over 65 percent of total employment in high-income countries. The SME growth is assessed by SME contribution to the three main sectors of the economy; manufacturing, services and agriculture.

Overview of the issue as it relates to the work of WUSME

Igniting Innovations

Innovation and translation of scientific innovations into marketable and profitable products is increasingly becoming a challenging task since globalization has intensified competition in innovation, with a significant increase in research and development spending in Brazil, Russia, India and China (BRIC) countries.

Recent academic studies have estimated that since the end of World War II more than 50% of all innovations and even 95% of all ‘radical’ innovations, e.g. in electronics, medicine techniques and genetic engineering, originated from single inventors and SMEs.

In its regular workshops, WUSME presents innovative SMEs to the general public and assists them in identifying business partners and access to research institutions and investors.

Women Entrepreneurs — Gender Equality

The World Bank estimates that 200 million enterprises are owned by women.

In WUSME’s written statement ‘Declarations Submitted to the United Nations for the 59th Commission on the Status of Women in 2015 we formulated three imperatives for inter-gender collaboration and empowerment.

The First Imperative: For an exchange (or commerce) of any kind to take place, whether the sale of merchandise, the procurement of a service, up to and including something such as enrolling in college, inter-gender contact will occur and the parties may be made up of a diverse population, male and female being a baseline combination.

The Second Imperative: With the First Imperative as a given, we must all make every effort to interpret, as accurately as possible, what is said and done — a verbal exchange, a written communiqué or something as subtle as body language — when inter-gender communication take place.

The Third Imperative: Once something is communicated between and/or among individuals of different genders, and within genders, we must know, with a realistic degree of certainty, that we have an accord upon which appropriate action can be taken.

Health Care

The contribution of health to economic development is considered to be high. Studies from the UK show that 30% of economic growth can be related to improved health. Some scientists believe that the improved health of the population has a greater impact on economic growth than education. Regarding new biotechnology products, SMEs traditionally play a crucial role. Because of their adaptability, ability to identify market niches and considerable innovative potential, these firms form an important component of the health-care industry worldwide.

Environmental Protection — Waste to Energy

SMEs and Crafts supporting Associations like WUSME have been aware for decades that waste as a by-product of economic activity by large and small businesses, is an integral part of the global economy. SMEs and Crafts are contributing significantly to new sustainable technologies for waste recycling and the production of energy (e.g. oil, gas, electricity, building materials, and organic fertilizers) from waste, and as a result are generating new business activities for smaller companies.

Education and Training Program for Entrepreneurs and their Employees

WUSME has developed a programme aimed at encouraging educational and professional training, working closely with academic institutions in different countries, to implement appropriate training programmes and create effective international network of intellectual resources for the benefit of entrepreneurs and their employees around the world. WUSME has already been active in developing and implementing important partnerships worldwide with public and private partner organizations, to foster education and training, having an important social impact on local communities.

For example, in July 2014, WUSME signed an agreement with the Secretariat of State for Labour of the Republic of San Marino and with National Union of Craftsmen of San Marino (UNAS) to the promotion and development of vocational training programs and crafts in collaboration with the Vocational Training Centre of the Republic of San Marino technicians. Cooperation agreements have also been

signed with the European Chamber of Commerce and with the Chinese-Hungarian Chamber of Commerce.

Repatriation of Refugees

WUSME in cooperation with the WUSME Federation in the Democratic Republic of Congo has created a repatriation programme, known as TU TUMIKE, a Swahili word meaning “Sustainable Development”.

WUSME has been appointed as the Official Representative of the Government of the Democratic Republic of the Congo (DRC) for this project with the mandate of presenting it to UNHCR for further development. By 2017, the socioeconomic reintegration of 200,000 returnees shall be facilitated through WUSME technical capacity and management, as well as providing funding for their businesses in their regions of origin in the DRC.

A Way Forward: Expectations and Specific Recommendations

In unrestricted appreciation of the valuable contributions of the Distinguished Delegates to the subject themes in the past, WUSME would expect that a “New Architecture” for preserving the rights, interests and competitiveness of SMEs and Crafts will be more strongly supported by recommending reforms of existing Institutions on national and international levels. Such reforms and new innovative Institutions should aim at removing constraints of development, such as corruption, lack of access to land and electricity, enhanced access to finance, more favourable tax rates, trade regulations, with an awareness that SMEs and Crafts are the engines for successful social development.

Recommendation

The Commission may recommend that His Excellency The High Commissioner for Refugees (UNHCR), to give the Tu TUMIKE program for the repatriation of refugees from the DRC favourable consideration and priority, and consider it an innovative approach for handling “refugee crises” in other countries.

Conclusion

WUSME is committed to attend UN ECOSOC conferences where SMEs and Crafts supporting NGOs are invited to contribute their experience related to fostering economic and social development.
