



# Economic and Social Council

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### High-level segment

## **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 30 and 31 of Economic and Social Council resolution 1996/31.

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\* The present statement is issued without formal editing.



## Statement

Co-authored by Dr. Norbert W. Knoll von Dornhoff, General Secretary, with assistance of WUSME Office Bearers and Staff Members.

### Introduction

The overwhelming majority of private-sector businesses in the world are SMEs and they account for a very large share of world economic activity in both developed and developing countries. Small and medium enterprises make up 99% of businesses in most countries of the world and they make a significant contribution to the social and economic development.

### Why should SMEs care about the Sustainable Development Goals?

SMEs have a leading role to play in meeting the most “economic” of the SDGs; like promoting inclusive and sustainable economic growth, employment, and decent work for all (Goal 8) as well as promoting sustainable industrialization and fostering innovation (Goal 9).

More innovative ways of reaching people than before are needed. Millions of people know more about the Sustainable Development Goals than the previous set of goals – so we already have a head start. There is a critical role for the SME sector to contribute with creativity and assets – both financial and non-financial.

Empowering of less privileged people demands a stronger focus on estimated 450 million smallholder farming households (representing 2 billion people) relying to various degrees on agricultural production for their livelihoods. They represent the largest client segment by livelihood of those living on less than \$2 a day. Smallholder families are not just agricultural producers, they are also consumers who have diverse financial needs, typically earning income from a variety of non-agricultural sources, including labor and off-farm enterprises.

### The SME challenge

The biggest concerns for SMEs are usually cost and return on investment. Another big challenge is lack of resources and time. It is therefore very important to recognize that interventions that reduce a business’s negative impact, like reducing carbon emissions, can also be a saving in cost.

### Making the SDGs accessible to SMEs

The size of an SME makes it easier to implement new principles, new ways of doing things, to measure impacts. And it’s possible that we may also see results quicker than in big corporate organizations.

On the other hand, due to the meager profit margin typical for the SME, and the fact the following new rules might require changes in established procedures, it would be important to make available to the SMEs incentives, in the form of tax exemption or direct contributes, to cover the cost of the implementation of the new rules.

### Closing sentence

Collaboration with SME supporting organizations is key for a successful sustainability approach. WUSME may any time be approached to discuss and explore how SMEs and Crafts can contribute to inclusiveness and equality of economic and social development.