



## JUNE 27 | MSMEs DAY

### **GALVANIZING MSMEs WORLDWIDE BY SUPPORTING WOMEN AND YOUTH ENTREPRENEURSHIP AND RESILIENT SUPPLY CHAINS**

The United Nations General Assembly designated 27 June as “Micro-, Small, and Medium-sized Enterprises Day” (A/RES/71/279) to raise awareness of the tremendous contributions of micro-, small and medium-sized enterprises (MSMEs) to the achievement of the United Nations Sustainable Development Goals (SDGs).

MSMEs and self-employed workers serve a core function in the development of economies. Globally, they represent about 90 percent of all businesses and account for over two-thirds of employment. If adequately supported, they can effectively contribute to the structural transformation of economies and drive inclusive, sustained, and equitable economic growth and jobs.

However, multiple simultaneous shocks and crises have disturbed the global working environment for entrepreneurs and MSMEs. In addition, conflicts, commodity dependence, geopolitical tensions, and pandemics drive social and economic instability, making MSMEs extremely vulnerable to rising inflation and supply chain disruptions.

Among the most vulnerable, women- and youth-owned enterprises are often at risk of external shocks. This is when the percentage and overall number of business formations by women and youth are increasing worldwide. However, facing limited access to affordable finance, capacity-building support, partnership networks, and global markets, women and young entrepreneurs need help to overcome the numerous challenges that frequently stifle the growth of their businesses, confining many of them to informality or necessity entrepreneurship.

Policies that strengthen capacities and support MSMEs development and entrepreneurship for women and youth need to be at the forefront to address those challenges, lower and remove barriers, and provide an operating environment for women- and youth-owned businesses to grow, thus contributing to the full achievement of SDGs 1, 4, 5, 8, 9, 10 and the “leave no one behind” promise of the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs).

This MSMEs day will also focus on supporting resilient supply chains to ensure workers and the environment benefit. Supply chains are a critical component of global trade and commerce, and conflicts, disasters, and pandemics can quickly impact their functioning, increasing costs and making transactions more difficult.

In addition, competition and concentration of critical operations in international supply chains can pressure suppliers who are pushed to cut costs to stay in business. Poor working conditions, lack of workers’ representation, unfair wages, unsafe working environments, and reduced attention to environmentally-sound practices generate adverse outcomes. A human-centered approach is needed to help improve these conditions.

Practices that result in environmental degradation and compromise working conditions will ultimately affect MSMEs and the communities they serve. Therefore, policymakers and businesses must join forces to ensure economically viable, socially, and environmentally sustainable supply chains.

### **INTERNATIONAL MSMEs DAY**

The International MSMEs Day, observed on June 27th every year, provides an opportunity to highlight the crucial role of MSMEs in sustainable development and advocate for policies that support their growth. The United Nations General Assembly designated June 27th as the International Day for MSMEs in recognition of the importance of MSMEs in promoting economic growth and job creation. Argentina proposed the Day with the International Council for Small Business (ICSB).

