

Sustainable Development Goals (SDGs) and Micro, Small and Medium Enterprises (MSMEs)

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Quick Overview of SDGs

- A negotiation by the UN General Assembly based on the Post 2015 Development Agenda resulted in what we now call the 2030 Agenda for Sustainable Development with 17 Sustainable Development Goals as the basis of this strategy
- Direct outcome of the UN Sustainable Development Summit in 2015.



MSMEs Global OECD Definition

- MSMEs are non-subsubsidiary, independent firms:
 - Classified by size
 - Medium Enterprise - **usually** between 50 and 250
 - Small Enterprise - **usually** between 10 and 50
 - Micro-enterprises – **usually** between 1 and 10
 - Classified by Financial assets
 - Medium enterprises - not exceed EUR 50 million (some instances EUR 43 Million);
 - Small enterprises - not exceed EUR 10 million
 - Micro firms - not exceed EUR 2 million.

(source: OECD 2019)

Importance of MSMEs globally

- Globally, about 99% of all businesses account for MSMEs
- Global employment in SMEs:
 - Approx. 1 in 3 employed in Micro Businesses
 - Approx. 2 in 3 employed in SMEs
 - I.e. Which means, approx. 2/3 globally are employed within the MSME sector

(source: OECD SME Outlook 2019)

- The contribution made globally and in India by MSMEs:
 - Provision and creation of jobs
 - Improving quality of life and improving socio-economic conditions
 - Creating a platform for innovation and entrepreneurship



MSMEs in India - Definition

- MSME Development Act (2006) defines MSMEs as:

Manufacturing Sector	
Enterprise Category	Investment in plant & machinery
Micro Enterprises	Does not exceed twenty five lakh rupees
Small Enterprises	More than twenty five lakh rupees but does not exceed five crore rupees
Medium Enterprises	More than five crore rupees but does not exceed ten crore rupees
Service Sector	
Enterprise Category	Investment in equipment
Micro Enterprises	Does not exceed ten lakh rupees:
Small Enterprises	More than ten lakh rupees but does not exceed two crore rupees
Medium Enterprises	More than two crore rupees but does not exceed five crore rupees

MSMEs in India – Some stats

1. MSMEs contribution to the economy

(Figures in Rs. Crores adjusted for FISIM³ at current prices)

Year	MSME GVA	Growth (%)	Total GVA	Share of MSME in GVA (%)	Total GDP	Share of MSME in GDP (in %)
2011-12	2622574	-	8106946	32.35	8736329	30.00
2012-13	3020528	15.17	9202692	32.82	9944013	30.40
2013-14	3389922	12.23	10363153	32.71	11233522	30.20
2014-15	3704956	9.29	11504279	32.21	12467959	29.70
2015-16	4025595	8.65	12566646	32.03	13764037	29.20
2016-17	4405753	9.44	13841591	31.83	15253714	28.90

Source: Ministry of MSME – Gov. of India 2018-2019

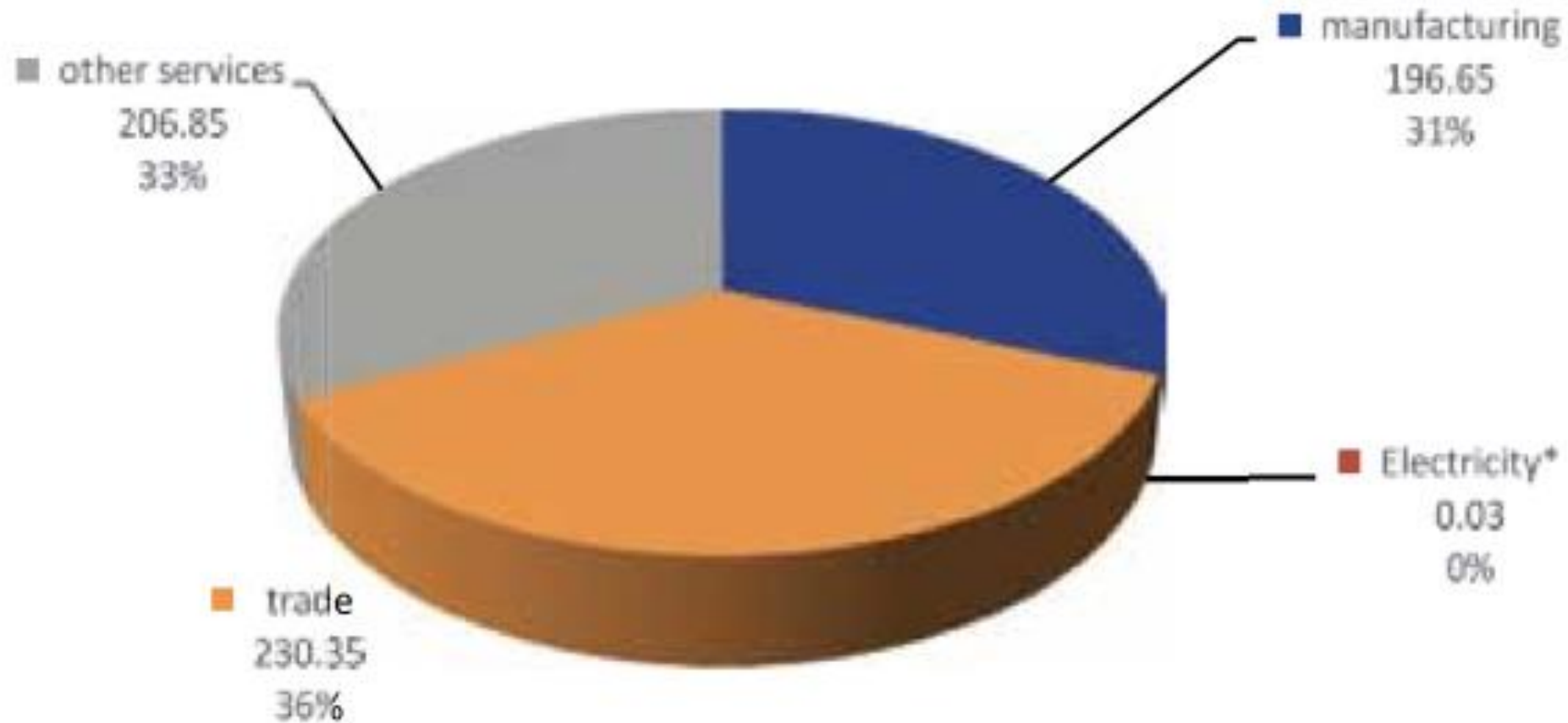
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MSMEs in India – Some stats

2. MSMEs type of activities within the economy

Distribution of Estimated MSMEs by Nature of Activity



Source: Ministry of MSME – Gov. of India 2018-2019

MSMEs in India – Some stats

3. Ownership of MSMEs by Category and Gender

Category	Male	Female	All
Micro	79.56	20.44	100
Small	94.74	5.26	100
Medium	97.33	2.67	100
All	79.63	20.37	100

Source: Ministry of MSME – Gov. of India 2018-2019



Relevance of SDGs in MSMEs

- From initially looking at MSMEs and SDGs, it is clear that MSMEs by their very definition, directly contribute the following SDGs:



- Furthermore, there are indirect contribution to achieving the following SDGs:



- MSMEs and Gender Equality has significant room for improvement, both in India and Globally.



Challenges faced by MSMEs in India (and globally)

- Access to finance!
- Legislative red tape, inconsistent policy and complexity of compliance
- Economic (i.e. Business) and legislative requirements knowledge
- Access to infrastructure and resources



Long term goals for MSMEs in SDGs

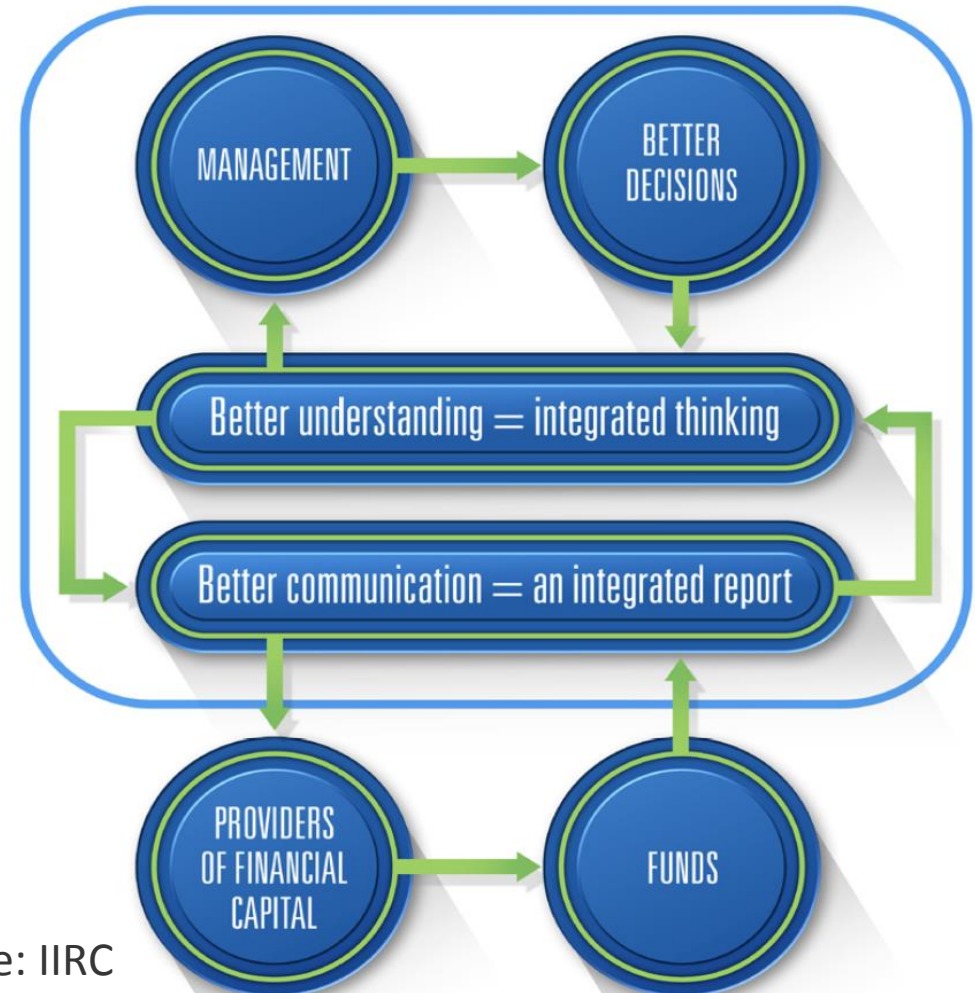
- Sustainability awareness in MSME activities relating to SDGs around:
 - Climate Change
 - Life below water
 - Life on Land



Integrated Reporting and MSMEs

- <IR> can add significant value as a management control model, which can assist SMEs gain a better understanding of the organisation (including capitals, value creation process and value creation).

THE BENEFITS OF INTEGRATED REPORTING <IR>



Source: IIRC

Thank you

