

Editorial

In 1964, the International Labour Conference (ILC) adopted Convention No. 122 regulating national employment policy. The job creation in small and medium-sized enterprises recommendation, 1998 is the only international labour standard that provides guidelines on general conditions to stimulate job creation in small and medium-sized enterprises (SMEs). The recommendation highlights the links between quality job creation in SMEs and employment policy, human resources development, cooperatives and compliance with labour legislation and occupational safety and health standards. It recognizes the contribution of SMEs to the promotion of full, productive and freely chosen employment, the creation of income generating opportunities, the inclusion of disadvantaged groups and the importance of training and human resources development. In 2007, the ILC general discussion on promotion of sustainable enterprises concluded the necessity of the application of the recommendation to the promotion of sustainable enterprises. Moreover, in 2015, the ILC general discussion on SMEs and productive employment creation endorsed the validity of the issues and strategies outlined in recommendation which continued to guide interventions for SME promotion. There are more than 2.3 billion people who either work in SMEs or are own account workers together account for 70 per cent of total employment, making them by far the most important drivers of employment. In high income countries, 58 per cent of total employment is in small economic units, while in low and middle-income countries the proportion is considerably higher. In countries with the lowest income levels, the proportion of employment in small economic units is almost 100 per cent. The Covid-19 health crisis and the necessary measures of confinement have created one of the most challenging environments for micro, small and medium-sized enterprises (MSMEs) in modern history and severely disrupted many existing value chains. The impact to the supply and demand during the pandemic has had serious economic effects in the private sector, especially for SMEs. This situation is causing significant loss of income and massive unemployment. The ILO estimated that the number of unemployed is projected to increase higher compared to its pre-pandemic level (2019) of 186 million, at 203 million in 2023. Advocacy campaigns specifically addressed to international partners should promote the use of recommendation as a common working tool contributing to the achievement of the 2030 Agenda for sustainable development.

Editor-in-Chief



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