



Joint *Business at OECD* (BIAC) - OECD

SME and Entrepreneurship Stakeholder Dialogue

Managing Shocks and Transitions —
Future-Proofing SME and Entrepreneurship Policies

Monday, 26 June 2023 | OECD Conference Centre, Paris

Key Business Takeaways

Established in 1962, *Business at OECD* (BIAC) is the officially recognized institutional business stakeholder at the OECD.

We stand for policies that enable businesses of all sizes to contribute to economic growth, sustainable development, and societal prosperity. Through *Business at OECD*, national business and employers' federations representing over 9 million companies provide perspectives to cutting-edge OECD policy debates that shape market-based economies and impact global governance. Our expertise is enriched by the contributions of a wide range of international sector organizations.

Key Business Takeaways

Background

On 26 June 2023, in preparation for the June 2023 OECD Committee on SMEs and Entrepreneurship (CSMEE)'s Meeting at the Ministerial Level, *Business at OECD* (BIAC), in partnership with the OECD, hosted an SME and Entrepreneurship Stakeholder Dialogue event. The event was organized to explore the private sector's role in the context of the overarching theme of the Ministerial, "Managing Shocks and Transitions – Future-Proofing SME and Entrepreneurship Policies." Setting the scene for the Ministerial, the event provided a rich platform for nearly 200 business, government, and international organizations representatives to share insights and explore pertinent policy measures designed to strengthen SMEs and entrepreneurs.

Opening remarks

Opening the event, Yoshiaki Takeuchi, OECD Deputy Secretary General, emphasized the importance of integrating small business considerations in policymaking. He focused on the unique challenges SMEs face due to disproportionate impacts from global crises and geopolitical instability, advocating for a people-centric approach that builds resilience and opens opportunities in times of crisis.

Hanni Rosenbaum, *Business at OECD*'s Executive Director, underlined the significance of the event in fostering international dialogue. She stressed the importance of a healthy SME sector and paying special attention to the specific needs of SMEs, including access to finance, supporting SME digitalization and green business practices, addressing administrative burden, as well as fostering skills and a culture of entrepreneurship, including through targeted programs and networks. The OECD represents an important platform for dialogue and sharing best practices.

Setting the scene

Patrik Kovacs, *Business at OECD* SME Committee Chair, effectively set the stage for the panel discussions, underlining the critical role of SMEs as drivers of inclusive growth within our communities. Mr. Kovacs also introduced the results of *Business at OECD*'s new survey, "[Looking for the New Normal 2.0](#)," which aims to outline SME and entrepreneurs' recovery, potential policy actions for upcoming challenges, and policies SMEs are adopting to boost their resilience.

1 out of 2 SMEs say that market uncertainty is still keeping them from returning to pre-COVID operational capacities. However, the outlook is rather positive – our SMEs say that both their turnover and employment have recovered to pre-COVID numbers, and they identify development of products or services and achieving growth as their highest priority.

Work-life balance (or lack thereof), market uncertainty and increased input costs are among the main sources of stress for entrepreneurs and SME owners. While an overwhelming 95% of SMEs believe that the adoption of green and digital technologies is important to the success of their business, 1 in 3 SMEs lack the financial resources to accelerate the transition.

1 in 3 SME owners and entrepreneurs identify support for innovation and technology development as the most important measure governments should put in place to strengthen SMEs and entrepreneurs' resilience to future shocks. When asked what governments should prioritize in order to facilitate the twin transition, 56% of SMEs stated the reduction of administrative burdens and compliance costs.

Navigating the rapidly changing business climate and building the resilience of SMEs and entrepreneurs

The first panel discussion delved into navigating the rapidly changing business climate and building the resilience of SMEs and entrepreneurs. The discussion addressed the key challenges for SMEs arising from market volatility, inflated commodity prices, and supply chain disruptions, and the imperative of a supportive policy environment for SME recovery and resilience.

The importance of recognizing SMEs not only for their weaknesses but also their strengths was particularly underscored. Panelists conveyed that supporting SMEs goes beyond goodwill and directly correlates with the improvement of the national economy, as they form its backbone.

Government representatives highlighted the significant support they provided SMEs and entrepreneurs during the pandemic, the recent energy crisis and disruptions stemming from Russian war of aggression on Ukraine. Government support was meant to address access to financing, human capital development, innovation and technology development, and market access. Access to finance emerged as a particularly significant concern requiring increased governmental attention.

During the discussion, the panelists also emphasized the need to maintain a level playing field between SMEs and larger companies and integrate a SME lens in policy making.

There was strong convergence of views on the need to address regulatory costs and administrative burden. While government efforts to help SMEs are commendable, red tape often hinders progress. During the recent crises, SMEs had to take several different steps to receive financial support and were required to submit a significant amount of information. To address this challenge, participants noted that the quality as well as the quantity of regulation must be regularly assessed, including through ex ante regulatory impact assessments and ex post evaluation.

Mobilizing SMEs and entrepreneurs in the green and digital transformations

In the second panel, discussions centered around mobilizing SMEs and entrepreneurs for the green and digital twin transition, focusing on the main levers for addressing key challenges and tapping into opportunities, including information sharing and awareness, access to finance and tailored services. Across the OECD countries, SMEs account for 99% of all businesses and a significant share of emissions. They are also an engine of change, through innovation and adaptation. Hence, they must be part of important international agendas such as net zero. They must be brought to the center stage of policy dialogue and action.

Access to information is critical to enable SMEs and entrepreneurs to play their role in the twin transition, as too often they are unaware of the changing requirements and support mechanisms available.

SMEs and entrepreneurs mostly focus on their day-to-day operations for income generation, and feel overwhelmed by the administrative intricacies of the twin transition. To facilitate their transition, across countries, business and industry associations, as well as the public sector (sometimes in partnership), have developed comprehensive toolkits, lead workshops, disseminated pertinent information, and facilitated partnerships with larger corporations. This collective effort can provide the necessary tools to simplify the twin transition process for SMEs and entrepreneurs. Access to public procurement, including in the framework of global events like Olympic Games, can also help accelerate innovation and transformation.

Panelists agreed that access to timely advice and support accelerates growth and fortifies businesses. However, they also noted the challenge for many entrepreneurs to navigate information and schemes, due to the multitude of support programs from various organizations and the requirements to access them. In some instances, such programs are not being utilized to their full potential due to the underlying red tape. It would be important to ensure that when support programs are in place, companies have access to them. One-stop shops can help consolidate the information on available support programs and facilitate matching with the relevant SMEs and entrepreneurs.

The well-being of SMEs and entrepreneurs

The third panel discussion focused on the wellbeing of SMEs and entrepreneurs. Panelists agreed that more resilient economies and societies mean more resilient businesses. And this in turn means more resilient entrepreneurs. While it was recognized that diagnosis is not easy, and oftentimes it is difficult to distinguish work-related issues from others, the panel emphasized the urgency of promoting mental health in the workplace, thereby contributing positively to the overall well-being of SMEs and entrepreneurs.

The discussion acknowledged that entrepreneurship can be a source of personal fulfillment and satisfaction, but also stressed the inherent risks involved in being an entrepreneur or SME owner. At time of crises, they are typically on the frontline, as it was the case for the COVID-19 pandemic, which profoundly and disproportionality impacted SMEs, as well as the well being and mental health of entrepreneurs and SME employees. It was furthermore recognized that certain populations lack basic resources to establish their businesses. To unlock this untapped potential, the panel recommended that governments strengthen social and economic protection measures and establish an enabling environment that encourages entrepreneurship across all sections of society.

Lastly, panelists placed significant emphasis on the value of education. Soft skills such as risk management and mental health maintenance can be learned. As such, panelists recommended that these critical skills be incorporated into business school curricula and vocational training. This would ensure that SMEs and entrepreneurs are equipped with the skillset necessary for their businesses to flourish.

Conclusion

These enriching panel discussions concluded with a closing statement from the Honourable Ginny Andersen, New Zealand's Minister of Small Business and Chair of the OECD SME Ministerial. She reiterated the importance of elevating SMEs and entrepreneurs to the center stage in business discourse and ensuring a level playing field with larger enterprises. She stressed that an accessible and fit for purpose regulatory environment is crucial to this end. Minister Andersen further underlined the intimate connection between the sustainability and resilience agendas. She stated that several government measures, including provision of financing, skills and focus on the wellbeing of entrepreneurs, could significantly contribute to fulfilling both these objectives.

The valuable business insights derived from this Stakeholder Dialogue were subsequently delivered during the OECD SME and Entrepreneurship Ministerial, which took place in the days following the event.



Participants of the Stakeholder Dialogue Event

14:00 - 14:10	Welcome and opening remarks Yoshiki Takeuchi, OECD Deputy Secretary General Hanni Rosenbaum, <i>Business at OECD</i> (BIAC) Executive Director
14:10 - 14:15	Setting the scene Patrik Kovacs, Chair of <i>Business at OECD</i> (BIAC) SMEs and Entrepreneurship Committee
14:15 - 15:15	Panel 1 — Navigating the rapidly changing business climate and building the resilience of SMEs and entrepreneurs Moderator: Céline Kauffmann, Head of OECD Entrepreneurship SME and Tourism Division <ul style="list-style-type: none"> • H.E. Mr. Ewon Benedick, Minister of Entrepreneur and Cooperatives Development, Malaysia • Fabrice Le Saché, Chair of Business Europe Entrepreneurship and SME Committee • Mark Burdon, Secretary General, World Pharmacy Council and SME owner • Kelly Culver, Founder and Director, The Culver Group and iIMPACT uIMPACT Innovation Foundation • Dan Kelly, President & CEO, Canadian Federation of Independent Business • Louis Taylor, CEO, British Business Bank
15:15 - 15:40	Coffee break
15:40 - 16:40	Panel 2 — Mobilizing SMEs and entrepreneurs in the green and digital transformations Moderator: Martina Le Gall Maláková, Managing Director, Elektrik, and Vice-Chair of <i>Business at OECD</i> SMEs and Entrepreneurship Committee <ul style="list-style-type: none"> • Ieva Valeškaitė, Vice-Minister of the Economy and Innovation, Republic of Lithuania • Nicolas Uribe, Executive President of Bogota Chamber of Commerce, Chair ICC-World Chambers Federation • Markus Jerger, CEO BVMW-German Mittelstand, Vice-President INSME • Emma Jones, Founder, Enterprise Nation • Jeremy Rollison, Senior Director, Head of EU Policy, European Government Affairs, Microsoft
16:40 - 17:40	Panel 3 — The well-being of SMEs and entrepreneurs Moderator: Lamia Kamal-Chaoui, Director of OECD Centre for Entrepreneurship, SMEs, Regions and Cities <ul style="list-style-type: none"> • Jerome Bellion-Jourdan, Deputy Secretary General of IOE • Gabriel Petrus, Global Head, ICC Centres of Entrepreneurship • Véronique Willems, Secretary General, SMEUnited • Cecilia Wessinger, Director for Global Community, Global Entrepreneurship Network (GEN) • Alessandro Carnicella, CEO & Founder, Brand Partners Group • Maia Royal, The Pure Food Co Limited
17:40 - 18:00	Concluding session Hon Ginny Andersen, Minister of Small Business, New Zealand



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