



WORLD MSME DAY 2023

World MSME Day 2023: Supporting Sustainable Product Development By MSMEs In The Era of Generative AI

By **Wangari V.A.L.** | June 26, 2023 | 7 – 10 minutes read

*“In his grace, God has given us different gifts for doing certain things well”
(Romans 12:6).*



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MSMEs and UN SDGs: The day was established by the UN as Micro, Small, and Medium-sized Enterprises Day in 2017. A recognition of the important contribution MSMEs make to the global economy. Moreover, it shows how crucial they are to reaching the Sustainable Development Goals (SDGs) of the UN.

In addition to SDG 8 (decent job and economic growth) and SDG 9 (industry, innovation, and infrastructure), multiple SDGs may all be achieved with the help of the MSME sector.

SDGs 1 (end poverty), 2 (zero hunger), and 3 (health and wellbeing) are among them. This is in addition to offering solutions for high-quality education for all (SDG 4) and to achieve gender equality (SDG 5). SDG 6 (clean water and sanitation), SDG 7 (affordable and clean energy), SDG 10 (reduced inequalities), SDG 11 (sustainable cities and communities), and SDG 12 (responsible consumption and production) are all supported by MSMEs' innovative products and services. The technologies might help in addressing SDG 13 (climate action). While caring for life in the water (SDG 14) and life on land (SDG 15).

As a global partnership, the 17 Sustainable Development Goals (SDGs) established a shared blueprint for prosperity for people and the planet, now and into the future. For (SDG 16), peace. Partnership for the goals (SDG 17) is necessary to accomplish all of these. To which MSMEs are an important cog at the local, governmental, and international levels.

“Galvanizing MSMEs worldwide by supporting women and youth entrepreneurship and resilient supply chains”

- UN.ORG, Theme MSME Day 2023

Kenyan MSMEs Landscape

The USAID-Prosper Africa Kenya Small Business Development Centres (SBDC) program 2023 estimates that there are over 5 million informal MSMEs in Kenya, in addition to an estimated 1.5 million formally registered MSMEs. Generating 30% of the GDP collectively, and supplying non-agricultural employment. Kenya has significant concentrations in wholesale and retail trade, manufacturing, and food services.

The Kenya National Bureau of Statistics (KNBS) acknowledged MSMEs as sources of employment generation, economic growth, and social transformation in its 2016 Kenya - Small and Medium Enterprises (MSME) Survey.

This is emphasised in Kenya's Vision 2030, a development blueprint that aims to make Kenya an industrialised, middle-income country by 2030, providing a high-quality life to all its citizens.

Notably in Kenya, the State Corporation Micro & Small Enterprise Authority (MSEA) has operationalised the Office of Registrar, MSE to register MSEs, MSE

Associations and Umbrella Associations. MSEA hosts Biashara Centres majorly supporting industrial production based small enterprises. The Ministry of ICT hosts Constituency Innovation Hubs (DigiHubs) and Ajira digital workers training.

While technology is used in business, there is a need to disaggregate the data. To define MSMEs proportion of tech enterprises; talent pool and gaps, products and services, innovation potential versus future trends. From this design capacity building, financing, incubation, global networking and other support services, and Kenya's positioning as go-to.

A New Era of Technology

We are in a brand-new era. Driven by the trifecta of new technology trends, entrepreneurship, and innovation.

When it comes to product development, technological trends are a swiss army knife in the hand to curve with. Key components of product development are decision-making, feature development, and the integrity of technology goods.

The top 3 technologies with a substantial impact on industry are artificial intelligence (AI) and machine learning (ML); the internet of things (IOT); and virtual and augmented reality (VR/AR). Robotics and automation, 3D printing, and human augmentation also rank highly.

It is possible to see how people's needs continue to evolve even as technology advances. Resulting in cycles and trends that have an impact on how we communicate, interact and work. These innovations ought to be credited for their impact on the way we laugh, love, and live!

The Future of Jobs With AI and Machine Learning

The World Economic Forum's (WEF) Future of Jobs Insight Report 2023 analyses employer expectations and offers information on how socioeconomic and technological trends will shape the workplace of the future. It explores how jobs and skills will evolve over the next five years.

Although the report is cautious and not as bullish as the 2020 forecast on technology's takeover, an increase in automatable jobs is nevertheless anticipated. The potential impact on jobs should attract the attention of the

product leaders. *“Generative AI has received particular attention recently, with claims that 19% of the workforce could have over 50% of their tasks automated by AI and job losses making headlines, while others expect the technology to enhance jobs.”*

The associated labour-market churn, which is the rate of reallocation of employees and jobs due to disruption by expansion or collapse, requires economies to pay close attention.

“The potential scope of automation and augmentation will further expand over the next few years, with AI techniques maturing and finding mainstream application across sectors. It remains to be seen how technologies going through the most rapid changes, such as generative AI technology, may further change the make-up of automatable tasks over the 2023–2027 period, with some recent studies finding that Large Language Models can already automate 15% of tasks.”

Product Development by Agile MSMEs

The WEF report projects job creation and displacement in the period 2023-2027 as, *“In the next five years, 83 million jobs are projected to be lost and 69 million are projected to be created, constituting a structural labour-market churn of 152 million jobs, or 23% of the 673 million employees in the data set being studied. This constitutes a reduction in employment of 14 million jobs, or 2%.”*

As part of the 69 million new employment produced, job restructuring is anticipated. The loss of 14 million employment represents a sizable proportion of competent workers; tech talent that the MSME sector can use for the creation of tech-based products.

Different models might be used. Agile MSMEs may develop products and services for the market, be outsourced by large firms, or collaborate in joint research with academia and testing with industry. Even with the fluctuating nature of the work market, choices are virtually endless for qualified AI and ML expertise. They do indeed enlarge!

Bridging Data Gaps

Small businesses are typically localised, "at home," and are part of the community. They are conscious of community experiences, dynamics and local

peoples' demands. The next generation of MSMEs is expected to enhance privacy, empower the general public, and foster trust as an ethical principle.

By creating and distributing wealth, MSMEs steer social-economic development, national growth, and development. So aiding in social justice. Each of the SDGs may be supported in local communities by an innovative, well-developed, tech-enabled MSME sector.

The Oxford Insights Government AI Readiness Index shows Kenya's overall score of 40.36 percent. Behind Egypt, South Africa, Tunisia and Morocco in the 2022 edition. It is time to reframe Kenya in the tech arena from Savannah to the Tech Oasis; flowing to and from all. Time to "change, or change will change you."

Yet, this is not the time to panic. It's time to equip yourself with next generation level skills; get ready. It is crucial to close data gaps for local people; builders, target users, testers, influencers, advocates, and promoters. Education on digital tools used by MSMEs in product development including research, trials and testing, and the science is essential to bridging data gaps for local communities.

This is achievable, thanks to technological solutions by "technnovators." The game changers who are drivers of the technology innovation in startups, hubs, incubators, accelerators and communities. The Tech Oasis Movement is flowing. To ideators, developers, and entrepreneurs, a happy World MSME Day!

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