



# Economic and Social Council

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## Commission for Social Development

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**Follow-up to the World Summit for Social Development and  
the twenty-fourth special session of the General Assembly:  
priority theme: inclusive and resilient recovery from  
COVID-19 for sustainable livelihoods, well-being, and dignity  
for all: eradicating poverty and hunger in all its forms and  
dimensions to achieve the 2030 Agenda**

### **Statement submitted by the Association for Supporting the SDGs for the United Nations, a non-governmental organization in consultative status with the Economic and Social Council\***

The Secretary-General has received the following statement, which is being circulated in accordance with paragraphs 36 and 37 of Economic and Social Council resolution 1996/31.

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\* The present statement is issued without formal editing.



## Statement

The COVID-19 pandemic has sacrificed not only numerous lives but also homes and workplaces. The world has experienced global solidarity and multilateral cooperation policies built for nearly half a century has become lethargic in front of quarantines. Efforts to narrow the technology and financial gap for climate response have been temporarily back to the drawing board. In addition, urgent problems for humanity and the Globe have been pushed down to the bottom in response to the biggest challenge of COVID-19.

COVID-19 has accelerated poverty, generated mass unemployment, aggravated social polarization, and collapsed the supply chain of food circulation. The International Labor Organization (ILO) reported approximately 500 million were unemployed worldwide from April to June. Also, the World Bank analyzed that the population living in extreme poverty with an average of less than \$1.9 per day has increased from 8.8 million to 14 million since COVID-19 began. The World Food Program (WFP) expressed its concern that 265 million people around the world could suffer from severe food shortages.

The food crisis caused by the pandemic has become serious. More specifically, sugar and dairy prices have risen significantly. In addition, as a method to cope with COVID-19, countries pushed for quarantines at both national and individual levels, which caused the closure of many distribution channels. This transition has hindered grains, fruits, vegetables, and fishery products from being sufficiently supplied to those in need. The ramification of the pandemic made it difficult to secure agricultural workers in the production field, and food prices increased transportation expenses rose.

After the pandemic, countries did not lift the border closure and began protecting their products in preparation for insufficient food supply and demand. Since the outbreak of COVID-19, 22 countries have announced the restriction or ban of food exports. In response to this situation, the World Food Program (WFP) and the United Nations Food and Agriculture Organization (FAO) warned that 20 countries may face a food crisis in the next six months in October 2020.

According to the United States Department of Labor, 9.95 million unemployment compensation claims were filed in the third and fourth weeks of March last year. This is worse than it was during the Great Depression of the 1920s and 1930s, and 40% of the 24.8 million jobs generated in the United States since the global financial crisis of 2010 vanished in just two weeks. Around 4 million people in France registered for unemployment compensations, while 950,000 people in the United Kingdom applied for universal credit, a government welfare payment. About 64 percent stated that they would “support the federal job security system” as a government solution to the economic crisis in a poll released by the United States think tank, ‘Data for Progress’ in September last year.

Without innovative solutions to address these challenges, not only will all countries lose the hard-earned achievements of sustainable development over the past few decades, but also lose the opportunity to act urgently on the planet’s climate change.

The Association for Supporting the SDGs for the United Nations is urging local governments around the world as well as the civil society, the government, and the private sector to make innovative efforts. Most of the social recovery funds and subsidies created by the government right after the pandemic are primarily concentrated in large cities. Many believe that the crisis in metropolitan areas is more visible and at greater risk, the reality is that it poses a larger threat to residents and

small business owners in rural areas, food-producing areas, and small cities and municipalities. In addition, when bigger companies set up future plans and countermeasures with spare funds, small and medium-sized enterprises (SMEs) lose their supply chain and face a crisis of survival.

Our association believes that these dangers pose a significant threat to social polarization and poverty alleviation. As a result, local governments have partnered with the Chungcheongnam-do Economic Promotion Agency, which has established a leading model to address this issue and believe that the way they support the local economy, SMEs, small business owners, and local economy can be effectively applied not only to Korea but around the world.

The Chungcheongnam-do Economic Promotion Agency noted that economic growth policies and employment policies concentrated in the Seoul metropolitan area and large cities have limitations in resolving social polarization and poverty in regions becoming severely affected since the COVID-19 outbreak. To solve this, the Agency is implementing region-specific economic growth policies that help small business owners and SMEs located in the region to grow and expand job opportunities. To solve economic problems accelerated by COVID-19, the Agency applies the two-track method; the first is a direct support method for companies, and the second is policy support using the characteristics of public institutions. The direct support method to help local companies includes funding support for local SMEs, promotional marketing support, overseas trade support, and individualized support for small business owners. By providing business support from start-up incubators, tax accountants, judicial scriveners, and accountants, the Agency established a total one-stop support system for local companies, including start-ups, marketing, administrative and legal system support, product imports, and sales channels.

The Chungcheongnam-do Economic Promotion Agency also supports small companies to connect with overseas buyers by actively assisting their participation in international exhibitions and trade expos as well as remote participation in overseas business exhibitions. The Agency established an individual system that supports marketing, sales promotion, product development, and the labour system, which are the major difficulties for small business owners. In addition, the Agency created an online support system to help corporate financing, enabling businesses to easily apply for funds and efficiently borrow the necessary management funds. To support SMEs, 600 billion (500 million USD) won was raised as a SMEs development fund in 2021 alone, and the Agency continues to support management funds for competent and potential companies. Other major support models include foreign investment support, policy support for trade and logistics, and improvement policy for settlement. The Agency also explores to find companies located in the region and support them in acquiring overseas trademark rights and intellectual property rights. Furthermore, they provide consultation services for companies to fully utilize and abide to the Free Trade Agreement system and supports exports through the overseas trade offices established by the Agency. In particular, trade offices support the local companies in overseas markets through various aspects, especially where the interest and assistance of the local governments have not been reached. Such examples serve as an exemplary model as it shows that various support policies for local SMEs and small business owners bring about a significant change in the lives of local residents with vulnerable economic conditions compared to the metropolitan area and large cities.

This model can therefore contribute to restoring the society and economy from the pandemic, spreading efforts to achieve the 2030 Agenda, and eradicating poverty and hunger at all levels. It helps local businesses adapt to digital transformation, provides job opportunities as companies grow, and provides financial safety nets to low-income households so that they do not lead to credit decline and poverty in the end.