

TED ANTALYA MODEL UNITED NATIONS 2019



Forum: ECOSOC

Issue: Promoting small businesses and their importance in a nation's economy

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INTRODUCTION

The issue began to rise after the Industrial Revolution and became the concern of the international community in the late 20th century, when craftsmen began to disappear within their role in culture and economy. With the potential loss of traditional jobs and job opportunities, member states and international community started to take actions on the topic. However, as shown by the graph on self-employment; it is visualized that there is a very little number of member states adopting an understanding of full development and encouragement on self-employment and SMEs. Thus, further actions are aimed to be taken and the issue is believed to be further taken into consideration as to reach a level of economic growth around globe.



DEFINITION OF KEY TERMS

Economic growth and development: Economic growth and development is defined as the increase of the ability of producing goods and services in a period of time. It is often measured by rates such as comparison of inflation, employment, production and the purchasing power of the people. It is highly crucial for all member states and their stability as it concerns and highlights the economic well-put of a country and their standpoint worldwide.

Entrepreneurship: Entrepreneurship is defined as “The activity of setting up a business or businesses, taking on financial risks in the hope of profit.” by the oxford dictionary. Entrepreneurship plays a remarkable role in small businesses to be more common and contribute to the economy of a state.

SME: SME is the abbreviation used for small and medium sized enterprises. Their size is based on the number of employees that works in that company; the number of employees that makes an enterprise considered as such may vary, yet according to EU, it is 250 and in USA it is 500 employees.

Inflation: Inflation is the downfall in the purchase power of the money and the general increase on prices that is caused by it.

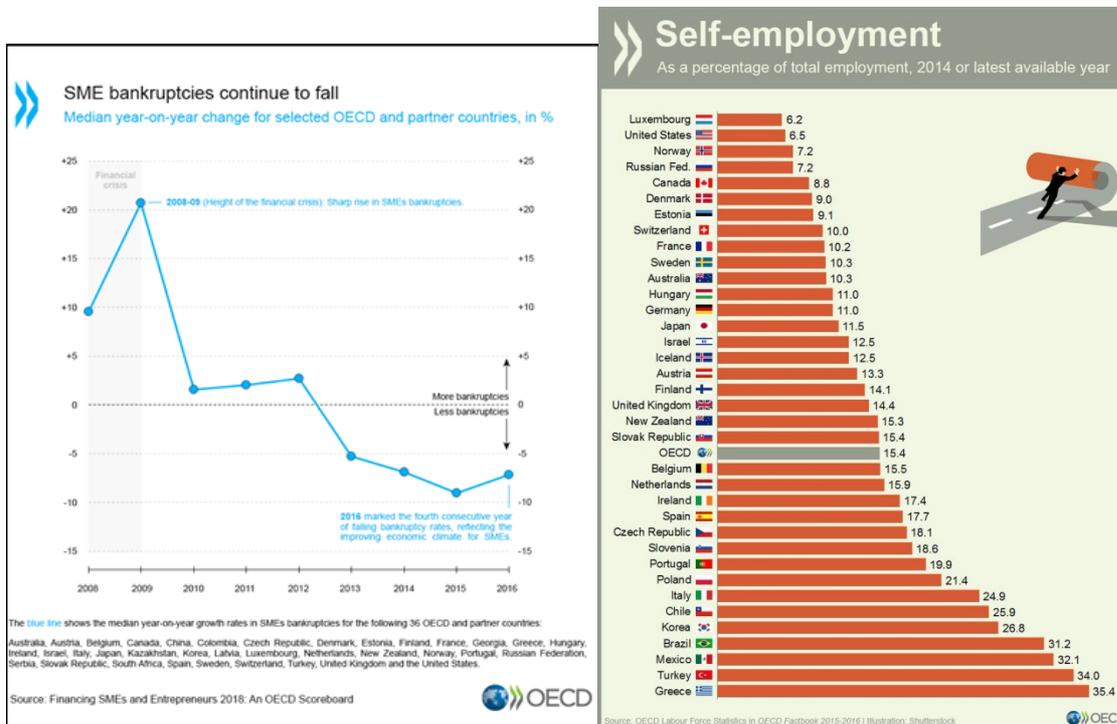
TIMELINE OF EVENTS

TITLE	DATE	EFFECT
The Industrial Revolution	1760-mid 19 th century	With the help of the revolution, industry all over the globe raised and production was made more than ever in human history.
The Rise of Small Businesses' Bankrupt	19 th century-20 th century	As production rates were growing day by day, craftsmen and SMEs started go bankrupt. Their work was limited by only repairing but they weren't directly in the production sector as actors.
Adaptation of 8th and 12th Goals of Sustainable Development Goals	September 2015	Although there are many more actions done by ILO, OECD, UNDESA and other NGO's; the issue becoming valid in SDG's enhanced the issue to stay on the agenda and gain further importance on the perspective of the international community.

GENERAL OVERVIEW

Small businesses may play valid roles in the economic growth and development in a state by economical and social means. When looking at the term Small businesses (SME's); they are businesses that have a limited ability of providing job opportunities and products. However, these businesses as a type of new sources of job and production; become the backbones of employment and community. Especially focusing on the fact that now, after two centuries of the Industrial Revolution, everything is produced in great numbers and many companies are under one big holding company; the service consumers may not get as delectable as they would from a local small business which produces less. However, especially concerning their customers yet, due to the opposition between these two businesses, self-employment and small business, rates may act as a very minor concern in some countries although it is quite high in South East Europe (for further data please take a look at the chart above). Moreover, as suggested in the sustainable Development Goals 12th, the production and consumption should be aimed to be made in a more conscious manner and we all should be producing and consuming in accordance with the needs which is practically the actions that are done by small businesses. Also, as small businesses may provide job opportunities for up to 250

employees in many states; the prevalence of small businesses in a specific region can be a source of employment which can categorize the importance of small businesses in a country as follows: employment, craftsmanship, less consumption and smaller footprints that come with it. With these bearing in mind, small businesses are to be encouraged and developed all over the world which is the aim adopted by the agenda since these small businesses have been in the risk of failing and bankrupt as can be visualized by the graph above shared by OECD.



MAJOR PARTIES INVOLVED

Generally, all member states set-up plans and projects concerning the issue within their ministries and departments on economics and development. However, in international means sub-bodies of UN and organizations mentioned above are the ones that take active part on the topic.

ILO: International Labour Organization adopts the aim of enhancing labour rights all over the globe and creating further job opportunities, entrepreneurship, plans and actions concerning those topics. Enterprises Department of ILO and Entrepreneur Development project that is done by ILO concerning education and development for entrepreneurs can be remarked regarding.

OECD: OECD's projects under Centre for Entrepreneurship concerning SMEs and entrepreneurship such as Small Business Act Assessment, regional acts, data provided and shared regarding are major involvements on the topic.

EO: Entrepreneurs' Organization is aiming the co-operation and collaboration between entrepreneurs all over the globe to enable entrepreneurs to grow from each other and thus is an active NGO taking valid part on the issue.

UNDESA: United Nations Department of Economic and Social Affairs works on providing research and data on topics such as plans and acts.

UNCTAD: United Nations Conference on Trade and Development aims the economic development to be enhanced all over the globe.

PREVIOUS ATTEMPTS TO RESOLVE THE ISSUE

As mentioned beforehand, many member states take action by themselves. However as in international manner, actions are as follows;

- Enterprises departments under ILO, OECD and such international organizations are established.
- Israeli delegate submitted a resolution concerning the topic to the General Assembly Second Committee in November 18, 2016, and it passed.
- Organizations such as Entrepreneurs' Organization and YPO (global leadership organization) is established in international scale.

RELEVANT UN DOCUMENTS AND TREATIES

- SME Policy Index submitted by OECD with special focuses on different regions concerning their geographical position is a beneficial source on the topic as it provides us to knowledge and statics upon the topic with the aim of supporting governments in setting targets for SME policy development and implementation.
- Draft Resolution named as "Entrepreneurship for Sustainable Development" (document A/C.2/71/L.20/Rev.1) is submitted
- "Promoting Entrepreneurship for Development" submitted by Patricia Chaves Division for Sustainable Development UNDESA (New York) 22 April 2015; aims the entrepreneurship to be encouraged and thus small business to take valid part in states economies.
- Sustainable Development Goals 8th and 12th which follows as; Decent Work and Economic Growth; Responsible Production and Consumption that can be enhanced by the solution of the agenda item as the small businesses play remarkable roles on economic growth and don't cause harm given to biodiversity and nature in comparison to industrial production.
- Policy Brief report submitted by OECD in June 2000 named as Small and Medium-sized Enterprises: Local Strength, Global Reach
- Report of the Secretary General on Entrepreneurship for development submitted in 18 August 2014 and read as A/69/320 concerning the topic.

POSSIBLE SOLUTIONS

First of all, it should be noted that the issue can be solved in various attempts but the encouragement from both international community and member states to the people (with special focuses on the youth) plays an important role on the solution. The encouragement can be done by raising funds and special loans since the risk concerning a possible break out and deficits cause the less entrepreneurship and small businesses. Moreover, the co-operation between member states and NGO's should be suggested. In member states in the South East Europe and also Turkey, SME's are seen as the backbone of their economies by OECD; the co-operation and plans that can be created with those member states on developing new plans and implementations can be beneficial. Also the guidance of all actions done by ILO and Enterprises Department, that are all mentioned under the title of "Developing sustainable enterprises: the ILO approach" can be beneficial concerning the topic. Last but not the least, education may help the issue to be solved, curriculums in high schools and colleges may vary as different alternatives not only concerning positive or normative sciences but also crafts and arts that will enable the youth to work in practice as a worker or as an entrepreneur in small businesses by doing their own jobs as craftsmen and artists.

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