**FORUM**: Economic and Social Council 2

**QUESTION OF**: Measures to Reduce the Gap Between Small and Medium-sized Enterprises and Large Enterprises

**MAIN SUBMITTER**: Italy

**CO-SUBMITTERS**: India, Venezuela, United Kingdom, France, United States

The Economic and Social Council,

*Deeply concerned* that in 2000, 15% to 20% of small enterprises transformed into medium and large companies annually, whereas in 2017, the percentage declined to 7.5% to 10%,

*Alarmed* that the number of active business owners in the United States decreased by 22% from February to April 2020,

*Acknowledging* that in a survey taken by 55,000 workers from 40 countries, the average ideal pay ratio between CEOs and unskilled workers was 4.6 to 1,

*Noting* that a 2014 survey showed that 66% of employees believe they do not receive adequate professional development,

*Recognizing* that at the beginning of 2020, African American-owned businesses experienced a 41% decrease in business activity, Latinx-owned businesses experienced a 32% decrease in business activity, and Asian-owned businesses experienced a 26% decrease in business activity,

*Noticing* that worldwide SME’s are less to gain bank loans in comparison to large companies,

*Reminding* that in the OECD economies, SME’s occupy more than 95% of the enterprise and 60% - 70% of jobs,

*Affirming* that 600 million jobs will be needed by 2030 to absorb the growing global workforce, making SME’s development a top priority for governments around the world，

*Stressing* that SME’s have specific strengths and weaknesses that require special policy responses, otherwise, there will be a bigger gap with large enterprises，

*Emphasizing* that the problems SMEs face are lack of capital, difficulties in technology development, limited management capacity and low productivity，

1. Proposes that member nations monitor the effects of the COVID-19 pandemic on the small business sector to bolster concrete solutions, in ways such as but not limited to:
2. Auditing small enterprises’ federal grants and loans throughout the pandemic,
3. Recording the number of enterprises that declared bankruptcy as a result of debt financing and inability to sustain business during lower demands;
4. Calls upon nations to implement educational systems that support small and medium enterprises’ executives and encourages businesses to cultivate productive environments, in ways such as not limited to:
5. Community centres will include business programs geared towards management and workplace productivity,
6. Governments will establish curriculums directly offered to minority-owned and women-owned businesses via online or city hall,
7. State governments will assign qualified business managers to provide lectures at rising enterprises;
8. Recommends large corporations to implement executive salary caps to support employees and reinforce the notion of equality in an amicable workspace;
9. Requests the government to organize campaigns to emphasize and support small and medium-sized enterprises, in ways such as but not limited to:
10. Social media platforms will contain advertisements for small and medium-sized enterprises that directly correlates with the consumer’s needs and preferences,
11. Government officials will promote small and medium-sized enterprises through installing billboards and posters in urban regions,
12. Governments will pay prominent celebrities to serve as ambassadors for promising small enterprises;
13. Encourages governments to mitigate the economic divide through providing financial assistance to businesses in accordance with banks, in ways such as but not limited to:
14. Banks will provide small and medium-sized enterprises with lower interest rates and loan collateral rates with the condition that the government will cover the loan of the enterprise in instances of bankruptcy,
15. Governments will reduce the tax rates for small and medium-sized enterprises that are financially unstable,
16. Banks will expand the limits of loans to SMEs through offering more money and lessening the time frame for which small and medium-sized enterprises are guaranteed to repay,
17. Banks will implement design and establish credit guarantee plans that support SME’s;
18. Further suggests that governments help promote small and medium-sized enterprises to the younger generation and advertise future job prospects in the business sector:
19. Governments will help SME’s set up stands at high school job fairs in order to:
    * 1. Promote the importance of small and medium-sized enterprises,
      2. Introduce the young generation to future careers working for start-ups or medium-sized companies,
20. Calls upon all small and medium enterprises to increase digitalization through methods, such as but not limited to:
21. Holding weekly meetings to discuss problems or ideas within the business,
22. Using online software, such as ZOOM, to compensate for the inability to meet during COVID-19;
23. Proposes to reduce monopoly from large corporations in the business sector through:
24. Governments will add an anti-monopoly law in order to prevent exclusivity in various fields,
25. SME’s can jointly appeal to the government to supervise the monopoly problem;

9. Encourage small and medium-sized enterprises to build their own brands such as, but not limited to:

1. Choosing a catchy name and an enticing logo,
2. Creating websites that advertise their products and services.