



Forum: ECOSOC

Issue: Supporting Startups as a Mean for Achieving the SDGs (Sustainable Development Goals)

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Introduction

With the adoption of 2030 Agenda for Sustainable Development we can say that the main aim of humanity is to achieve peace and prosperity all over the world by solving such urgent issues as poverty, unemployment, hunger and others. There are many ways to do it but one of the most effective and an effortless method is supporting small businesses. First of all, startups play a significant role in country's economy. They can increase the number of working places, reduce social tensions and become a source of income for state's budget. Besides, startups can also contribute to economic dynamics by spurring innovation and injecting competition. In other words, small business can lead to improvement of country's economy which also means life's quality improvement. Potentially, startups can be a solution to poverty, unemployment and hunger although for that to happen Government needs to support and control small business by, for example, offering low interest loans or giving state orders.

Definitions of key terms

Startup – a newly emerged business venture that aims to develop a viable business model to meet a marketplace need or problem. The main difference of startup from other types of entrepreneurship is that it intends to grow big and registered.

Unicorn – a privately held startup company valued at over \$1 billion.

Decacorn – a privately held startup company valued at over \$10 billion, while hectocorn is the appropriate term for such a company valued over \$100 billion.

Sustainable Development Goals or SDGs - 17 goals set by the United Nations General Assembly in 2015. They are directed on elimination of different social and economic issues

that are connected with poverty, hunger, health, education, global warming, gender equality, water, sanitation, energy, urbanization, environment, and social justice.

Background information

Small business (IB) is a multifaceted socio-economic phenomenon. It provides huge benefits for country's economy: the state GDP, growth in the number of jobs in the real economy and reducing social tensions; local government - taxes and employment; economic partners - flexible and dynamic partners with low overhead.

In developed countries small business is a tool for the participation of millions of people in the economic life of the country and in the international division of labour and the means of existence and a stimulus to self-improvement, the most democratic public institution.

This is especially noticeable at the local level, because MB is the "business of local importance". His contribution to the local economy and, most importantly, job creation is essential. The role of the small business sector (SMEs) significantly increases with transition to market model of economic management.

Entrepreneurship is essential for economic growth for the following reasons:

- increase the level of agility of the economy (for most small businesses is inherent in the ability of quick and effective adaptation to economic conditions)
- the stability of the economy (economic risks are distributed among a large number of enterprises, reduced level of dependence on a limited number of subjects of the market);
- development of the innovative capacity of the economy (the majority of economic entities is inherent in the accelerated implementation of innovative ideas in business and their distribution in the economic space);
- ensuring more efficient use of economic resources and the increased specialization of production;
- reduction of time of production, the total cost of production and saturation of consumer market with necessary goods and services;
- ensuring the flow of investments to the areas with the most efficient use of resources;

- assistance resurrected production, efficient execution of orders of the enterprises of medium and large businesses.

Nonetheless, social component of the SMP is as important as economic. It's a tool in solving social problems, for example, increasing the number of small businesses may reduce the social burden on the budget.

In general, the social component of SMP in the economy includes the following:

- democratization of society, providing employment, participation in the saturation of the market with high quality products and services, ensuring social responsibility of business;
- the impact on the daily lives of citizens owing to orientation to meet the consumer demand of the population, given his interests (determines a certain level of quality of life);
- the formation of internal and external environment of entrepreneurship, extension of social relations in society;
- performing functions of internal (on ensuring their economic interests) and external (problem solving) social development that is the subject of interest from enterprises SMP of local authorities as economic, institutional and social partner;
- active participation in creating material and spiritual values, preconditions and conditions of social development;
- motivate local governments to fulfill social functions in the interests of the population and ensuring social control over its results and efficiency.

Major organizations and countries involved

- *WTO (World Trade Organization)*
The World Trade Organization (WTO) deals with the global rules of trade between nations. Its main function is to ensure that global trade flows smoothly, predictably and freely as possible
- *World bank*
The bank is the largest source of financial assistance to developing countries. It also provides technical assistance and policy advice and supervises—on behalf of international creditors—the implementation of free-market reforms.

- *IMF (International Monetary Fund)*

It was designed to secure international monetary cooperation, to stabilize currency exchange rates, and to expand international liquidity (access to hard currencies).

All these three organizations play a central role in overseeing economic policy and reforming public institutions in developing countries and defining the global macroeconomic agenda.

Speaking about countries, the states with the largest amount of startups are the U.S, India, the UK, Canada, Indonesia, Germany, France, Australia, Spain and Brazil. States with the smallest amount of startups are usually small developing countries with the instable economy like most of African countries (Niger, Chad, Madagascar, and Namibia), some Middle East countries (Libya, Iraq, and Palestine).

Top startup hubs in the world:

North America: Atlanta, Austin, Boston, Chicago, Edmonton, Houston, Los Angeles, Montreal, New York City, Ottawa, Phoenix, Quebec City, Seattle, Silicon Valley, Tampa Bay, Toronto-Waterloo, Vancouver

Asia-Pacific: Auckland, Bengaluru, Hong Kong, Kuala Lumpur, Macau, Manila, Melbourne, Shanghai, Shenzhen, Singapore, Sydney, Taipei City

Europe: Amsterdam, Barcelona, Berlin, Bilbao, Budapest, Cambridge, Coimbra, Copenhagen, Dublin, Edinburgh, Frankfurt, Galway, Gdansk, Hamburg, Helsinki, Istanbul, Lisbon, London, Madrid, Manchester, Milan, Moscow, Munich, Oeiras, Paris, Porto, Prague, St. Petersburg, Stockholm, Valencia, Wroclaw, Zurich

Middle East and Africa: Ankara, Bahrain, Doha, Dubai, Johannesburg, Tel Aviv, Tunis

Relevant treaties and UN resolutions

A/RES/66/288 - "The Future We Want" is a document, which was adopted by UN. The SDGs build on the principles agreed upon in it. This was a non-binding document released as a result of Rio+20 Conference held in 2012

A/RES/70/1 - Transforming our world: the 2030 Agenda for Sustainable Development is a document, which was adopted by all United Nations Member States in 2015. It provides

17 Sustainable Development Goals (SDGs) which are an urgent call for action by all countries - developed and developing - in a global partnership.

Sustainable Development Goals:

Goal 1. End poverty in all its forms everywhere

Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Goal 3. Ensure healthy lives and promote well-being for all at all ages

Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Goal 5. Achieve gender equality and empower all women and girls

Goal 6. Ensure availability and sustainable management of water and sanitation for all

Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all

Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Goal 10. Reduce inequality within and among countries

Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable

Goal 12. Ensure sustainable consumption and production patterns

Goal 13. Take urgent action to combat climate change and its impacts*

Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Goal 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development

Previous attempts to solve the issue

The United Kingdom

London startup ecosystem has grown dramatically in the last few years. Dopplr, TweetDeck, Fotango, Songkick were some of the first successes of the city and currently it houses over 1000 startups. The government has taken a keen interest in developing London's startup ecosystem with the establishment of the Tech City in East London. It spent more than \$76 million to build London's Tech City, which the former Prime Minister David Cameron believed would rival Silicon Valley. The Tech City houses a number of co-working spaces, classrooms and workshops for startups. However, ongoing Brexit negotiations are causing uncertainty around the future of immigration and international trade, startups say. Cybersecurity and consumer privacy are also growing concerns. New EU regulations designed to protect individual privacy – the General Data Protection Regulation (GDPR) – were scheduled to take effect in late May 2018. The measure has largely been welcomed by the industry, though many startups cite the extra strain on time and budget to comply with the new legislation.

The United States

Nowadays, the United States is the best place to set up business due to the existence of Silicon Valley, New York, and Los Angeles. However, there are certain challenges as well, including access to talent, healthcare costs, diversity in tech leadership and — increasingly — cybersecurity and consumer privacy issues. Moreover, nearly one-third of startups, ranging from pre-revenue to more than \$25 million in annual revenue, say laws and regulations prompted them to locate facilities or move nonsales operations outside the US. The biggest driver is US immigration policy, followed by tax policy and the regulatory environment. With more than half of startups reporting that at least one founder is an immigrant, the innovation economy is deeply affected by US immigration policy.

Possible solutions

The solution to this issue is covered in solving connected problems like cybersecurity, consumer privacy etc. to make startups popular and benefit in all countries. Moreover, the Government support and control to ensure the growth of small businesses is vital for the development of this economic sphere.

Useful links

<https://www.startupranking.com/countries>

<https://sustainabledevelopment.un.org>

<https://www.startupblink.com>

https://en.wikipedia.org/wiki/Startup_company