

MICRO, SMALL AND MEDIUM ENTERPRISES AT THE WORLD TRADE ORGANIZATION AGENDA : WHAT TO EXPECT?

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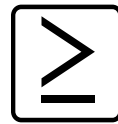
POLICY STATEMENT

In 2017, the World Trade Organization (WTO) members approved a joint initiative to identify obstacles to the insertion of Micro, Small and Medium Enterprises (MSMEs) in international trade flows. The issue has been discussed within the scope of an Informal Group that currently has the voluntary membership of 95 of the 164 members of the organization. The Informal Group has been circulated recommendations in defense of more concrete and effective tools to benefit these companies due to their growing importance in the global social and economic context. Considering the soft character of such an initiative within the scope of the organization, it is possible to consider that the discussions and recommendations have the potential to promote good practices, stimulating the adoption of different policies to support and promote the business internationalization.

BACKGROUND

It is not new that enterprises are important political actors in the context of economic globalization. Such recognition has been confirmed by the interdependence relations [1] and characteristic connections of the era of global productive chains [2]. Far beyond productive forces at the service of capital, the correlations and interactions between the economic, social, and political worlds represent important forces that could promote changes.

What is new is the growing recognition of the role that MSMEs have taken on in the global context in recent years. According to WTO data, currently 95% of companies worldwide are classified as MSMEs, which contribute with 60% of total jobs [3]. It is also in MSMEs that a significant number of women work in paid activities, whether as owners, managers, or collaborators [4]. Despite the importance of these companies for the economies (especially in developing and less developed countries), they are the group that faces the greatest difficulties in accessing information about opportunities in the global scenario [5] [6].



Within the WTO, the debate was provoked in 2015, when the government of the Philippines, in a General Council meeting, voiced its demand for more appropriate discussions on policies directed to the MSMEs. Internal movements – workshops, informal meetings of “Friends of MSMEs” – were sensitizing the different delegations to the possible contributions of the debate and gradually generating adherence to the initiative. It was in December 2017, at a meeting of the Ministerial Conference in Buenos Aires, that an informal program for the discussion on the challenges faced by MSMEs in participating in international trade was approved [7].

FINDINGS

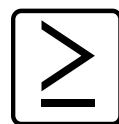
Within the Informal Group, two important documents have already been published, both in the form of Declarations for WTO members. The first was published in March 2019 (INF/MSME/1), based on the conclusion that greater transparency and access to information related to foreign trade are recurring demands of MSMEs around the world. Thus, they requested that WTO members undertake to fill in and update information in the tools already developed for this purpose (such as The Global Trade Helpdesk, a tool jointly developed by the International Trade Centre, UNCTAD and WTO, with information on markets and disclosure of opportunities) [8].

The second document was circulated in December 2020 (INF/MSME/4), with the aim of inform the other members about six recommendations: collection of statistical data on this group of companies; contributions on access to information; recommendations to make doing business easier for MSMEs; promoting the inclusion of MSMEs in discussions on international trade regulation; inclusion of MSMEs in WTO databases; access to international financing and payments [9].

The Group has also developed other activities, including: i) diagnostic studies, to present new recommendations to WTO members; ii) competitions organized together with Chambers of Commerce (such as the “Small Business Champions” initiative); iii) new web platform (Trade4MSMEs) to bring MSMEs closer to decision makers. As the discussion on MSMEs in the WTO is still very recent, it is important to follow the evolution of the debates and the commitment of the members and other actors in relation to the proposed recommendations.

CONCLUSIONS

It is possible to consider that the impetus of the discussions promoted within the scope of the WTO Informal Group, even if it is not negotiating an agreement with binding rules, has potential for the dissemination of good practices on policies and mechanisms to support the internationalization of MSMEs. It is possible that the dialogues and diagnostic studies promoted in the group's meetings validate



what the market already knows: many MSMEs give up their international insertion due to the numerous informational and operational difficulties. Even so, they have contributed to such indicators, as suppliers or buyers of large players or through regional or global production chains.

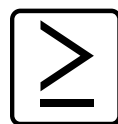
RECOMMENDATIONS

In practical terms, most countries have institutions that support, promote and grant incentives to internationalization. One of the biggest challenges for developing and less developed countries, however, is that such institutions are not always sensitive and permeable to the particularities of such businesses. In this sense, it is recommended:

- Elaboration of diagnoses with local, sectoral and gender perspectives, related to the main challenges for the insertion of MSMEs in international trade flows.
- That the state and non-state initiatives that stimulate internationalization have a service directed and focused on the particularities of MSMEs.
- Maintenance of differentiated service hours, as well as digital service channels in institutions supporting internationalization.
- Expansion of policies that consider on-site consultancy and advisory services, training and professionalizing this group of companies in the strategic management of their businesses, from an international perspective.
- That groups and associations representing MSMEs also internationalize their discussion networks, sharing knowledge about their practices and challenges.

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