



REPUBLIC OF TURKEY
MINISTRY OF INDUSTRY AND TRADE



THE BOLOGNA PROCESS

THE 2nd OECD MINISTERIAL CONFERENCE ON SMALL AND
MEDIUM-SIZED ENTERPRISES (SMEs)

*“Promoting Entrepreneurship and Innovative SMEs
in a Global Economy”*

ISTANBUL, TURKEY
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SMALL AND MEDIUM-SIZED ENTERPRISES (SMEs) AND ENTREPRENEURSHIP:

THE BACKGROUND

Today, governments worldwide recognise the importance of SMEs and their contribution to economic growth, social cohesion, employment and local development. SMEs account for over 95% of enterprises and 60%-70% of employment, and generate a large share of new jobs in OECD economies. As globalisation and technological change reduce the importance of economies of scale in many activities, the potential contribution of smaller firms is enhanced. However, many of the traditional problems facing SMEs — lack of financing, difficulties in exploiting technology, constrained managerial capabilities, low productivity and regulatory burdens — become more acute in a globalised environment. As all economies have the potential to gain from a more dynamic small business sector, and because SMEs have specific strengths and weaknesses, policy frameworks and the role of government must evolve for SMEs to adapt to new pressures and reap the benefits of globalisation.

Encouraging entrepreneurship is high on the agenda of governments in OECD member countries and in transition, emerging, and developing economies, as entrepreneurs are the catalysts of growth, combining capital, innovation and skills. The importance of entrepreneurship stands out in this time of innovative change, and fostering a climate to help the dynamism in firm creation is considered fundamental worldwide.

THE OECD WORKING PARTY ON SMEs AND ENTREPRENEURSHIP

The OECD, with a unique international forum of SME policy makers and a range of multidisciplinary skills in this area, has an important role to play in the diffusion of best practice policies and programmes. Through its Working Party on SMEs and Entrepreneurship, the OECD works to enhance the performance of small businesses by promoting best practice policies and international co-operation in this area among member and non-member economies. The Working Party is entrusted with examining the nature and scale of issues and policies pertaining to SMEs and entrepreneurship at the national and international levels. The Working Party gives special consideration to the increasingly important role that innovative start-ups and SMEs play in job creation and growth. It addresses issues related to: business environment and regulatory framework, innovation, financing, taxation, human resources, access to markets, electronic commerce, and women's entrepreneurship. This task is accomplished through discussions within the Working Party, research projects, and horizontal co-operation with relevant bodies within the OECD. The Working Party is also strengthening its co-operation with international organisations/institutions and regional bodies, including APEC, ILO, UNCTAD, UNIDO, the World Bank, and regional development banks, such as the Inter-American Development Bank (IDB).



WHY THE 1ST OECD MINISTERIAL CONFERENCE ON SMEs?

In June 2000, upon the invitation of and in co-operation with the Italian government, the OECD organised the first international, ministerial-level conference on SMEs: “**Enhancing the Competitiveness of SMEs in the Global Economy: Strategies and Policies**”. The Bologna Conference highlighted best practices to improve the competitiveness of SMEs in the context of the globalised, knowledge-based economy. It was a major opportunity to identify public and private sector actions to help SMEs develop their local strengths while capturing the benefits of globalisation and trade liberalisation.

THE BOLOGNA CHARTER ON SME POLICIES

A key outcome of the conference was the adoption of the **Bologna Charter on SME Policies** by the governments of almost 50 OECD member and non-member economies. The Bologna Charter implies a willingness to redesign SME policies with a coherent approach to economic growth and social development, both in OECD countries and the rest of the world. It also provides a frame of reference for countries concerned with improving the efficiency of policies directed at fostering entrepreneurship and assisting the development and competitiveness of smaller firms at the local, national and international levels.

The Charter also calls for pursuing the policy dialogue among OECD member and non-member economies, as well as strengthening the co-operation between international organisations/institutions in the area of SMEs and entrepreneurship.

THE BOLOGNA PROCESS

FOR THE IMPLEMENTATION OF THE BOLOGNA CHARTER ON SME POLICIES

The Bologna Conference was not a “one-off event” but a groundbreaking meeting to promote concrete international co-operation to better respond to SME issues and needs in the global economy for the benefit of all countries. The conference marked the beginning of a long-term process, which is known as “The (OECD) Bologna Process”. It currently brings together over 70 OECD and non-OECD economies and more than 50 international organisations, institutions, and NGOs.

The Bologna Process has the following objectives:

- To foster the entrepreneurial agenda and SME competitiveness at the global level through the implementation of the recommendations in the Bologna Charter;
- To provide guidance to governments to help entrepreneurs and SMEs worldwide meet the challenges and reap the benefits of globalisation; and
- To further deepen and improve the high-level dialogue on SME policies among policy makers, the business community, and national and international organisations and institutions.

The OECD is firmly committed to furthering the Bologna Process and contributing to the implementation of the Charter through its substantive work on strategic issues and policies related to SMEs and entrepreneurship in the global economy, and also through the Secretariat's participation in the International Network for SMEs (INSME) Promoting Committee, set up by the Italian authorities.

Within the OECD, the Working Party on SMEs and Entrepreneurship has the lead role in implementing the Bologna Process, which has become an important horizontal and cross-cutting programme in which several OECD directorates and services participate, particularly the Directorate for Science, Technology and Industry (DSTI); the Local Economic and Employment Development Programme (LEED) of the Directorate for Employment, Labour and Social Affairs (DELSA); the Development Co-operation Directorate (DCD); and the Centre for Co-operation with Non-Members (CCNM).



WHY A 2ND OECD MINISTERIAL CONFERENCE ON SMEs?

Since the Bologna Conference, new situations, new economic developments (the current economic slowdown), and a new risk environment have arisen. At the same time, the international agenda, in the wake of the Doha Development Agenda, the Monterrey Consensus, the OECD Action for a Shared Development Agenda and the G8 Africa Plan of Action, calls for a high priority to be given to development issues in the framework of monitoring globalisation. SMEs continue to be essential drivers of economic progress and growth, under conditions which call for rapid adjustment to external challenges, and with implications for emerging and developing economies. In addition, there is a need to further assess the impact of globalisation on SMEs. All of these factors call for Ministers to provide the necessary political impetus to facilitate entrepreneurship and SME development.

The Turkish Ministry of Industry and Trade has therefore offered to host the 2nd OECD Conference of Ministers responsible for SMEs in 2004. The Istanbul (“Bologna + 4”) Conference will be held on 3-5 June 2004 and will centre on the theme of “**Promoting Entrepreneurship and Innovative SMEs in a Global Economy**”.

THE ISTANBUL CONFERENCE ON “PROMOTING ENTREPRENEURSHIP & INNOVATIVE SMEs IN A GLOBAL ECONOMY”

In the framework of the Bologna Process, the Working Party on SMEs and Entrepreneurship, in close co-operation with other OECD bodies, is developing **four themes and two cross-cutting issues**, which will constitute the core agenda for the Istanbul Conference:

- **Theme 1:** Fostering **entrepreneurship** and firm creation as a driver of growth in a global economy (*with particular focus on the issue of women's entrepreneurship*)
- **Theme 2:** Fostering SMEs' access to **innovation** and technology, through access to:
 - Financing, and
 - Clusters, networks and partnerships
- **Theme 3:** Promoting ICT use and **e-business** adoption by SMEs
- **Theme 4:** Promoting SMEs for the **development** of emerging and developing economies
- **Cross-cutting Issues:**
 - **SME Statistics**
 - **Evaluation** of SME policies and programmes

CONFERENCE STRUCTURE

The **Ministerial Meeting** will be held on **4-5 June 2004**. Ministers responsible for SMEs will discuss specific issues related to the above-mentioned themes and make concrete policy recommendations, which will appear in the **Istanbul Ministerial Declaration**.

The conference will be preceded by a **Business Symposium** on **3 June**, which will offer the business community the opportunity to influence government policies and the international agenda for SMEs. The recommendations from the Business Symposium will be put forward to Ministers during a joint session on the morning of 4 June.

In addition, a **Global Marketplace** will run during the entire week (**2-6 June**) and will offer enterprises and business associations the opportunity to display their products and activities, and take advantage of pre-arranged business-to-business appointments.

CONFERENCE PARTICIPANTS

The Istanbul Conference will bring together approximately 800 participants from the 30 OECD countries and the 45 non-OECD economies participating in the Bologna Process. Participants will include, among others, ministers responsible for SMEs; high-level representatives of international organisations/institutions; leading policy makers at the national, regional, local, and international levels; SME entrepreneurs; representatives of business organisations and academics.

CONFERENCE VENUE

The conference will be held at the Istanbul Lufti Kirdar Convention and Exhibition Centre.

THE INTERNATIONAL NETWORK FOR SMEs (INSME)

www.insme.info

At the Bologna Ministerial Conference, Ministers "took note with interest of the Italian proposal for an INSME and the Italian initiative to promote it. They welcomed Italy's offer to carry out a feasibility study...". The feasibility study was completed in November 2002.

INSME aims to stimulate SMEs' innovation processes in the global economy by promoting and strengthening innovation services and technology transfer for SMEs through intermediary bodies and their networks. INSME is a process for developing multi-stakeholder "partnerships for innovation" between the private and public sectors, both within countries and between developed and developing economies, with a view to sustaining co-operation and flows of information and investment.



FOR FURTHER INFORMATION

Please contact the **SME Unit**
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The **Organisation for Economic Co-operation and Development** groups 30 member countries in a unique forum to discuss, develop, and refine economic and social policies. Members compare experiences, seek answers to shared problems and work to co-ordinate domestic and international policies to help members and non-members deal with an increasingly globalised world. These exchanges may lead to agreements to act in a formal way — for example, by establishing legally binding instruments to crack down on bribery or codes for the free flow of capital and services. The OECD is also known for "soft law" — non-binding instruments such as its guidelines for multinational enterprises. Beyond agreements, the discussions at the OECD make for better-informed work within member countries' own governments across the broad spectrum of public policy, and help clarify the impact of national policies on the international community.