



ILO InFocus Programme:  
'Boosting employment through  
Small Enterprise Development'

**Workshop report<sup>1</sup>**  
**Asia and Pacific regional training workshop on  
developing a conducive environment for micro and  
small enterprise development**

**14-15 May 2001**  
**Bangkok, Thailand**

*Executive summary*

This report summarizes the presentations, discussions and main conclusions of an ILO tripartite training workshop on a conducive environment for micro and small enterprises. This workshop was organized jointly by the ILO Regional Office for Asia and the Pacific and the InFocus Programme on Boosting Employment through Small Enterprise Development. It included participants from seven countries: Cambodia, East Timor, Indonesia, Pakistan, the Philippines, Thailand and Viet Nam.

During the workshop the ILO presented the main contents of Recommendation 189 concerning General Conditions to Stimulate Job Creation in Small and Medium-sized Enterprises as a framework to improve the policy environment for small enterprises. Country representatives made presentations on policy developments in their countries.

Workers', Employers' and Government representatives met within their groups to discuss their priorities in terms of small enterprise development and make recommendations to national stakeholders. A list of follow-up activities at national level was presented by each country.

The workshop showed that small enterprise concerns already have an important place on the policy agendas of the participating countries. While the situation naturally varies across countries, one important point in several countries was the difficulty of implementing policies on the ground. The role of local government authorities therefore merits special emphasis in future efforts to improve the policy environment for small enterprises.

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<sup>1</sup> This is an informal report of the Workshop, prepared by SEED staff, to summarize the principal findings and priorities for follow-up action.

## ***Introduction***

Over the last two decades, small enterprises have become more recognized for their capacity to provide jobs. In numerical terms, the role of smaller firms as providers of employment is well documented. Not only are small enterprises important sources of jobs, but also there have been indications that their relative significance could be growing. Policies, institutions and regulations that provide a conducive environment for small entrepreneurs can make a substantial contribution to employment creation.

In response to this challenge, the International Labour Conference in 1998 adopted Recommendation No. 189 concerning General Conditions to Stimulate Job Creation in Small and Medium-sized Enterprises. The Recommendation is directed towards all 175 member States and constituents of the ILO. Unlike ILO Conventions, ILO Recommendations do not give rise to binding obligations, but provide guidelines for national policies and action.

The ILO organized a tripartite training workshop on conducive environment for micro and small enterprise development in the Asia-Pacific Region with participants from seven countries: Cambodia, East Timor, Indonesia, Pakistan, the Philippines, Thailand and Viet Nam.

The objectives of the workshop were:

- To orient workshop participants to the ILO perspective concerning Recommendation 189 and the approaches to improving the policy, legal and regulatory environment.
- To raise awareness regarding the issues of small enterprises and on how to increase the outreach of workers' and employers' organisations to small enterprises and their workers.
- To raise awareness on how to promote new and better quality jobs in small enterprises through the reform of the policy and legal environment.
- To collate a 'state-of-the-region profile' on activities underway to improve the policy, legal and regulatory environment for employment within MSEs. This should include an assessment concerning the extent to which Recommendation 189 has been pursued by governments in countries of the region.
- To determine and agree on action priorities for representative organisations for the coming six to 12 months regarding their roles in enterprise and employment promotion in their countries and within the region.

The workshop was organized jointly by the ILO Regional Office for Asia and the Pacific and the InFocus Programme on Boosting Employment through Small Enterprise Development.

This workshop report summarizes the presentations and discussions at the workshop as well as its main conclusions.

*Day 1 (Monday, 14 May 2001)*

### Official Opening

On behalf of Mr. Nodera, the Director of the ILO Regional Office for Asia and the Pacific, Mr. Max Iacono welcomed the participants of the workshop and outlined the importance of small enterprise development in the context of the ILO's mandate to contribute to job creation. A welcoming environment for enterprise development lies at the heart of the employment goal of more and better jobs for women and men. The ILO policy tools begin with the premise that the process of improving the policy environment must be undertaken and "owned" by all stakeholders. Smaller businesses, workers in the small business and informal sectors, trade unions and employers' organizations must be involved to adapt internationally-recognised best principles of small enterprise policy to their own circumstances.

The Permanent Secretary of the Ministry of Labour and Social Welfare of Thailand, Mr. Elawat Chandraprasert, welcomed the participants of the workshop to Thailand. In the context of economic recovery after the Asian crisis, small enterprise development is an important part of the strategic response to help create new economic opportunities for hundreds of thousands of families. Fostering entrepreneurship and small enterprise development can help to fight social exclusion and raise living standards. Support for small enterprises in Thailand has focussed particularly on women and on group-based activities at the community level. The ILO contributed to the policy formulation process that was undertaken by the Royal Thai Government over the last few years in several ways. For example, the ILO helped creating awareness of the scale of economic and social contributions made by micro and small enterprises. It also contributed to the process of designing the SME Promotion Act and the SME Master Plan. Finally, Mr Chandraprasert welcomed the ILO initiative to organize this Regional Workshop and wished the participants a successful and fruitful meeting.

The Director of the Job Creation and Enterprise Development Department of the ILO, Mr. Michael Henriques, thanked the Thai Government for the opportunity to work together on the policy formulation for small enterprises. In the ILO's work on job creation through small and medium-sized enterprises, the policy environment has a key position. Without a favourable environment, other promotional measures such as business development services are likely to be largely ineffective and a waste of effort and resources. The creation of a conducive environment for SMEs is a complex process involving the identification of appropriate policies, laws and regulations, a process which, to be effective and sustainable, needs to involve a wide range of stakeholders. The workshop provides an opportunity to identify factors that have encouraged or constrained reform efforts and to exchange information and experience on these topics.

### Opening remarks by Workers' and Employers Organizations

On behalf of the Workers' Group, Mr. José da Costa stressed that the Training Workshop provides an important opportunity to share experience on small enterprise

development and to help each other. Particular topics for the Workers' group include the problem of creating trade unions in small enterprises, which is often more difficult than is the case in larger enterprises, and the provision of social protection to workers in small enterprises. Mr. da Costa also stated that he and the Delegation from East Timor are very grateful to be able to attend this type of Regional Conference for the first time ever.

On behalf of the Employers Group, Mr. Majyd Aziz said that the promotion of micro and small enterprises is one of the prime strategies for any country's development vision. He characterized some of the problems small enterprises face in the countries of the Region. These include government regulations, which should be relaxed, high capital costs for small enterprises and lack of infrastructure. ILO Recommendation 189 can be an important tool for governments and social partners to address these concerns and to provide more opportunities for Decent Work.

**ILO's work to promote decent work through micro and small enterprises**

Ms. Christine Evans-Klock, Director, InFocus Programme on Boosting Employment through Small Enterprise Development

Ms. Evans-Klock welcomed participants and presented ILO MDT specialists and the ILO team from Geneva. It was highlighted that with the new ILO Director-General Juan Somavia, the "Decent Work" agenda was developed. Ms. Evans-Klock stressed that the critical mass of employment in many developing economies is found in small enterprises. The importance of this sector was acknowledged by the ILC through Recommendation 189, on "Stimulating Employment in Small and Medium Enterprises". The InFocus Programme on Boosting Employment through Small Enterprise Development (SEED) is actively seeking to work with field offices in implementing the decent work agenda and the policy workshop is one way of bringing together joint efforts in creating jobs through small enterprise development.

**SEED's mission**

The presentation highlighted that the ILO's mission is to increase Decent Work for women and men, in formal or informal, wage or self-employment where basic rights are respected, people are protected and represented and where economic and social efficiency are pursued hand in hand and that a welcoming environment for enterprise development lies at the heart of the employment goal of more and better jobs for women and men. SEED's mission is to promote the large-scale creation of quality jobs in small enterprises.

A definition was made of small enterprises as those in which people are undertaking business activities to make a living for themselves and their families whether that be in micro, small or medium-sized enterprises, cooperatives, and whether as independent producers or as smallest units in global production chains. The challenge of the SEED programme is to develop a broadband programme ranging from the poor, home-based units to the growth-oriented small enterprises.

## **SEED's strategies**

SEED's strategies target both individuals and their environment. The first strategy in SEED's priorities is the policy area in which the focus is on building conducive policy, regulatory and institutional environments for small enterprises. This is put into action with the current research programme entitled "Do Decent Jobs require good policies" that focuses on employment dynamics in small enterprises and tries to derive policy lessons at country level. The second strategy focuses on access to markets by small enterprises. This strategy tries to increase market opportunities for small businesses through businesses mutual beneficial connections to global markets and through local economic development to improve competitiveness in small enterprises. The third strategy focuses on enabling women and men to realise their potential to start or grow their own businesses. The goal is to improve access to financial and business management services for small enterprises. This includes, for example, the *Start and Improve Your Business* family of products and self-employment schemes for youth.

Across these strategies, SEED seeks to put into action core ILO values: I) job quality, which focuses on working conditions, freely chosen employment, human resource development, social protection and safety and health concerns in small enterprises, II) increasing economic opportunities for women, which works on developing women entrepreneurship and ensuring that gender concerns are mainstreamed in the SEED programme's activities, III) promoting representative organisations of small enterprises and workers to ensure that small enterprises have a "voice" and can act collectively, and finally, IV) upgrading employment for home workers and other vulnerable workers in the informal economy by enhancing the understanding of links between organisational rights, productivity and poverty reduction.

## **SEED's Policy Action**

The policy workshop should be seen in relation to SEED's general work with trying to help partners create more conducive policy and regulatory environments. The objectives of the policy work are to I) improve understanding on how national policy environments influences generation and quality of employment in micro and small enterprises, II) assist national stakeholders in the process of improving their policy environment, and III) develop practical resource materials for policy-makers and ILO constituents.

### **Creating the right environment for micro and small enterprises (MSEs)**

Mr. Simon White, International Consultant to the InFocus Programme on Boosting Employment through Small Enterprise Development

Mr. Simon White rhetorically alerted all participants to the fact that the reason why we were all participating in the workshop is because "We are failing". We know that we are failing because unemployment and poverty continue to rise; job quality in micro and small enterprises is getting worse; social and economic vulnerability to external change is increasing; frustration is growing (especially among young people) about the lack of employment opportunities. Women continue to be more highly represented among the poor, underemployed and are more likely to work in unsafe and unstable work environments. These are all trends in developing economies around the world.

Our failure is due to:

- **Lack of knowledge** - we don't know enough about what is happening in small enterprises.
- **Politics** - the concerns of larger enterprises are more important to governments.
- **Policies** and actions - which usually are inadequate, biased and uncoordinated.
- **Implementation** - there is little connection between the desires of policy-makers and those who enact these courses of action.

Mr. White stressed that we need to respond to these issues if we want to create employment and improve the conditions for men and women working in small enterprises. Firstly, we must improve our awareness and understanding of the dynamics of MSE's, secondly; we should position the promotion of small enterprises within national economic and social development agendas, thirdly; we should set policy goals and identify desired outcomes, and fourthly; we should design policy instruments that are demand-driven, timely and feasible to implement.

### **ILO's response**

The ILO is responding to these developments by setting policy directions, especially through Recommendation 189 – but also by providing information and research on the small enterprise sector, technical support to policy reform processes and the development of policy instruments. The fact that the International Labour Conference - in which ILO's 175 member states all actively participate – in 1998 approved Recommendation 189 shows that the ILO ascribes great importance to small enterprises in its efforts in creating jobs.

**Recommendation 189** says that governments in their efforts to create conducive environments for small enterprises I) adopt and pursue policies to promote an optimal economic environment, II) establish and apply appropriate laws and, III) improve the attractiveness of entrepreneurship. National definitions of small enterprises should be developed within nationally social, economic and cultural contexts. Governments should also promote the fundamental roles of small enterprises in employment and income generation, sustainable economic growth, increased participation by disadvantaged and marginalised groups, increased domestic savings, balanced regional and local development, provision of goods and services, stimulating innovation, access to domestic and international markets; in short the policy environment needs to create favourable conditions for small enterprises.

The recommendation also stresses that there are often constraints that governments should attempt to remove. Some of these are:

- Providing access to new technologies;
- Make appropriate and adequate business regulations;
- Increase access to credit;
- Enhance productivity and quality;
- Provide adequate information on business regulations and opportunities;
- Provide technical and managerial skills through training;
- Improve transport and communications infrastructure;

- Support research and development; and
- Recognise that women and men might face different constraints when running an enterprise.

Governments should also pursue the development of entrepreneurial attitudes and skills in the education system and in vocational and technical training and promote a more positive response to risk-taking and business failure. Furthermore, governments should encourage life-long learning through awareness raising campaigns for all and especially for women, disadvantaged and marginalised groups. Finally, governments should consult and work with employer and business Organizations in defining, monitoring and reviewing policies, laws and programmes that develop small enterprises, but also other social partners in civil society should be engaged.

Employers' and workers' organisations, however, also have responsibilities in working towards a conducive environment for small enterprises. Employers' and workers' organisations should articulate the concerns of the small enterprise sector and its workers to government and actively participate in forums that design and oversee policy, services and support for small enterprises. They should promote and take part in economically beneficial and socially progressive restructuring, with appropriate safety nets as well promote information exchange, especially on ways to improve productivity, job quality, gender equality and non-discrimination.

In summary, Recommendation 189 is a call for Member States to take action by providing an international mandate and framework for policy reform. Policy actions in many Asian countries are already underway. Promotion of Recommendation 189 is already happening through national translations into Thai, Cambodian and Vietnamese and various policy reform processes are underway in Pakistan, Viet Nam and Indonesia.

## **Discussion**

During the subsequent discussion one participant stressed that the major problem most businesses face is getting access to credit and that this is often more the problem than the policy and legal environment. Other participants stated that the ILO might not always work with the right partners when trying to strengthen national private sectors and that other private organisations should be included as well. Many policies designed with support from international agencies work beautifully on paper but when it comes to implementation these policies often fail. Implementation at the lowest level of government representation (municipalities and districts) is often difficult due to red tape and bureaucracy.

It was acknowledged that lack of access to credit is a major problem for many small businesses, but that this often is a symptom of policy failure. The challenge is to find the right policies and regulations, which actually enables small business to access credit. It was also appreciated that there should be more bilateralism in the implementation of policies and that policies should be written within national contexts by stakeholders such as governments, employers' and workers' representatives and others if need be.

## Gender Dimensions to MSE Promotion

Mr. Gerry Finnegan, ILO Senior Specialist, Women's Entrepreneurship Development and Gender in Enterprises (WEDGE), InFocus Programme on Boosting Employment through Small Enterprise Development

Mr. Gerry Finnegan started by describing the difference between “sex” and “gender” as being biologically and socially/culturally constructed and explained how gender analysis focuses on divisions of labour between men and women in productive and reproductive work as well as on the access to and control over material and non-material resources and benefits. The reason for doing gender analysis is based on the fact that most societies have equal distribution of men and women (50/50), but in many countries women do not have equality of opportunity. Gender analysis tries to improve the targeting of women and men to ensure fuller coverage of both sexes in development interventions by the ILO. It is important to remove barriers for both men and women and improve access to resources and benefits, thus achieving a fuller participation and greater contribution by women and men in the society in which they live.

A number of biases exist in national policies, which might affect one gender more than the other by not being scale neutral. Trade liberalization policies in Sri Lanka, which had a negative impact on the small-scale textile sector, were cited as one example. Since women dominated the small-scale textile sector, they were severely affected by these liberalization policies. Another example was evidence on the reform of state owned enterprises in China, which shows that women are more often the first to be retrenched and the last to be re-employed or re-trained. Finally, a study of the MSE sector in Bulgaria had shown how women are less likely than men to set up a small enterprise, that they are more likely to fail in the first year, but that if their business survives then they are more likely to employ more people. What are the recommended policy actions in such a situation? Should women be encouraged to set up MSEs, should they receive extra support in the first year? Would this create more employment?

The presentation highlighted how there is an unequal presence of men and women in MSEs with regard to the sectors in which men and women operate their business, the scale of operations, the membership of organizations, access to and use of technology, enterprise and household responsibilities and not least their enterprise and reproductive roles. So whereas men and women might be equal from a law and regulatory perspective the tasks they face when running an enterprise are dramatically different. The question was posed as to why these inequalities continue to prevail? It was highlighted that often policies, laws and regulations unintentionally discriminate against women, that education, skills and training for men and women are different, socialization and upbringing is different, expectations of self and of others are different, and access to skills, knowledge, resources and markets as well as control over decisions relating to all of the above is often not equal.

The challenge for the ILO in the area of small enterprise development (SED) is to raise awareness and promote women's rights, entitlements and options as small business owners. Access to better knowledge and skills must be ensured. Women should have increased power and control over resources and decisions as well as being better represented in national associations. Priorities in national development plans should be identified in discussions with responsible ministries and women's lobby organizations.

Through its WEDGE component, the SEED programme would be able to assist by drawing on its extensive knowledge and resource base.

Finally, the presentation highlighted how Gender Mainstreaming in ILO's range of products and technical interventions tries to ensure that the implications for women and men of any planned action (incl. legislation, policies or programmes) in any area and at all levels is assessed. Gender mainstreaming is a strategy for making women's as well as men's concerns and experiences an integral dimension in the design, implementation, monitoring and evaluation of policies & programmes in all political, economic and societal spheres so that women and men benefit equally and inequality is not perpetuated. The ultimate goal is to achieve gender equality.

**A framework for assessing and reforming the policy and legal environment  
for micro and small enterprise development**

Mr. Simon White, International Consultant to the InFocus Programme on Boosting  
Employment through Small Enterprise Development

Mr. White presented a framework for assessing the policy and legal environment for small enterprise development. The policy and legal environment has an influence on small enterprises' capacity to develop and to create jobs on three different levels: (i) policies and laws, (ii) regulations and procedures, and (iii) administration.

Governments can make a positive contribution when they have a clear picture of the different roles in enterprise development:

- protecting (to ensure that social goals are achieved),
- enabling (to provide an environment that encourages enterprises to invest and grow), and
- promoting (to carry out direct interventions to promote specific sectors or groups).

To fulfil these different roles, governments have a series of instruments at their disposal. While governments will aim at choosing the most appropriate and effective instruments, experience shows that some common problems in the policy environment can be identified. Mr. White provided assessment criteria for the policy and legal environment which can be used by national stakeholders to orient their policy formulation process. On the level of regulations, for instance, a regulation should only be introduced if it is in the public interest and its impact on small enterprises has been assessed. Moreover, regulations should be regularly reviewed to check if they are still required.

Finally, Mr. White presented some examples of activities that can be taken to make a society more entrepreneurial. By recognising and promoting initiative, and by raising public awareness about the development potential of a locality, local governments can play an important role in encouraging small enterprises to grow.

## Overview of national policy reform efforts (1)

### A. Presentation on policy reform in Indonesia

Mr. Saleh Thaher, Office of the State Minister for Cooperatives and SMEs, Indonesia

In Indonesia, SMEs accounted for 99.9 per cent of all businesses in 1998 and contributed 58.2 per cent of the total GDP of the country. Despite the enormous significance of the sector, many constraints persist, including the limited access to economic resources, low productivity and high transaction costs due to complicated bureaucratic procedures.

Currently, there are about 14 line Ministries, numbers of government agencies and state-owned enterprises, as well as a series of NGOs, business associations and international agencies involved in the promotion and development of SMEs. Lack of coordination sometimes leads to a lack of focus and duplication in the activities undertaken by these institutions.

The Indonesian Government defined three major areas of strategic intervention for SMEs:

- The creation of a conducive climate or enabling environment;
- The provision of financial services, and
- The provision of Business Development Services (BDS).

In this context, an SME Task Force at National level and SME Councils at Provincial and District levels have been set up to coordinate the stakeholders. The Task of the National SME Task Force includes the review of existing policy and its implementation, as well as the formulation of recommendations for future policy formulation. SME Councils organize stakeholder consultations and make contributions to regional economic development.

### B. Presentation on policy reform in Thailand

Dr. Supriya Sithikong, Department of Industrial Promotion, Royal Thai Government

Ms. Supriya Sithikong described the strategies of the Thai Government to foster the development of Small and Medium-Sized enterprises. In particular, the Government pursues the following seven strategies:

- Upgrade technological & management capabilities of SMEs.
- Develop entrepreneurs and human resources of SMEs.
- Enhance SMEs' access to markets.
- Strengthen financial support system for SMEs.
- Provide conducive business environment.
- Develop micro enterprises and community enterprises.

- Develop networking of SMEs and clusters.

The Small and Medium Enterprises Promotion Act (2000) gives the administrative tool to pursue these strategies. Under this Act, an SME Promotion Committee has been set up to develop an Action Plan containing programs, projects and incentives. This SME Promotion Committee is chaired by the Prime Minister. At least six of its members are nominated by private-sector organizations and at least three are regional SME operators. The committee will make proposals for further policy reform in Thailand, such as granting privileges to SMEs under existing laws and amending laws and regulations to remove barriers and disadvantages for SMEs.

Ms. Sithikong also presented the results of an analysis where different sectors of the economy were classified by the level of customisation and by their level of technological sophistication. According to the characteristics of the sector, the emphasis of the public support can be adapted. For example, sectors with a low level of technology but a high level of customisation, such as handicrafts, can be supported by building on indigenous know-how and promoting design. High-tech sectors, on the other hand, may benefit more from promoting joint ventures and building up intellectual properties.

### C. Presentation on policy reform in East Timor

Mr. Vincent Ximenes, Head of Tourism, East Timor

Mr. Ximenes presented the efforts of the East Timorese Government to stimulate economic development and the development of small enterprises in particular. The Government has elaborated a Draft Policy on Commerce, Industry and Tourism. This sectoral strategy to foster the development of tourism in East Timor is a cornerstone in the efforts to overcome the difficult economic situation. The tourism sector can provide much-needed opportunities for small enterprises and can develop links between rural industries and the retail sector. The Government is actively contributing to this strategy by seeking partnerships in investment between the private and public sectors, especially for major infrastructure projects which are necessary to foster tourism.

### Panel discussion

Mr. Saleh Thaher, Dr. Supriya Sithikong, Mr. Vincent Ximenes, Mr. David Lamotte, MDT Specialist, ILO-SEAPAT Manila, Mr. Max Iacono, MDT Specialist, ILO-EASMAT Bangkok

In the context of Simon White's presentation in which 4 major components on SME policies were outlined, the country presenters from Indonesia, Thailand and East Timor were asked where they experienced bottlenecks in relation to (a) developing the knowledge base for SME development; (b) the political dimensions affecting the

policies; (c) developing the appropriate policy framework; and (d) implementing the policies.

In East Timor, problems have been experienced in developing the appropriate organizational framework, given that the country is going through the important stages of nation building. In the case of Thailand, the only significant problems have been experienced at the stage of implementation. Further, there is much more knowledge about SME industries than about the trading and services sector. In implementation, there is a large number of agencies and coordination among them has traditionally been weak. Effort also has to be made to create mechanisms for monitoring and evaluation and assessing the impact of policy support on SMEs. The capacity of national consultants and trainers needs to be developed. For Indonesia, the political uncertainties arising from changes of leadership, as well as the uncertainties surrounding the politicization of SME development, are a source of concern. Decentralization is also an issue.

Panellists were also asked about the implementation at the various levels – macro, meso and micro. Who coordinates work at the various levels? Who takes leadership? What is the balance between Government involvement and that of other actors, such as the private sector, and even the ILO? What processes review the continuing relevance of the SME policies?

In East Timor, in developing the SME policies in relation to the tourism sector, it is important to have a vision that can balance the needs of the host community, the investors and tourists.

The question was asked based on Pakistan experiences – how can SMEs develop and adapt in the context of globalization? This was amplified in considering specific as well as non-specific aspects of policies that relate to SME development, and also has a bearing on the policies being adopted by governments – e.g. high road or low road development strategies. The issue of how best technology can travel to MSEs was also raised (e.g. via governments and policies; private sector; BDS providers; new businesses and new sectors).

In Thailand, considerable emphasis is being given to developing enterprises (MSEs and community enterprises) involved in cultural, artistic and market niche activities, as well as on national agricultural resources. These are valuable niches, and growth should not only be seen in terms of hi-tech developments. It is important to marry latest technologies with development of the “one village, one product” approach. Thailand has been giving much emphasis to improvements in quality, productivity and innovation and a computerized database of innovations is being developed. In Indonesia, value is being added through fish processing, and situations where large companies provide technologies to small entrepreneurs and farmers. Product quality and use of appropriate technologies were also important. In East Timor, dissemination of technologies is very important, and business development centres are being created to facilitate that process.

It was also felt that larger enterprises were the ones that coped relatively badly in the context of the Asian crisis, while SME promotion and the reform of policies were driven by the crisis. The crisis put SME development on the political agenda.

From Viet Nam, the question was asked about who organizes MSE promotional activities, and who does BDS. In Indonesia, government is very active in BDS provision; MSEs willingness to pay for BDS is low; services to women entrepreneurs are provided free and even accompanied with allowances. What are the viable

alternatives to these approaches? In East Timor, enterprise empowerment and capability building are important.

In terms of financial provision, why should SME bank policies be any different from commercial bank policies? In Thailand, the activities of the “SME bank” are of marginal relevance (e.g. about 0.1 per cent of all finance goes through that channel).

## ***Day 2 (Tuesday, 15 May 2001)***

### Overview of national policy reform efforts (2)

#### D. Presentation on policy reform in Viet Nam

Mr. Pham Quang Ngoc, Vietnam Chamber of Commerce and Industry, Viet Nam

Over the last years, the share of the private sector in Vietnamese total employment and in GDP has increased. Mr. Ngoc presented the reform efforts of the Vietnamese efforts of policy reform in the context of the economic strategy of *Doi Moi*. Several of the policy reforms are particularly important for micro and small enterprises:

- Under the new Enterprise Law (2000), the registration procedure for enterprise has been simplified. The delays for enterprise registration are now much shorter than they used to be.
- In Ho Chi Minh City, a pilot programme for online registration of enterprises has been introduced.
- During 1998 and 1999, the Vietnamese government has carried out comprehensive trade liberalization. Trading rights have been freed up and import licenses abolished.
- New channels to enable micro and small enterprises’ access to credit are being introduced. The main problem to be addressed is that MSEs often find it difficult to demonstrate creditworthiness before actually accessing credit.

#### E. Presentation on policy reform in Pakistan

Mr. Azir Manzur, Small and Medium Enterprise Development Authority, Pakistan

The creation of the *Small and Medium Enterprise Development Authority* (SMEDA) in 1998 has been one of the key efforts of the Government of Pakistan to bring about MSE policy reform. Mr. Manzur presented the two different phases of SMEDA’s work until now.

A crisis situation due to the debt burden of the country and a growing trade deficit led the Government to create SMEDA in 1998. Large enterprises were perceived to have failed to solve these problems, whereas small and medium-sized enterprises had a huge but largely unexploited economic potential. SMEDA's first assignments were sectoral in character. SMEDA carried out in-depth sector studies and designed sectoral support strategies for SMEs, even though doubts existed with regard to the sustainability of such sector support.

Since March 2000, SMEDA has taken a different focus in order to convert itself into the main policy recommendation body on SME policies. SMEDA is now focussing on cross-sectoral research programmes and policy design. The policy research activities currently carried out by SMEDA will lead to recommendations to the Government to change the policy environment for small enterprises. SMEDA also aims to bring the concerns of the country's small enterprises closer to the Government's ear.

#### F. Presentation on policy reform in the Philippines

Ms. Bernadette Montelibano, Chief, Trade and Industry Development Specialists  
Department, Trade and Industry Bureau of Small and Medium Business Development

The cornerstone of SME policy reform was the enactment of the *Magna Carta for Small Enterprises* in 1991 (last amended in 1997). The *Magna Carta* provides the legal basis for the creation of Small and Medium Enterprise Development (SMED) Councils to strengthen the representation of SMEs in policy-making. While they have worked well to bring SME topics onto the policy agenda, one weakness has been the long delays caused by the need to obtain consensus within these Councils.

In addition to the creation of the SMED Councils, several other policies to support the country's SMEs have been introduced through the *Magna Carta*:

- Mandatory allocation of credit to SMEs: At least 6 per cent of the portfolio of all banks must go to small enterprises, and another 2 per cent to medium-sized enterprises.
- Providing assistance to women entrepreneurs: Government Financing Institutions are mandated through an Act to provide financial assistance to Non-Government Organizations which have a track record in providing support for the development of women's enterprises.

For the near future, several other SME policy reforms are anticipated:

- Establishment of Business One-Stop Centres.
- Establishment of an SME Stock Exchange.
- Creation of a Women's Business Enterprise Policy.
- New benefits for rural enterprises.
- Establishment of a Magna Carta for countryside and *Barangay* (micro) enterprises.

## Panel discussion

Mr. Pham Quang Ngoc, Mr. Azir Manzur, Ms. Bernadette Montelibano, Mr. David Lamotte, MDT Specialist, ILO-SEAPAT Manila, Mr. Max Iacono, MDT Specialist, ILO-EASMAT Bangkok, Mr. Gopal Joshi, MDT Specialist, ILO New Delhi

In reaction to questions from the plenary, the country presenters and the ILO panellists dealt with both country-specific and general topics:

The Vietnamese government is concerned that many enterprises in *Viet Nam*, especially SMEs, may lack international competitiveness. The introduction of computer-based simplified trade procedures has been hampered by the constraints which the country faces in terms of Information Technology. Hence, trade policy reform in Viet Nam, though substantial, has been implemented gradually.

Another interesting aspect of the Vietnamese presentation was the central role of the *Vietnam Chamber of Commerce and Industry* (VCCI), an Employers' Organization, in the country's policy reform. This shows that policy reform does not always have to rely on governments as leading force.

The necessity of the Special Regulation to support women-owned enterprises was re-examined in the light of the relatively low degree of gender inequality in *the Philippines*.

In *Pakistan* as well as in other South Asian countries, there is a huge "informal sector" consisting of a high number of micro enterprises. One interesting question is whether the complex policy and legal environment in these countries is a main reason for the huge informal sector. But the causality could also run in the opposite direction: The huge informal sector makes the policy and regulatory environment largely ineffective.

The important role of institutions in small enterprise development was also highlighted during the discussion. This goes beyond the mere existence of policies and laws: institutions at different levels are necessary make an enabling environment for small enterprises.

## Meetings and presentations of the groups

The three groups were encouraged to structure their discussion around the following questions:

- 1) What are your main concerns in SME development (Policy environment)?
- 2) What is the key role of the organisations in addressing these concerns?
- 3) What recommendations can we make (action oriented)?
- 4) What are the recommendations for how the ILO can add value to the work of your organisations?

## Employers' Group

### **1) Key Concerns**

The Employers' Group discussed the key concerns for small enterprise development in the Context of the ILO Recommendation Nr. 189. If small enterprises are to exploit their full potential of employment creation, contribution to GDP and poverty alleviation, several obstacles need to be overcome.

Small enterprises are often to be found in the informal sector of the economy. While they do not benefit from the access to Government incentives and services, they often do not need to comply with costly regulations either. Therefore, situations may arise where small enterprises prefer to stay informal and "hidden", instead of growing. Due to this, small enterprise employees also have lower wages and benefits than employees in larger firms. Bringing small enterprises into the "mainstream" of the economy is therefore a key concern for the employers.

Moreover, there is a kind of "vicious circle" which keeps small enterprises from growing: In order to grow, they need access to credit. In order to have access to credit, however, they need a track record that shows their ability to successfully expand their business. Other concerns relate to small enterprises' access to entrepreneurial skills and needed infrastructure. Moreover, small enterprises typically lack the necessary knowledge about markets and available support services, as well as access to any useful statistical information.

While it was recognized that governments often design useful policies to address all the concerns mentioned above, good policies are not always implemented.

In sum, small enterprises need to be encouraged to formalize and to expand by lowering the costs of complying with regulations and providing them with access to credit, management training, information and infrastructure. Governments should focus specifically on the implementation of policies.

### **2) Key Roles Played by Employers' Organizations**

Employers' Organizations have contributed in various ways to address the concerns outlined above.

They have organized seminars on MSE issues, provided training and encouraged MSEs to join their organizations. They have provided services, such as counselling, to MSEs. In some cases, seats on Employers' Organizations' boards have been reserved especially for MSEs to increase their participation and make their voice heard. They have included MSE topics in their lobbying efforts towards Governments.

All these activities can contribute to bring MSEs into the mainstream of the economy by giving them voice, representation and organizational support.

### **3) Specific Recommendations for Employers' Organizations**

Employers' Organizations should continue their activities in favour of MSE development. In particular, the following types of activities are recommended:

#### a) Advocacy

Employers' Organizations should take a strong position in political debates to make their points of view known. They should also publicize their concerns and points of view through mass media. For example, they can advocate in favour of measures to soften the adverse effects of globalization and trade liberalization.

#### b) Research and Publications

As MSEs often lack the necessary information to run and expand their business, Employers' Organization can help them by carrying out research on various topics (such as market access, management techniques, technological upgrading) and provide information on these and other relevant matters to MSEs.

#### c) Facilitating access to credit

Employers' Organizations should take an active role in improving MSEs' access to credit. This can be achieved through credit unions or by participating in guarantee schemes.

#### d) Labour relations

Conflictive industrial relations with emerging trade unions can be particularly problematic in the small enterprise sector and in some cases constrain their development. Initiatives aiming at harmonious labour relations are therefore particularly useful for small enterprises.

#### e) Coordinating and cooperating with Community Organizations

Employers' Organizations should coordinate and cooperate with existing Community Organizations to promote projects in favour of MSEs and provide them with protection.

#### f) Implementation of Policies

The problems of implementation of government policies were identified as a key concern. Employers' Organizations should help overcome this problem by developing proposals on how the implementation process could be accelerated.

### **4) Specific Recommendations for the ILO**

The ILO can help the Employers' Organizations to address the challenges of MSE development in the following ways:

- Capacity building: This includes training programmes as well as seminars and workshops.
- Research and Publications: This includes running surveys and research, as well as providing data on MSE development.
- Advocacy: The ILO can help Employers' Organizations to address the challenges of MSEs by advocating for measures to cushion the impact of globalization, especially on MSEs. ILO's advocacy efforts are also important to promote harmonious industrial relations.

## Workers' Group<sup>2</sup>

### Country priorities

The discussion in the Workers' Group came to the following country priorities with regard to MSE employment concerns:

**Philippines:** It is important to have capable workers' representatives as part of a national body that makes policies on SMEs. In most discussions during the workshops this has not been mentioned as part of tripartite discussions. Other important issues are access to benefits/social protection/improvement of skills and also to address policies that do not allow MSE workers to be part of trade unions. Networking and alliances are important. Government, employers and worker's organisations should become active partners and advance laws and services to the MSE sector. Another concern is subcontracting/informalisation in which companies in the formal sector subcontracts to MSEs in the informal sector, thereby making it difficult to protect workers rights, since these are unorganised.

**East Timor:** Keeping development priorities within each country focussed is important. It is important to protect the people who work. The presentations in the workshop so far in terms of national policies have been very general. Policies need to be more specific in order to protect workers. A major concern is labour regulations. Workers have to create good relationships with employers and governments and work actively with them. In East Timor there is a problem-focussed approach, if cases are brought to the unions.

**Cambodia:** Critical situation in small enterprise as most employers do not respect the labour law. Employers should be persuaded to respect the labour law through tripartite consultations with workers' organisations. Trade unions have some projects to reach workers in MSEs, but mostly it is difficult to reach the employers. Attempts to contact employers to discuss workers issues should be made more strongly. ILO could assist to organise a project to advocate that government, employers and governments get together to discuss policies for MSEs as well as how to make regulations and strike agreements between employers and workers. ILO could facilitate communication.

**Indonesia:** Training to workers in the informal sector is important. Organise members through the creation of cooperatives. Networking with MSE workers and organising of MSE workers is important. Strategy and focus need to be enhanced.

**Viet Nam:** It is important to protect the rights of the workers in SMEs. At this point in time it is only workers from larger enterprises that are organised. An effort has to be made to organise workers in MSE to become members of the existing trade unions, which on the other hand here to extend and broaden services to workers in MSEs as well.

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<sup>2</sup> Present in the Workers' group were representatives from Cambodia, East Timor, Indonesia, Viet Nam and the Philippines.

## **Outcomes of the discussion**

### **1) Key concerns**

There was general agreement on the fact that policies and laws on small enterprises do exist in many countries. There was a concern, however, that these were dealt with the enterprise as a unit and not so much with the conditions of work within the enterprise. Therefore, there is a need for making policies and laws more specific to also cover workers rights within small enterprises in which there presently is inadequate protection. It was felt that many employers lack awareness of national labour codes. Furthermore, attempts should be made at organising workers in small enterprises. A concern regarding the lack of tripartism in the formulation of national policies, laws and regulations was also voiced. The workers' representatives clearly felt that the consultation process should be broader and that workers' organisations should be present at the table where policies and laws are drafted. Finally, a concern was expressed to the potential danger of subcontracting from larger to smaller enterprises, the so-called informalisation of production chains. Many larger enterprises, which regularly are being inspected sub-contract to smaller enterprises that are not under the same control mechanisms by labour inspectors.

### **2) Key Roles Played by Workers' Organizations**

A number of concrete proposals were made on what the workers' representatives would do when returning to their country after the policy workshop. The workers' representative from the Philippines would make a request to become active member of the Small and Medium Enterprise Development council in the Philippines, which is the national agency dealing with the concerns of small and medium enterprises. The representative from Cambodia would work on establishing a strategy for organising workers in small enterprises with workers' organisations as well as other non-governmental organisations. The representative from Indonesia would also work on having workers' representatives included in policy discussions with the government and thus enhance the tripartite process in policy making. The East Timor representative would work on enhancing tripartism and furthermore actively seek to include other social agencies in developing the country's young policies and institutions. The Viet Nam representative stressed the importance of organising MSE workers to become members of existing trade unions and would start discussions.

### **3) Specific Recommendations for Workers' Organizations**

The following specific recommendations for Workers' Organisations were made:

- All representatives recommend that more knowledge about the small enterprise sector in each country is compiled and used to underline importance of the sector, as well as articulate its needs.
- Strengthen tripartism at the national level between governments, employers and workers by forming alliances, coalitions and networks and solve problems in a tripartite manner
- Within each country, work with existing workers' organisations to improve services to members as well as taking steps towards including unorganised workers in small enterprises.

#### **4) Specific Recommendations for the ILO**

It was recognised that the ILO should play an important role in:

- Assisting workers' organisations in developing national models and best practices to assist workers' organisations in widening their membership base to include the many unorganised workers in small enterprises.
- Assist each country in setting up national policy frameworks promoting small enterprises using tripartite principles by bringing together government, employers' and workers' organisations to discuss policy issues related to small enterprises.

<h3>Government Group</h3>
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The outcomes of the discussion in the group of government representatives were summarized as per the matrix below with regard to the government representatives' main concerns, the key roles of governments in addressing these issues and concerns, and what action should be taken.

	<b>Government's role</b>	<b>Issues and concerns</b>	<b>Recommendations for action</b>
<b>Policy, legal and regulatory environment</b>	Enabling / conducive Consulting Reviewing / reforming	Over-regulation Not enough regulation Favourisms Piecemeal reviews of SME laws Lack of consultation Old laws remain in use Corruption Pressure groups Loop holes Tensions between employer and worker representatives	Remove barriers Review policies (monetary, fiscal, labour, anti-monopoly, etc) Include key players in reviews, incl. the private sector Empower local governments Protect vulnerable groups
<b>Provision of services</b>	Leave to the private sector when the environment is conducive Match-making between needs/provision Planning Subsidize services for vulnerable population groups Prioritise provision of credit and management skills	How support vulnerable groups and under-developed regions? Tariffs and trade barriers protecting unviable sectors	"Let the economic forces prevail"

The group of governments representatives identified five particular areas where ILO could support governments in their implementation of conducive SME policies:

- Build capacity of local governments for support of small enterprise development and train them in the provisions of Recommendations 189 (this was proposed by Indonesia and Thailand);
- Encourage local ILO offices to promote Recommendation 189 (Pakistan);
- Support establishment of databases on small enterprises which will facilitate governments' efforts to advocate for the sector (the Philippines);
- Disseminate best practice (the Philippines);
- Conduct workshops with ILO constituents to develop national, coherent and conducive SME policies (Viet Nam and East Timor).

## Final plenary session

The final plenary session sought first to discuss factors that encourage or limit the implementation of Recommendation 189 and its impact on job creation, considering the earlier agreed dimensions of knowledge, politics, policies and implementation.

### **Constituents' priorities**

Second, the meeting identified priorities for the social partners and concluded the following:

#### Governments

- Promote long-term and consistent development policies (Pakistan)
- Review laws that affect SMEs (Pakistan)
- Educate higher officials (Indonesia)
- Implement stakeholder workshops (East Timor)
- Introduce SED policy concerns to the NGO community (East Timor)
- Review the SME Plan in consultation with stakeholders (the Philippines)
- Introduce a conducive legal environment for SMEs (Viet Nam)

#### Employers

- Advocate for a more conducive environment for SMEs
- Determine the most effective entry point within the Government for SME advocacy

#### Workers

- Advocate for workers' conditions in SMEs
- Train trade unions on SME policy issues
- Participate actively in tripartite SME consultations
- Organise and involve the self-employed in SME consultations

### **Priorities for ILO assistance in SME policy**

The next session of the plenary highlighted specific areas where the ILO could be of assistance to its constituents:

- Training on SME policy (Cambodia);
- National conference on employment creation through SED (Cambodia);
- Review of the government's SME Plan (the Philippines);

- Strengthen government focal point institutions for SED.
- Strengthen the capacity of employers' organisations: training, surveys, workshops (Pakistan);
- Support employer's organisations' efforts to advocate against the negative effects of globalisation (Pakistan);
- Strengthen advocacy role of employers' organisations (the Philippines);
- Support outreach efforts (the Philippines).
- Strengthen the advocacy role of workers' organisations.

### **Priorities by country**

Finally, the workshop participants briefly conferred in country groups to prioritise what was most important and agreeable among each country's workers, employers and government representatives.

- Indonesia Promote existing SME policy.  
Disseminate it to the provincial and district levels.  
Implement the policy.
- East Timor Define SMEs in the local context.  
Increase awareness of the importance of SME policy.  
Formulate an appropriate SME policy.
- Pakistan Review laws that affect SMEs.  
Carry out a national census of SMEs.  
Build capacity of local governments to implement SME policy.
- The Philippines Review the SME Plan in consultation with all stakeholders.  
Disseminate the reviewed SME Plan to all stakeholders.  
Strengthen the capacity of local governments to implement the SME Plan.
- Thailand Establish the legitimacy of SME representation.
- Viet Nam Establish a regional recognition of SMEs.  
Determine an action plan in the region for SME support and allocate tasks among international agencies that support SMEs.  
Lobby for SMEs *vis-à-vis* the Government.

Cambodia      Increase awareness within the Government for the importance of SMEs on employment.  
Define SMEs based on turnover or assets.  
Collect data on SMEs.

The above list of identified priorities for constituents and nations reflect the diversity of the region. Ms Evans-Klock summarised the priorities as follows:

- Strengthening local governments' capacity to introduce supportive policies for SMEs;
- Capacity-building of employers' and workers' organisations to enable them to advocate for an enabling environment for SMEs;
- Dissemination of practical and relevant training and tools for analysis and improvement of the policy and regulatory environment.

### ***SEED's conclusions***

The regional workshop demonstrated the importance that national stakeholders attach to micro and small enterprises in the seven countries. In all seven countries, important efforts are made to design and implement policies so as to reap the benefits MSEs can bring in terms of employment creation and poverty alleviation.

While the situation naturally varies across countries, one important point in several countries was the difficulty of implementing policies on the ground. The role of local government authorities therefore merits special emphasis in future efforts to improve the policy environment for small enterprises. One notable common concern was equipping smaller enterprises to be competitive in global markets.

The ILO hopes that the workshop has provided elements and ideas for participants to initiate follow-up activities along the lines of the ideas discussed during the workshop. These follow-up activities would generally take place at the national or local level. The ILO can provide technical support within the limitations of its resources, and would be grateful to receive reports about any of the activities carried out in the seven participant countries.

## **Appendix 1- Participants' key concerns on small enterprises**

In preparation of the training workshop, participants were encouraged to fill in a brief questionnaire about the main concerns and the official view of micro and small enterprises in their country. This included:

- The definition of micro and small enterprises in their country.
- The importance given by policy-makers to employment creation, GDP and poverty alleviation through MSEs.
- Concerns regarding the employment situation in MSEs.
- Policy responses to these employment concerns.

The main trends that emerge from the returned questionnaires (corresponding to more than half of the participants in the meeting) are summarized below.

### **Definition of MSEs**

The definitions of micro, small and medium-sized enterprises cited by participants rely on different criteria. In some cases, these criteria are quantitative in nature (such as employment or investment in the enterprise), while other definitions are based on qualitative criteria (such as “family-owned”, the type of technology used, etc.).

In some cases, the different participants from one country shared the same definition. In other countries, however, different participants from one country mentioned up to three different definitions. This may not in itself indicate a problem, as in some cases different definitions may correspond to different classification needs. However, many participants stated that they do not believe the definition in their country is adequate. Frequently mentioned problems were that definitions are not updated (e.g., adjusting investment thresholds in national currency to inflation) or not comprehensive enough.

Given the diversity of definitions within one country and the lack of satisfaction with these, it appears that it would be useful for national stakeholder to engage in a discussion about the definition for MSEs in their country to ensure a common understanding and to have a base for policy reform and policy implementation.

### **Importance given to MSE contributions**

Most participants agreed that policy-makers in their countries attached “some” or “great” importance to the contributions that MSEs can make in terms of employment creation and poverty alleviation. It can be concluded that MSEs are already on the policy agenda of most countries.

### **Employment concerns**

The concerns of workshop participants with regard to the employment situation in MSEs fall mainly into three categories:

- Lack of access to resources (credit, skills, infrastructure, etc.)
- Lack of protection for MSE workers (minimum wages, social security, etc.)

- Too many or too complicated regulations

### **Policy responses**

Participants provided a rich range of policy responses in response to the concerns mentioned above. The following examples only refer to one specific field of concerns, i.e. the adequate design and enforcement of regulations for MSEs:

- Broaden coverage of existing laws to include MSE workers.
- Review number of regulations.
- Reduced levies for MSEs.
- Enforce laws and regulations consistently.

These policy priorities demonstrate country stakeholders' efforts to address the multiple challenge of MSE employment. In particular, they attempt to provide protection to MSE workers while at the same time enabling MSEs to develop dynamically and to create more jobs.



ILO InFocus Programme  
Boosting Employment through  
Small Enterprise Development

## Regional Training Workshop on Developing a Conducive Policy Environment for Micro and Small Enterprise Development

— 14-15 May 2001 —

### PROGRAMME

Imperial Queen's Park Hotel  
Bangkok, Thailand

#### DAY ONE (Monday, 14 May 2001)

8:30AM Registrations

9:00AM Official opening

*Speakers: Mr. Yasuyuki Nodera, Director, ILO Regional Office for Asia and the Pacific*

*Mr. Elawat Chandraprasert, Permanent Secretary of Ministry of Labour and Social Welfare, Royal Government of Thailand*

9:30AM Introduction of programme and purpose of meeting

*Speaker: Mr. Michael Henriques, Director, Job Creation and Enterprise Development Department International Labour Organization, Geneva*

9:45AM Overview of concerns regarding generating employment through micro and small enterprises

*Speakers: Representative of Workers' Organization  
Representative of Employers' Organizations*

## Appendix 2 : Workshop agenda

10:30AM MORNING TEA

11:00AM ILO's work to promote decent work through micro and small enterprises

*Speaker: Ms. Christine Evans-Klock, Director, IFP/SEED  
InFocus Programme Boosting Employment through Small Enterprise  
Development;  
International Labour Organization, Geneva*

11:25AM Overview of Recommendation 189: Addressing critical factors such as its mandate; the roles of social partners; fields of activities promoted; job quality concerns; and gender dimensions

*Speaker: Mr Simon White, Workshop Facilitator, IFP/SEED, ILO*

12:10AM Gender dimensions to MSE promotion

*Speaker: Mr. Gerry Finnegan  
Women's Entrepreneurship Development and Gender in Enterprises  
IFP/SEED, International Labour Organization*

12:30PM LUNCH

2:00PM A framework for assessing and reforming the policy and legal environment for micro and small enterprise development and job creation

*Speaker: Mr Simon White, Consultant, IFP/SEED  
International Labour Organization*

2:30PM Questions and discussion

### **OVERVIEW OF NATIONAL POLICY REFORM EFFORTS (Part one)**

*[Chairperson to be selected from among the Workers' representatives]*

2:45PM Presentation on policy reform in *Indonesia*

*Speaker: Mr. Saleh Thaher, Office of the State Minister for Cooperatives and  
SMEs*

3:05PM Presentation on policy reform in *Thailand*

*Speaker: Dr Supriya Sithikong  
Department of Industry Promotion  
Royal Thai Government*

3:25AM Presentation on policy reform in *East Timor*

*Speaker: Mr. Vincent Ximenes  
Head of Tourism, East Timor*

3:45PM AFTERNOON TEA

4:15 PM **Panel discussion** (Questions and discussion on country presentations)

*Dr Supriya Sithikong, Royal Thai Government  
Mr. Saleh Thaher, Indonesia Government  
Mr. Vincent Ximenes, East Timor*

## Appendix 2 : Workshop agenda

*Mr David Lamotte, ILO South-East Asia and the Pacific Multidisciplinary  
Advisory Team, Manila*

*Mr Max Iacono, ILO East Asia Multidisciplinary Advisory Team, Bangkok*

5:15 PM Review of Day One  
*Facilitator: Mr Simon White, Workshop Facilitator, IFP/SEED  
International Labour Organization*

5:30PM Closure of Day One

Day Two (Tuesday, 15 May 2001)

9:00AM Review of Day One  
*Simon White, Workshop Facilitator, IFP/SEED*

**OVERVIEW OF NATIONAL POLICY REFORM EFFORTS (Part two)**  
*[Chairperson to be selected from among the Employers' representatives]*

9:05AM Presentation on policy reform in *Viet Nam*  
*Speaker: Mr Pham Quang Ngoc  
Small and Medium Enterprise Promotion Centre  
Vietnam Chamber of Commerce and Industry*

9:25AM Presentation on policy reform in *Pakistan*  
*Speaker: Mr. Asir Manzur  
Chief Operating Officer  
Small and Medium Enterprise Development Authority*

9:45AM Presentation on policy reform in *the Philippines*  
*Speaker: Ms. Bernadette Montelibano  
Chief, Trade and Industry Development Specialist Department  
Trade and Industry Bureau of Small and Medium Business  
Development*

10:05AM **Panel discussion** (Questions and discussion on country presentations)  
*Mr Pham Quang Ngoc, VCCI, Viet Nam  
Mr. Asir Manzur, SMEDA, Pakistan  
Ms Bernadette Montelibano, Government of the Philippines  
Mr Max Iacono, ILO East Asia Multidisciplinary Advisory Team, Bangkok  
Mr. Gopal Joshi, ILO South Asia Multidisciplinary Advisory Team, New Delhi  
Mr David Lamotte, ILO South-East Asia and the Pacific Multidisciplinary  
Advisory Team, Manila*

10:45AM MORNING TEA

### **REPRESENTATIVE DISCUSSION GROUPS**

*These discussion groups will address the critical concerns in the region for representative organizations in the implementation of Recommendation 189.*

11:15AM Formation of representative groups for concurrent discussions

## Appendix 2 : Workshop agenda

Group I: Employers Discussion Group  
*Facilitator: Mr Gopal Joshi, MDT Specialist, New Delhi*  
*ILO Rapporteur: Mr Gerhard Reinecke, IFP/SEED, ILO*  
*The Group Presenter shall be selected by the Group.*

Group II: Workers' Discussion Group  
*Facilitator: Mr David Lamotte, MDT Specialist, Manila*  
*ILO Rapporteur: Mr Jens Christensen, IFP/SEED, ILO*  
*The Group Presenter shall be selected by the Group.*

Group III: Government Discussion Group  
*Facilitator: Mr Max Iacono, MDT Specialist, Bangkok*  
*ILO Rapporteur: Mr Martin Clemensson, IFP/SEED, ILO*  
*The Group Presenter shall be selected by the Group.*

12:30PM LUNCH

### ***REPORT BACK FROM DISCUSSION GROUPS AND PLENARY***

*Facilitator: Mr. Michael Henriques*

*The report back session in the afternoon will summarise the various concerns on issues, including the quantity of job creation through MSE development; the quality of employment in MSE; equal opportunity; and other issues addressed within the discussion groups.*

2:00PM Report back from Employers Discussion Group  
*Government Discussion Group Presenter: To be selected by the group*

2:10PM Questions and discussion on Employers report back

2:20PM Report back from Workers' Discussion Group  
*Government Discussion Group Presenter: To be selected by the group*

2:30PM Questions and discussion on workers report back

2:40PM Report back from Government Discussion Group  
*Government Discussion Group Presenter: To be selected by the group*

2:50PM Questions and discussion on government report back

3:00PM AFTERNOON TEA BREAK

3:30PM **Final plenary discussion:**

Identify factors that encourage or limit further implementation of R-189 and its impact on job creation. Special emphasis shall be given to agreed priorities addressing:

- Priority actions for Employer Organisations at national and regional levels
- Priority actions for Worker Organisations at national and regional levels

## Appendix 2 : Workshop agenda

- Priority actions for Governments at national and regional levels
- Support from the ILO: in research, advocacy and technical cooperation

*Facilitator: Mr Simon White, Workshop Facilitator, IFP/SEED*

5:15PM Closing remarks

*Speakers: Ms Christine Evans-Klock, Director, IFP/SEED  
Representative ROAP*

5:30PM Close of regional training workshop

## **Appendix 3- List of participants**

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**ILO Regional Training Workshop on**  
**Developing a Conducive Policy Environment**  
**for Micro and Small Enterprise Development**  
**(Bangkok, Thailand, 14-15 May 2001)**

**List of Participants**

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