

Sustainable enterprises

Thematic Dialogue 8

1. Need for enterprises that are sustainable

- Jobs recovery requires sustainable enterprises –private, public or social
- Critical situation of many SMEs (major source of jobs):
 - Affected by credit crunch disproportionately, aggravating existing problems in developing countries
 - Crisis measures often do not reach SMEs
 - Need to avoid race to bottom, endangering decent work

2. Possible policy avenues

- Make sure that SMEs benefit from crisis measures
 - Specific credit measures for SMEs, efficient tax treatment
 - Make available to SMEs shorter hours support, public job-intensive investments, jobs credit scheme, training
 - Take advantage of job potential of stimulus packages --e.g. green investments and response of SMEs, worker skills
- Broader measures for sustainable enterprises
 - Reduce registration requirements, promote women entrepreneurs, returned migrant workers
 - Promote move from very small to small firms: potential for decent work opportunities and innovation
 - Preventing race to bottom: promote core standards and other crisis-relevant standards, CSR, ILO Tripartite Declaration on MNEs

3. New approach to financing enterprises

- Change of focus needed –will help decent work!
 - From short-term to long-term orientation
 - From speculation to needs of the real economy
 - Address credit requirements of SMEs, not just larger
 - New credit approach in developing countries

- Equity fund for banks in least developed countries, with international support, subject to proper corporate governance

- Link job-centered measures with microfinance, supported at national/international levels

4. Role of ILO

- Participate in technical cooperation with other IOs, notably as regards financing SMEs

- ILO Tripartite Declaration