SUSTAINABLE ENTERPRISE DEVELOPMENT

Promoting employment creation, decent work and economic development
The ILO’s mission is to increase opportunities for **decent work**.

Our goal with **sustainable enterprise development** is to promote the large-scale creation of quality jobs.

Sustainable enterprise development is based on the **linkage** between good management practices and good labour practices.

Social dialogue and workplace relations sit **at the centre** of this relationship.
A sustainable enterprise operates a business so as to be viable, grow and earn a profit.

Sustainable enterprises recognizes the economic and social aspirations of people inside and outside the organization on whom the enterprise depends, as well as the impact on the natural environment.
Sustainable Enterprise Development

Economic Sustainability

Social Sustainability

Ecological Sustainability
Sustainable Enterprise Development

There has to be a business case!!!

Economic Sustainability

Social Sustainability

Ecological Sustainability
We focus largely on MSME development
Enterprise size and contribution to employment

- Micro enterprises
- Small and
- Medium
- Big
...being small has disadvantages...
• Market bias
  – Bigger enterprises have more internal resources (human, financial, managerial) that “protect” them from external changes

• Political bias
  – Bigger enterprises are better represented politically and have social capital

• Policy bias
  – Structural (specific incentives exist for specific economic sectors)
  – Procedural (time, distances, relative costs)
  – Attitudes of government actors
Majority below the poverty line.
Large majority have no written contract.
Most suffered work-related injuries or health problems in past two years.
Large majority has no access to formal social protection but cope through informal assistance.
No unions or associations, no collective bargaining.
Lower pay, less training, fewer promotions for women.
Job security largely depends on business success.
Intervention Point for Promoting Sustainable Enterprises

- Government / Policy Level
- Institutional Level
  - Social Partners and others
    - Trade Unions and / or Employers Organizations
    - Service providers, networks
- Enterprise Level
  - Large national enterprises
  - MNEs
  - SMEs
  - Micro and informal
- Individuals
Partial list of ILO ENTERPRISE Tools and Approaches

**ENABLING ENVIRONMENT FOR SUSTAINABLE ENTERPRISES**
- Training programme “Creating an Enabling Environment for Small Enterprise Development”
- Manual for participatory cooperative policy making
- Guide to ILO Recommendation 189
- Small Enterprise Development: An introduction to the policy challenge
- Guide to ILO Recommendation 193
- Guidelines for Cooperative Legislation
- Training course on cooperative policy and legislation
- Reaching out to SMEs: An electronic toolkit for employers’ organisations
- Assessing the influence of the business environment on small enterprise employment: An assessment guide
- Assessment Framework for Growth Oriented Women Entrepreneurs (GOWE)
- Labour and Labour-Related Laws and MSEs - A Resource Tool
- A Resource Guide on Upgrading MSEs
- Training COURSE: BUSINESS SKILLS FOR ARTISTS
- ENTREPRENEURSHIP AND ENTERPRISE DEVELOPMENT
  - General
  - Know about Business (KAB)
  - Start & Improve Your Business (SIYB)
  - Expand Your Business Programme (EYB)
- Training Course: Market oriented Business development Services
- WOMEN’S ENTREPRENEURSHIP DEVELOPMENT AND GENDER EQUITY (wedge)
- Sectoral and value chains upgrading with high employment creation potential
- A guide for value chain analysis and upgrading
- Value Chain Analysis for Policy-makers and Practitioners
- Socially sensitive enterprise restructuring SSER
- The Gender Sensitive Value Chain Analysis (GSVCA)
- Training course: Enterprise development through value Chains and Business Service Markets: A Market development Approach to Pro-Poor Growth

**Cooperatives**
- Human resource management in Cooperatives, Theory, Process and Practice, 2004
- Productivity in cooperatives and worker owned enterprises: Ownership and participation make a difference, 2005

**MATCOM (Material and Techniques for Cooperative Management)**
- SYNDICOOP Programme
- Local economic development
- Operational Guide for LED in Post-Crisis Situations
- Training course on “Strategies for Local Economic Development” (LED)
- DELCOOP - Course on “Generating LED processes through cooperatives”
- Training course: Sensitisation of policymakers regarding LED
- Local Employment in the Informal Economy: Course Guide
- Training Manual: DESARROLLO ECONOMICO LOCAL Y EMPLEO MATERIAL PARA PROMOTORES
- Distance learning course in Management of Local Development

**RESPONSIBLE AND SUSTAINABLE ENTERPRISE-LEVEL PRACTICES**
- RESPONSIBLE AND SUSTAINABLE ENTERPRISE-LEVEL PRACTICES
- Sustainability through Competitive and Responsible Enterprises (SCORE)
- Improve Your Working Environment and Business (I-WEB)
- Improving business through better working conditions
- Sustainable enterprise promotion through good workplace practices & human resource management

**MULTINATIONALS AND CSR**
- The Labour Dimension of CSR: from Principles to Practice
- Turin training course: The Labour Dimension of CSR: from Principles to Practice
- Turin training course: The Labour Dimension of CSR: from Principles to Practice
ILO Sustainable Enterprise Development: Enterprise Upgrading
Myth
Improving working conditions just raises business costs

Businesses need to grow before they can afford the luxury of job quality.

All that matters is the bottom line.

Reality
Improving working condition can increase profits

Investing in job quality is a means, not an end, of business growth.

Social responsibility contributes to a healthy, sustainable bottom line.
The ILO Sustainable Enterprise Approach

- Training / advisory programmes
  - Help get to sunny mountain
- Intense involvement with clusters of factories
- Dedicated local support for participants
- Worker / Manager approach to continuous improvement
- Working with local partner institutions to build capacity and spread impact
• Building HR skills and capabilities
• Promoting effective communication and information sharing
• Supporting involvement and worker participation
• Building a good work environment, one of respect and recognition of rights
• Sharing the resulting gains
Collaboration, respect, and involvement are the only ways to continuous improvement.
Structure of Enterprise Upgrading Programmes

- Tripartite Steering Committee
- ILO Government Employers/Industry Workers
- National Counterpart
- National Project Team
- Operational backstopping
- ILO sub-regional enterprise specialist
- Module Experts
- Service Providers
- Industry Association
- Marketing Organize collective action
- Training and Advice
- SME
- Subsidized delivery
- Management Information system
- WEB based performance tracking
- Commercial delivery
- Management Information system
- Management Information system
- Management Information system
- Management Information system
Higher Productivity, Safer Production, Better Management
Safety Linked to Productivity
Better use of valuable materials
Linking Working Conditions, Productivity and the Environment
Enterprise-level Environmental Sustainability

- Waste Prevention
- Resource Conservation
- Energy Conservation
- Process Modification
- Pollution Control
Thank you!

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Questions

• What is the role of the private sector in such work?
• Package of services vs discrete programmes – which works?
• Is there always a triple-bottom line?
• Can you charge fees for socially oriented enterprise services?
Questions

• How can we promote synergies between existing programmes here in Thailand?
• Shouldn’t we focus on enabling environment and policy level first?
• What is the purpose of pilot programmes?