

# ENTERPRISES in Action

## East and South-East Asia and the Pacific

**What is the general level of engagement with enterprises in your region/country? Is it increasing or decreasing? And what is the potential for additional engagement?**

**1.1** In the Mekong countries of **Thailand, Laos** and **Cambodia**, supported by ILO's Country Office in Bangkok (Bangkok-CO), there has been a growing interest in the ILO's enterprise work on responsible business practices, in particular from larger firms in export-oriented sectors. Resulting in part from external buyer pressure, Thailand has taken up CSR (Corporate Social Responsibility) as a driving principle of business, at least for those with exposure to international markets. Of course, across these three countries, some of the biggest productivity challenges and decent work issues are with SMEs, some linked to multinationals espousing good labour practices in their supply chains. Supporting larger firms to strengthen SMEs down through their supply chains, both in terms of competitiveness and labour practices, is an area of considerable potential. Similarly, entrepreneurship and its support is a theme that stretches across Asia, and for these three Mekong countries in particular. Both Cambodia and Laos have been actively supported through the ENTERPRISES programmes, using the formal education approach of Know About Business (KAB) as well as business training using community-based, peer learning tools that are highly scalable and sustainable. More recently, Think.Coop, a new training tool for those interested in cooperation and its benefits for improving businesses of potential members, was used in Cambodia and Laos with informal economy workers and disadvantaged youth.

**1.2** The ILO's engagement with enterprises in **China** has evolved over time. From a focus on adapting ILO business management training programmes and tools such as Start and Improve Your Business, KAB and Green Business Options in the past decade, today's cooperation with China has expanded to foster business competitiveness and productivity, promote equality of treatment and opportunities, enhance capacity to promote disability inclusive employment and reduce workplace accidents, manage occupational safety and health at work and encourage adoption of green practices. Partners of the ILO in these efforts come from different sectors, including national and provincial governments, workers' and employers' organizations, domestic private sectors, UN agencies, multinational enterprises and development partners. The common goal is definitively the increase in the quality and quantity of employment.

### *Editor's Message*

The ENTERPRISES Department, with this edition, continues its newsletter ENTERPRISES in Action. The information compiled here adds to data encompassed in the yearly Director General's report to the Governing Body of the ILO on the Enterprise Initiative, and to our Newsflash delivered to a wider audience. Thanks to ENTERPRISES in Action, we cast a better light on our activities in different regions or sub-regions and reflect more fairly the quality and the diversity of delivery of our team in the field. We are very much looking forward to your reactions and suggestions. The second edition of this series is devoted to **East and South-East Asia and the Pacific**, drafted by Charles Bodwell and Alix Machiels from the Decent Work Team in Bangkok, based on inputs from each of the country offices in East and South-East Asian and the Pacific.

### **Vic Van Vuuren**



**1.3** In **China**, the ILO's rich and successful experiences in enterprise engagement to achieve decent work provide a fertile ground for further expansion to address sector-specific interventions. The growing new forms of employment in the shared/gig economy call for more knowledge and innovation to achieve an enabling environment for responsible, sustainable businesses. Some enterprises have indicated their interests to partner with the ILO to share their responsible business practices and explore with the ILO new ways of addressing decent work challenges.

**1.4** Economic diversification through SME development projects is a key element of the Government of **Mongolia's** 2030 Sustainable Development Vision as SMEs have the potential to generate sustainable employment and reduce the country's dependency on the extractive sector. Due to funding constraints, the ILO's engagement with enterprises in Mongolia has been limited to strategic areas and to strengthening the capacity of the Mongolian Employers' Federation to assist their members increase productivity and competitiveness and mitigate business risks from natural disaster, especially in the wool and cashmere manufacturing sector. ILO translated and adapted My.COOP and trained herder cooperatives toward improving their management and resilience to crises. ILO contributions could also be further expanded to address decent work and productivity in the rural economy.

**1.5** In **Myanmar**, engagement with enterprises has been extensive. Since 2014, the ILO has been building the capacity of Business Development Service providers to deliver ILO business management training packages to SMEs. These include KAB, the Start and Improve Your Business package; the 'Leht Li' retailer training package, developed in partnership with Coca Cola; and the Business Eye Opener package, which targets rural entrepreneurs. Over 20,000 enterprises have now received training in one or more of these packages. The political and economic transition underway in Myanmar has generated major opportunities for SME growth, which creates significant potential for the continued and additional engagement of ILO in SME development. ILO also piloted Think.Coop, to promote the cooperative business model with members of rural trade unions, including farmers.



**1.6** The engagement with enterprises in the **Philippines** has increased in the last few years, particularly with SMEs in the different regions via the Employers Confederation of the Philippines (ECOP) which has a wide network with its regional chapters and the local Chamber of Commerce and Industry. The engagement is expected to increase as ECOP is now focusing on servicing its members, particularly SMEs, and is using ILO's products such as the In Business training tools to attract SME engagement. The ILO also plan to collaborate with ECOP to roll out the new disaster resilience toolkit that will involve more enterprise engagement.

**1.7** In the last 10 years, there has been a steady increase in CO-Suva engagement with enterprises in the **Pacific**. Employers' organizations have been providing the ILO with direct contact opportunities with enterprises. Recently, the demand for increased engagement can be seen through private sector recovery and preparedness programmes in response to disasters, including the establishment of the Young Entrepreneurs Councils (YEC) within the employers' organisations in the Pacific. In 2015 after category 5 tropical cyclone Pam devastated **Vanuatu**, a priority area identified was to work directly with micro enterprises to conduct training on business continuity planning (BCP) based on the Post Disaster Needs Assessment (PDNA). A total of 25 representatives from enterprises, including the Vanuatu Chamber of Commerce & Industry (VCCI) attended the ILO organised training. In 2016, with a similar occurrence in **Fiji**, the ILO in partnership with the government agency, Integrated Human Resource Development Programme (IHRDP), provided recovery support to approximately 30 micro enterprises effected by tropical cyclone Winston. Recently, with the ILO assessment on the impact on employment after tropical cyclone Gita in **Tonga**, ILO will undertake direct engagement with micro enterprises through the employers' organisation to provide training and implementation of BCP's for disaster recovery and resilience.

**1.8** Through the ILO Decent Work Country Programme (DWCP), engagement with enterprises in **Viet Nam** has become more proactive through development cooperation projects, notably, the Multinational Enterprises (MNE) Declaration electronics project (with the electronics sector business coalition as policy dialogue platform for the MNEs and their suppliers), the Formalization of the Informal Economy (with private sector companies) and SCORE (with SMEs to improve their productivity and working conditions). ILO has continued delivering technical assistance to constituents through national policy dialogues and in many cases by directly capacitating enterprises.

The interest on the part of ILO constituents to engage with MNEs and SMEs has increased. MNEs also have a growing interest in engaging with the broader business community in Viet Nam. ILO Viet Nam has also developed an integrated approach to foster a partnership approach between different development cooperation projects, including those mentioned projects and Better Work Viet Nam and the New Industrial Relations Framework programme working with both large sized enterprises and SMEs in the country, boosting the potential values-addition of the Enterprises programme.



**1.9** The level of engagement with enterprises in **Indonesia** is increasing rapidly. Enterprises are expected to engage more and more in contributing to the priorities of the Government of Indonesia and the Sustainable Development Goals. This trend could be observed in many priorities of the country, including for example, enterprise contribution in reducing the skills mismatch through quality apprenticeships, which the ILO Jakarta Office is currently facilitating. Another good example is the work on employment for people with disabilities, whereby the ILO is closely collaborating with the Indonesia Business and Disability Network. The potential for additional engagement for the ILO is considerable, as the ILO is the only UN agency with a tripartite structure. As Indonesia is moving to higher middle-income status, financial resources from development partners are decreasing and contributions from the private sector are expected to increase.

## Women in STEM Workforce Readiness and Development Program

### Engaging with enterprises

Targeting three countries and three sectors, namely the electrical and electronics sector in **Thailand**, automotive sector in **Indonesia** and information technology and business process outsourcing (IT-BPO) in the **Philippines**, the Women in STEM Workforce Readiness and Development Program supports enterprises and workers to close technical and soft skills and gender gaps affecting productivity and working conditions. Women are employed predominantly in jobs that require low skills in sectors grounded in science, technology, engineering and mathematics (STEM). Therefore, the project collaborates actively with SMEs and large-sized enterprises and HR leaders across targeted industries to ensure greater opportunity for women workers in STEM-related positions through higher entry, retention and advancement. This is done by institutionalising a peer learning training methodology and mentoring programme to boost critical soft skills and subsequently support career advancement of female employees. Thus, the engagement of enterprises, and their commitment to the project's goals of advancing women workers, is particularly important.

### Establishing partnerships

To up-skill women in entry and mid-level occupations, the project has developed a workplace-based peer learning training package and mentoring programme that develops critical soft skills, as part of the In Business family of tools. The project has engaged key public and private actors, including employer and worker representatives along with relevant enterprises in each sector, to promote enterprise-based training through a new addition to the ILO's In Business enterprise development family of tools. By partnering with these actors, the ILO helps enterprises in STEM-related sectors increase retention and advancement of female employees through in-company training and mentoring.

### Meeting companies' and women workers' needs

To ensure impact and sustainability, the project has developed a strategy to engage participating firms in co-financing training programmes and in facilitating work-based learning experiences among female employees. The soft skills and mentoring training programme has a direct impact on personal productivity, job satisfaction and working conditions, and aims to provide quality employment for women by enhancing or complementing existing human capital development programs. The ILO effort will allow human capital development of vulnerable and underserved female employees and subsequently improve productivity and working conditions in targeted sectors.

## What are the main forms of the engagement (e.g. requests for information from enterprises, meetings or participation in ILO activities, formal partnerships, other forms, etc.)?

**2.1** The ILO's work with enterprises in **China** today focuses on developing tools and services that will allow enterprises to improve their business practices. The enterprise is both the recipient of support but also the agent of change. In this regard, the ILO engages and aligns the interests of a range of actors such as government business consulting, trade unions, business and associations and/or disability employment support groups. The availability of tools and delivery capacity in applying modern labour and safety inspection techniques that combine enforcement and advisory support has successfully generated a conducive environment for improved business responsibility and demands for more services. Services that bring about responsible business practices have become an emerging market niche that remains to be further developed.

**2.2** Further, access to enterprises' data and practices is necessary for efforts to improve enterprise-based mechanisms in **China**, so that workers and employers are able to negotiate and agree on working conditions effectively. As part of the effort to develop a training programme on collective bargaining, national researchers associated with the "Rights at Work: Promoting Harmonious Labour Relations through Collective Bargaining in China" project rely on enterprises' willingness to give first-hand accounts about past collective bargaining processes and agreements from management personnel and workers. Cooperation of enterprises to release their staff to attend the training as well as allowing project personnel to provide post-training advice to staff is necessary for a successful approach to enhance the quality of collective bargaining in China.

**2.3** In **Indonesia**, the form of engagement varies. Direct engagement with enterprises takes place, for example through the Women in STEM program with the automotive sector and the ILO's Better Work programme with the garment sector. Another form of engagement is at the sectoral level where the ILO is working closely with the automotive and palm oil sectors through development cooperation projects. For example, the engagement with the Indonesian Palm Oil Associations called GAPKI through a development cooperation project "The Decent Work in Palm Oil Plantation in Indonesia" is particularly interesting as the private sector sees the significance of the engagement with the ILO in promoting working conditions improvement as well as preventing child labour in the palm oil industry. Another type of engagement is with employer's organizations and chambers of commerce which focuses more on advocacy and policy making.

**2.4** In addition to participating in the ILO-MONEF joint activities, **Mongolian** enterprises have cooperated with ILO's national partners, including the National Human Rights Commissions, in the research on labour rights and working conditions in small and medium enterprises. Findings have informed Mongolia policy makers on key issues for action and further stimulated national efforts to modernize labour market governance.

**2.5** In **Myanmar**, the main form of engagement has been training of trainers in ILO business management training packages. To date, over 1,300 trainers have been trained in one or more of these packages. The ILO also forms partnerships with large companies that have a willingness and capacity to support SMEs to grow. For example, the ILO developed a partnership with Coca Cola, which involved the ILO designing a business skills training package for Coca Cola retailers and a Training of Trainers package to implement this. Furthermore, the ILO is working to develop the institutional capacity of Business Development Service providers to develop a SIYB Platform to carry out key functions to ensure sustainability of SIYB in Myanmar. These functions are key to ensure the sustainability of SIYB in Myanmar and include fundraising, developing new training products, managing printing and distribution of training materials, and quality control of training.

**2.6** In the **Pacific**, the main form of engagement with enterprises is through their participation in ILO activities. At the national level, enterprise representatives participate in the national tripartite meetings to reflect their views in the employment and labour policy making process. At the enterprise level, the ILO works directly in selected industrial sectors in promoting OSH. As to enterprises engagement in disaster recovery, enterprises were involved in Post-Disaster Needs Assessment (PDNA) and ILO in-country assessments where they identify the support needed from the ILO as part of the recovery strategy. For example, the Taxi and Handicraft sectors were selected for identifying the Cyclone Gita impact on the private sector in **Tonga** in 2018.



**2.7** In the **Philippines**, the main form of engagement is to provide support to the enterprises to enhance their resilience, productivity and competitiveness. Our first engagement was through the In Business training modules, developed following the typhoon Haiyan in 2014. A number of modules were developed and a tested, before the ILO launched In Business in the Philippines in collaboration with the Davao City Chamber of Commerce and Industry in Nov 2016. ECOP since then continues to promote the programme and has informed that trainings were conducted by the local Chamber of Commerce and Industry, with ECOP providing technical inputs and assistance. ILO is now planning the roll out of the new disaster resilience tool kit for SME in the Philippines, targeting a few regions including Mindanao and Visayas.

**2.8** In **Viet Nam**, ILO has worked with the employers' organization (VCCI) to adapt and introduce the most updated version of the SIYB 2015 manual which has helped enhance the existing network of trained trainers and revitalize the SIYB training, while the GET Ahead training curriculum was incorporated in the Women' Union core training programme at both national and sub national levels. Both the SIYB and GET Ahead training packages have now been institutionalised and disseminated by VCCI and the Female Entrepreneur Association to different economic units in the informal economy with a special focus to rural women workers. In Viet Nam the ILO and its partners also translated and adapted My.Coop – Managing your agricultural cooperative” and conducted training with agricultural cooperative managers. The package has been rolled out by the Vietnamese Cooperative Alliance (VCA) to agricultural cooperatives across the country.

**2.9** Furthermore, with technical support from MULTI and DWT Bangkok, ILO **Viet Nam** has cooperated with the Ministry of Labour Inspectorate to run an awareness and labour inspection campaign in the electronics sector to better enforce the labour law in the sector and strengthen collaboration and partnership between the labour inspectorate and social partners (workers' and employers' organizations) and Viet Nam Electronics Industry Association towards improving sustained compliance. For the first time, wide consultations with the workers' organization (VGCL) and employers' organizations (VCCI and business associations) were held to solicit their inputs for drafting a risk mapping report and the national strategy for labour law compliance strategy in the electronics sector. The first business coalition on socially responsible labour practices for the electronics sector officially launched as a result of wide consultations with key stakeholders. The coalition provided a platform to exchange good practices in line with the MNE Declaration and aimed to enhance the voice of the MNEs and their suppliers as well as business associations in a broader policy dialogue.



**2.10 Thailand**, with its interest in supply chain practices, led the drive for the development of ASEAN's CSR guidelines on labour, a regional instrument that highlights both the Declaration on Fundamental Principles and Rights at Work (“The Declaration”) and the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration, updated in 2017).

**2.11** In **Cambodia**, the work of ENTERPRISES has largely targeted supporting entrepreneurship and micro / small businesses. Through partnerships with both government and NGOs, efforts have been made to support youth in exploring the potential of starting their own businesses – working with the Ministry of Education, Youth and Sport, KAB continues to move toward adaptation as the national secondary school curriculum for business education; at the same time, the Ministry of Labour has been working, together with Plan International, to support provincial employment centres to organize training using the ILO's Community-Based Enterprise Development tools for business skills training. Oxfam has similarly used C-BED to support women throughout a broad network of rural village savings banks. In August 2017, ILO brought together a variety of these partners to highlight the importance of entrepreneurship, while demonstrating the scalability of C-BED, through the organization of a Guinness Record breaking event, simultaneously training 2,304 young participants in the world's largest practical business seminar.

**2.12 Laos** has similarly benefitted from programmes based on C-BED and KAB, with the ILO working with a range of partners, including workers organization. There, together with JILAF (Japanese Labour Federation), the ILO supported the Lao Federation of Trade Unions (LFTU) to provide entrepreneurship training to union members. Similarly to **Cambodia**, the participatory approach of C-BED has been used to support a number of trade unions on strengthening their ability to negotiate, while also supporting union members in their aspirations for pursuing entrepreneurship.

## How has the engagement helped your office to achieve its objectives?

**3.1** In **China**, Enterprise engagement is an implicit implementation strategy of the ILO DWCP. By engaging enterprises, the ILO and its partners are able to obtain up-to-date employment issues, demonstrate real-world impacts and immediate results of ILO intervention, and effectively develop targeted policies, regulations and interventions. Enterprises have generative power as they explore and improve their businesses.

**3.2** Overall, as **Indonesia** is moving towards higher middle-income status, the engagement with enterprises is becoming increasingly crucial in improving employment outcomes, addressing employment challenges, and contributing to the priorities of the country and SDGs. The ILO Jakarta Office is in a good position to facilitate this engagement and implement the objectives of the DWCP together with the tripartite constituents.

**3.3** The participation of **Mongolian** enterprises in various activities of the ILO and its partners has supported the setting and implementation of the DWCP priorities in Mongolia, especially with respect to improving the quality of employment for youth.

**3.4** In **Myanmar**, engagement with enterprises directly supports the achievement of country objectives as set out in the DWCP where employment creation through SME development is a country priority outcome under Country Programme Outcome (CPO) 1.1. This greatest contribution to this objective has been made through the development of Business Development Service provision for SMEs.

**3.5** In the **Philippines**, the engagement with enterprise has not only enabled the ILO to provide support to SMEs, but also to understand their issues, local circumstances and existing support in the market. This is important for ILO's service development as well as advising ECOP on policy interventions.

**3.6** In the **Pacific**, direct involvement of enterprises in the ILO activities is vital for improving the quality of our services to meet their needs on the ground. For example, CO-Suva covered 11 member countries in a region that is vulnerable to disasters, including the impact of climate change on atoll member states. CO-Suva recognises the increasing frequency and intensity of disasters and has included this important component as part of its Future of Work discussions. CO-Suva is also championing the ILO's flagship programme on Justice & Peace for Resilience in the Pacific; therefore, its engagement with enterprise enables it to the office mandate and demand from member countries.

**3.7** Direct engagement with enterprises is considered as one of the most important priorities that will help the **Viet Nam** Office understand issues and challenges the constituents and enterprises are facing. One example is the electronics business coalition that is serving as a basis for establishing a national dialogue platform on socially responsible labour practices in Viet Nam. The platform established under this electronics project will contribute towards provoking wider policy dialogue in other economic sectors such as textile and footwear and wood processing etc. Enterprises were part of the action-oriented research (providing recommendations on the ways forward), and they are also part of the mentioned Coalition and its activities. Enterprises are also important actors in achieving the outcomes of the project interventions. For us, they were partners for action above all. This is in addition to their collaboration in generating valuable first-hand enterprise level information which indeed became critical inputs into the evidence-based dialogues and subsequent joint action in the industry.

**3.8** With both national and international firms operating in **Thailand** interested in ensuring socially responsible business practices and specifically labour practices, there is potential for considerable expanded engagement with firms, leading to projects like the EU-funded project on responsible supply chains – also involving five other Asian countries – and the Women in STEM project, with its enterprise-level soft skills component, that supports Thailand's electronics sector. The country programmes of both **Laos** and **Cambodia** highlight the objectives of supporting business and entrepreneurship skills training, and the institutionalization of these with local partners. With this in mind, the ILO has worked with an array of partners, including NGOs, employers' organizations, trade unions and government departments to strengthen their capacity to provide such support.





## SCORE Enterprise Engagement

### Engaging with enterprises

Sustaining Competitive and Responsible Enterprises (SCORE) is a global ILO Programme that improves productivity and working conditions in small and medium enterprises (SMEs), financed by the Governments of Switzerland and Norway. The key intervention of the programme is SCORE Training, which combines practical classroom training with in-factory consulting. The training demonstrates best international practice in the manufacturing and service sectors and helps SMEs to participate in global supply chains. Since the start of the programme, 680 enterprises (20% female-owned) have participated in SCORE Training in Asia, representing more than 150,000 workers. The service is currently being offered to enterprises in key sectors in **China, Myanmar, India, Indonesia** and **Vietnam**.

### Establishing partnerships

The SCORE Programme primarily builds capacity of public and private partner organizations so that they can engage better and provide better services to enterprises.

- ▶ In **China**, the SCORE Programme supports the State Administration for Worker Safety (SAWS) to improve their assistance to enterprises concerning occupational safety and health (OSH).
- ▶ In **Myanmar**, where the business development service field is rather underdeveloped, the SCORE Programme supports entrepreneurial consultants to include productivity, OSH, and HR services to their existing portfolios of services for SMEs.
- ▶ In **India**, the programme is working with the Ministry of Micro, Small and Medium-sized enterprises (MSME) to add workplace cooperation, worker engagement and working condition practices to their existing Lean Manufacturing and Competitiveness Programme in 10 clusters.
- ▶ In **Vietnam's** furniture industry clusters, 140 factories have participated in training and consulting organized by the Vietnam Chamber of Commerce and Industry (VCCI), the Handicraft and Wood Industry Association (HAWA) and the Binh Duong Furniture Association (BIFA).

### Meeting country needs

ILO's work with enterprises helps the Office to complement country-level policy work and advocacy with practical interventions that demonstrate the applicability of abstract concepts at the workplace. For instance, in **China**, the engagement with enterprises has enhanced the country objectives in the DWCP. Sustainable enterprises create productive and decent jobs in the transition to a greener economy under CPO CHN253. The SCORE project is the key achievement of CPO and contributes also to other CPOs, such as CHN 179. The direct engagement with MNEs in global supply chains has allowed the Office to establish new development cooperation projects, such as responsible supply chain in Asia and sustainable supply chain with Inditex. The recent engagement with SAWS also helps the Office to strengthen the cooperation on safety inspection and administration.

