

ILO and Corporate Social Responsibility



International Labour Organization (ILO)

The International Labour Organization (ILO) is the United Nations agency devoted to advancing opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity. The ILO has 183 member countries and has a tripartite structure unique in the United Nations, in which employers' and workers' representatives have an equal voice with those of governments in shaping its policies and programmes.

Indonesia and the ILO have collaborated since the country became a member of the ILO on 12 June, 1950. Using its unique tripartite structure, the ILO works closely with the Ministry of Manpower and Transmigration, the Indonesian Employers' Organization (APINDO) and three major trade unions – All Indonesian Workers Union Confederation (KSPSI), Confederation of Indonesian Prosperity Labour Union (KSBSI) and Indonesian Trade Union Confederation (KSPI).

The main aim of the ILO's programmes and activities in Indonesia is to Promote Decent Work for All. Taking into account Government priorities, the ILO's mandate and the focus of the constituents, three priorities – (i) Stopping exploitation at work (ii) Employment creation for poverty reduction and livelihoods recovery, and (iii) Social dialogue for economic growth – have been identified by the ILO in Indonesia under its Decent Work Country Programme, with gender as a mainstreamed issue throughout.



CSR from the ILO's Perspective

Corporate Social Responsibility (CSR) is a way for enterprises to consider the impact of their operations on society. Through CSR, they affirm their principles and values both in their own internal methods and processes, and in their interaction with other actors. CSR is a voluntary, enterprise-driven initiative that refers to activities considered to exceed compliance with the law. *(InFocus Initiative on Corporate Social Responsibility (CSR), Governing Body, 295th Session, March 2006)*

The ILO provides a comprehensive international instrument on labour dimension of CSR. Tripartite declaration of principles concerning multinational enterprises and social policy, which is known as the MNE declaration, sets international guide on enterprises and their interaction with labour and social policy issues. It offers guidelines to MNEs, governments, and employers' and workers' organizations in such areas as employment, training, conditions of work and life, and industrial relations. The Declaration encourages the positive contribution that enterprises can make to economic and social progress.

For further information (in Bahasa Indonesia):

http://www.ilo.org/wcmsp5/groups/public/—ed_emp/—emp_ent/documents/publication/wcms_124925.pdf

(in English): http://www.ilo.org/wcmsp5/groups/public/—ed_emp/—emp_ent/—multi/documents/publication/wcms_094386.pdf

Other instruments that could be adopted by companies in developing their CSR programmes are the ILO Declaration on Fundamental Principles and Rights at Work¹. Adopted in 1998, the ILO Declaration on Fundamental Principles and Rights at Work is an expression of commitment by governments, employers' and workers' organizations to uphold basic human values – values that are vital to our social and economic lives. The Declaration commits Member States to respect and promote principles and rights in four categories, whether or not they have ratified the relevant Conventions. These categories are: freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour, and the elimination of discrimination in respect of employment and occupation.

What can the ILO do to enhance your CSR programme in building of a better and fairer society?

Based on the three priorities under the Decent Work Country Programme, the ILO, in close collaboration with its tripartite constituents, has developed the following main programmes and activities in Indonesia. Some of the programmes can also add more value to improving CSR programme creation.

♦ **The Elimination of the Worst Forms of Child Labour Project**

Child labour is still a significant problem in Indonesia. According to the National Child Labor Survey implemented by Statistics Indonesia, around 4 million children in Indonesia are working and 1,7 million among these children involved in child labour which is a subject of elimination considering the impacts of the works to the children well being. Since 2002, ILO has been providing technical assistances to Indonesia in eliminating child laborers through its Project of Supportsfor the Elimination of Child Labor in Indonesia which has been applying twofold strategy. The first strategy focuses on promoting a positive policy and enabling environment



for the elimination of child labour. The second part of the strategy involves direct targeted interventions to prevent and remove children from the works. The project work closely with ILO's partners from government, workers and employers organizations and from NGOs. The ILO develops various tools and guidances to be used by

partners in combating child labor. Particularly for business sector, ILO has developed a kit on *Eliminating Child Labor. Guides for Employers*.

To know more about the project, contact **Ms. Arum Ratnawati**, *National Chief Technical Adviser* (e-mail: arum@ilo.org) or please visit following webpage: http://www.ilo.org/wcmsp5/groups/public/-asia/-ro-bangkok/-ilo-jakarta/documents/projectdocumentation/wcms_121291.pdf

♦ **EAST -The Education and Skills Training Project**

The programme is active in Papua, West Papua, Maluku, South Sulawesi, Nusa Tenggara Timor and Aceh. It proposes to employers to train the youth they would need to recruit, in all relevant skills, provided an agreement is signed for future placement. It is working so far with 125 companies. For more information about this project please contact **Mr. Srinivas Reddy**, Skills Development Specialist (e-mail: reddy@ilo.org) or please visit the following webpage:



http://www.ilo.org/jakarta/whatwedo/projects/lang-en/WCMS_116125/index.htm

♦ **ENTREPRENEURSHIP**

ILO has prominent activities and programmes in relation to entrepreneurship education. The ILO program for entrepreneurship “Start and Improve Your Business” or SIYB is an easy-to-use business management skills training programme that strengthens the capacity of local business development service (BDS) providers to effectively and independently implement business start-up and management training for small-scale entrepreneurs and to enable potential and existing small entrepreneurs, both women and men, through these BDS organizations to



start viable businesses, to increase the viability of existing enterprises, and to create quality employment for others in the process. SIYB has been translated into more than 30 languages and adapted to local conditions in more than 50 countries. In Indonesia, currently we have 225 SIYB trainers in 21 provinces across the country.

For further information on ILO's entrepreneurship programmes and activities, please contact: **Mr. Tendy Gunawan**, *National Programme Coordinator, Enterprise Development*, (e-mail: tendy@ilo.org) and visit our website: <http://www.ilo.org/empent/lang-en/index.htm>

♦ **Better Work**

Compliance with labour standards is the key to the way the world does business and international buyers/brands are becoming more conscious ensuring ethical sourcing by integrating labour standard compliance into the production process as a practice of corporate social responsibility (CSR).



The necessity to adopt an integral approach involving national government, workers' and employers' organisations, and international buyers/brands with a view to maintaining sustainable improvement in labour compliance provide justification to introduce the ILO/IFC Better Work programme in Indonesia. The programme seeks to improve working conditions

and productivity in targeted employment-intensive sectors by improving compliance with international core labour standards and Indonesian labour law. In tandem, the project will promote productivity and competitiveness of targeted enterprises in Indonesia that are linked to global supply chains.

For further information about the Better Work Indonesia programme, please contact, **Mr. Teuku Rahmatsyah**, *National Programme Coordinator for Better Work* (e-mail: rahmatsyah@ilo.org) and visit our website: <http://www.betterwork.org/EN/Pages/index.aspx>

♦ **SCORE- Sustaining Competitive and Responsible Enterprises**



Sustaining Competitive and Responsible Enterprises - SCORE - is an ILO programme, funded and supported by the Swiss State Secretariat for Economic Affairs (SECO). It is being implemented in seven countries, including four in Asia. SCORE works with the government, employers, industry associations, and trade unions, to help the Small Medium Enterprises

(SME) to become more sustainable and to create more and better jobs. It is a practical contribution to the realization of Decent Work. Upgrading the working conditions, productivity and cleaner production, through better people management and good workplace practices is the SCORE approach. It is an approach that has proven to be successful, cheaper and faster than for example capital intensive technology upgrading through machines, plants etc.

For further information please contact **Mr. Januar Rustandie**, *National Project Officer* (email: januar@ilo.org) or visit: http://www.ilo.org/jakarta/whatwedo/projects/lang-en/WCMS_116025/index.htm

♦ **Green Jobs**

Any countries in Asia and the Pacific have voluntarily committed to reducing green house gas emissions by 2020. In this regard, engaging the Asian economy into an environmentally sustainable and low carbon development path will bring profound and lasting adjustments to the socio-economic structures of countries in the region. The transformation into a sustainable and low-carbon development will therefore trigger shifts in the labour markets and create demand for new skills and re-skilling programs, and social protection and financial schemes in particular for the most exposed workers and businesses. The Green Jobs in Asia Project

would assist companys' transition into a low-carbon, climate resilient, environmentally friendly development in Indonesia in particular though information sharing and training of employers organizations, and specific sector intervention.

To know more about this project, please contact **Mr. Muce Mochtar**, *Programme Officer* (e-mail:muce@ilo.org) or please visit webpage:

<http://www.ilo.org/integration/themes/greenjobs/lang-en/>

♦ **HIV and AIDS**

HIV and AIDS prevention program in the world of work is proposed to improve HIV/AIDS awareness, knowledge, safe behaviour, and the health referral system for both formal and informal workers and all level of workers. The main activities of the program cover trainings, media campaign, linkage the health referral system, providing a care and support



system. The main strategic program could be integrated with the existing regular program within the company. ILO has trained the HIV/AIDS focal points and trainers in several companies, APINDO, Trade Unions Organisation, National AIDS Commission (KPA) and Ministry of Manpower and Transmigration to widen the implementation of HIV and AIDS prevention

program for more companies. Each company can also collaborate with the Provincial AIDS Commission and HIV/AIDS NGOs in each province.

For further information on HIV and AIDS program in the world of work, please contact **Ms. Early Dewi Nuriana**, *Programme Officer* (e-mail:early@ilo.org) or please refer to the following website: <http://www.ilo.org/global/Themes/HIVAIDS/lang-en/index.htm>.

♦ **Indigenous Peoples Empowerment Programme**

The 1989 ILO Convention 169 promotes the rights of indigenous peoples on land, employment, training, social security, education and cooperation across borders among indigenous peoples.



In addition supporting the Indonesian government in formulating of national law on the protection of Indigenous People rights and disseminating the Indonesian version of guideline for the ILO convention 169, through its technical cooperation project in Papua, the ILO implemented empowerment programme targeting indigenous and tribal peoples by using various modules of entrepreneurship skills and local economic development.

For further information please contact **Mr. Tauvik Muhammad**, *Programme Officer* (email: tauvik@ilo.org) or visit our website at http://www.ilo.org/jakarta/whatwedo/projects/lang-en/WCMS_116123/index.htm

♦ **The ILO Project Combating Forced Labour and Trafficking of Indonesian Migrant Workers**

The project supported by the Norwegian Government, supports national stakeholders in Indonesia, Malaysia, Singapore and Hong Kong in strengthening protection and financial empowerment for migrant workers throughout the recruitment and placement process, during deployment and upon return to Indonesia. The project has a particular focus on vulnerable migrant workers, notably female migrant workers in the informal sector. Through technical and financial support, the Project builds the capacities of national stakeholders and service providers to improve national labour migration policy frameworks and implementation mechanisms at national and local level. Apart from activities at national level, the project operates in 19 provinces and 75 districts in Indonesia, where it supports local



stakeholders in providing information, services and assistance to migrant workers and their families in communities of origin, as well as financial empowerment services, such as financial education and development of livelihoods

and entrepreneurship activities, as well as cooperatives and micro-finance programmes. Through supplementary funding, the project likewise addresses health concerns throughout the migration process, notably HIV/AIDS vulnerabilities and service needs of migrant workers.

For further information please contact, **Ms. Lotte Kejser**, *Chief Technical Advisor* (email: kejser@ilo.org) or visit our website at http://www.ilo.org/jakarta/whatwedo/projects/lang-en/WCMS_116048/index.htm

ILO Helpdesk

The ILO Helpdesk is free and confidential services that can help your company align its operations with international labour standards and the ILO approach to socially responsible labour practices. The ILO Helpdesk is a one-stop-shop that answers questions from company managers and workers.

ILO Helpdesk Contact Number

Tel: +41-22-799-6264, Fax: +41-22-799-6354, Email assistance@ilo.org

For further information (in English):

http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_106376.pdf