

The graphic features a central white circle with an orange ring around it. The background consists of several overlapping grey shapes, including a large curved band on the left and a triangular shape on the right. The text is centered within the white circle.

# **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.



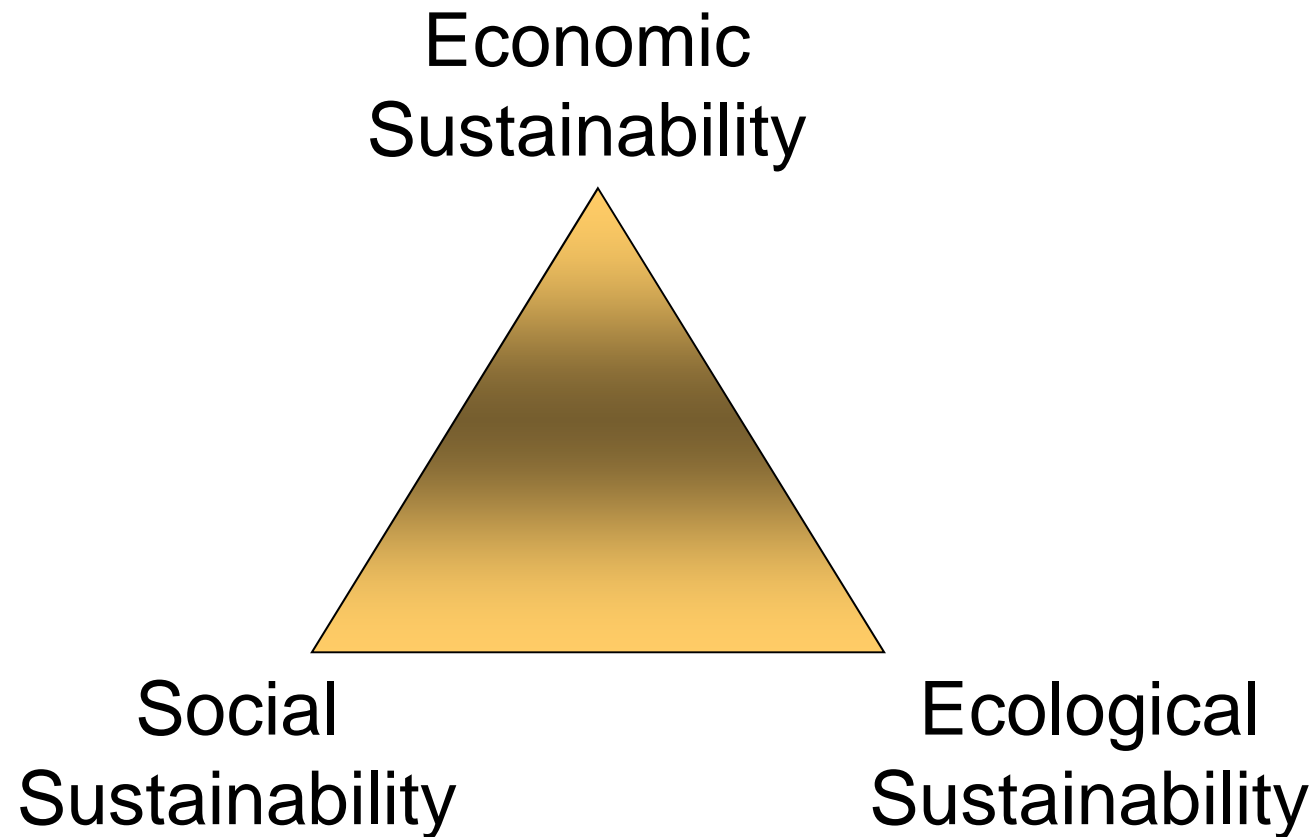
## Sustainable Enterprise - Definition

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.

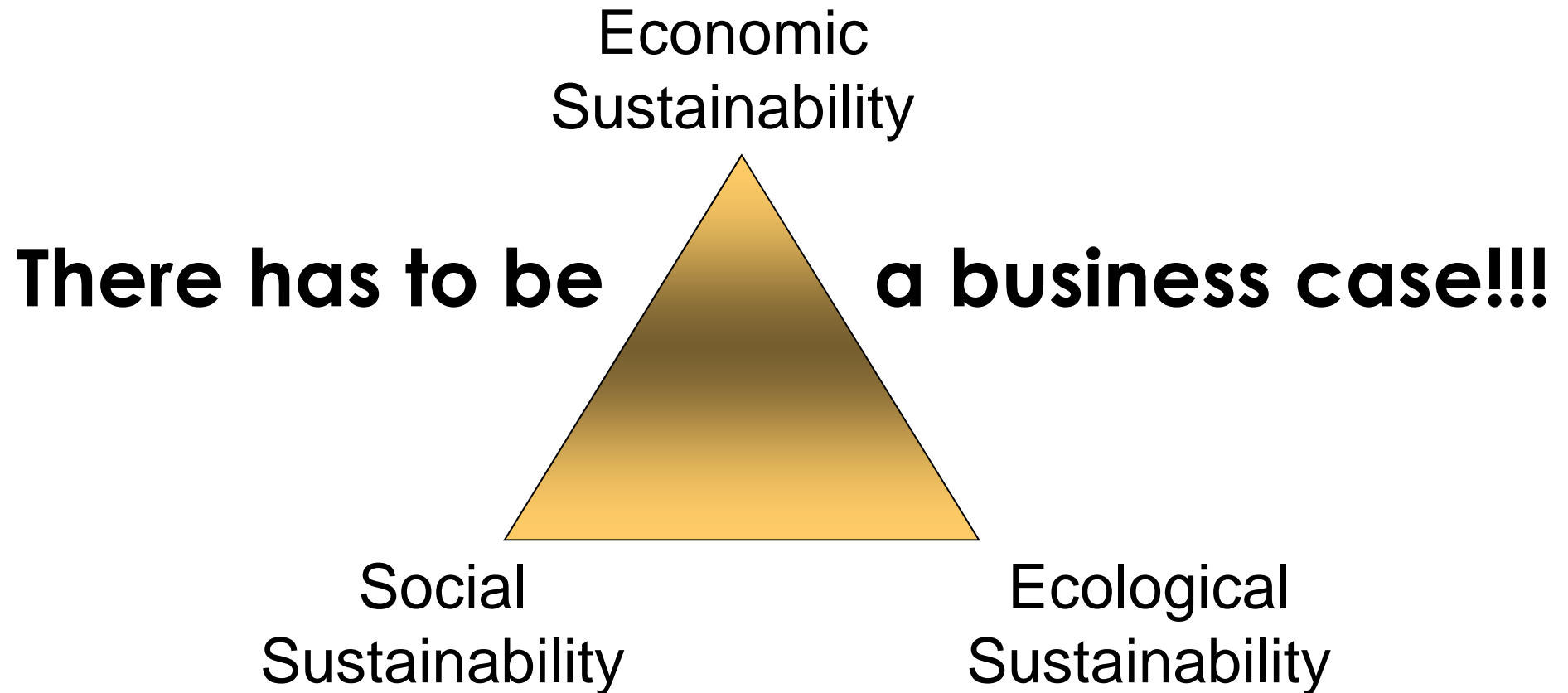


# Sustainable Enterprise Development



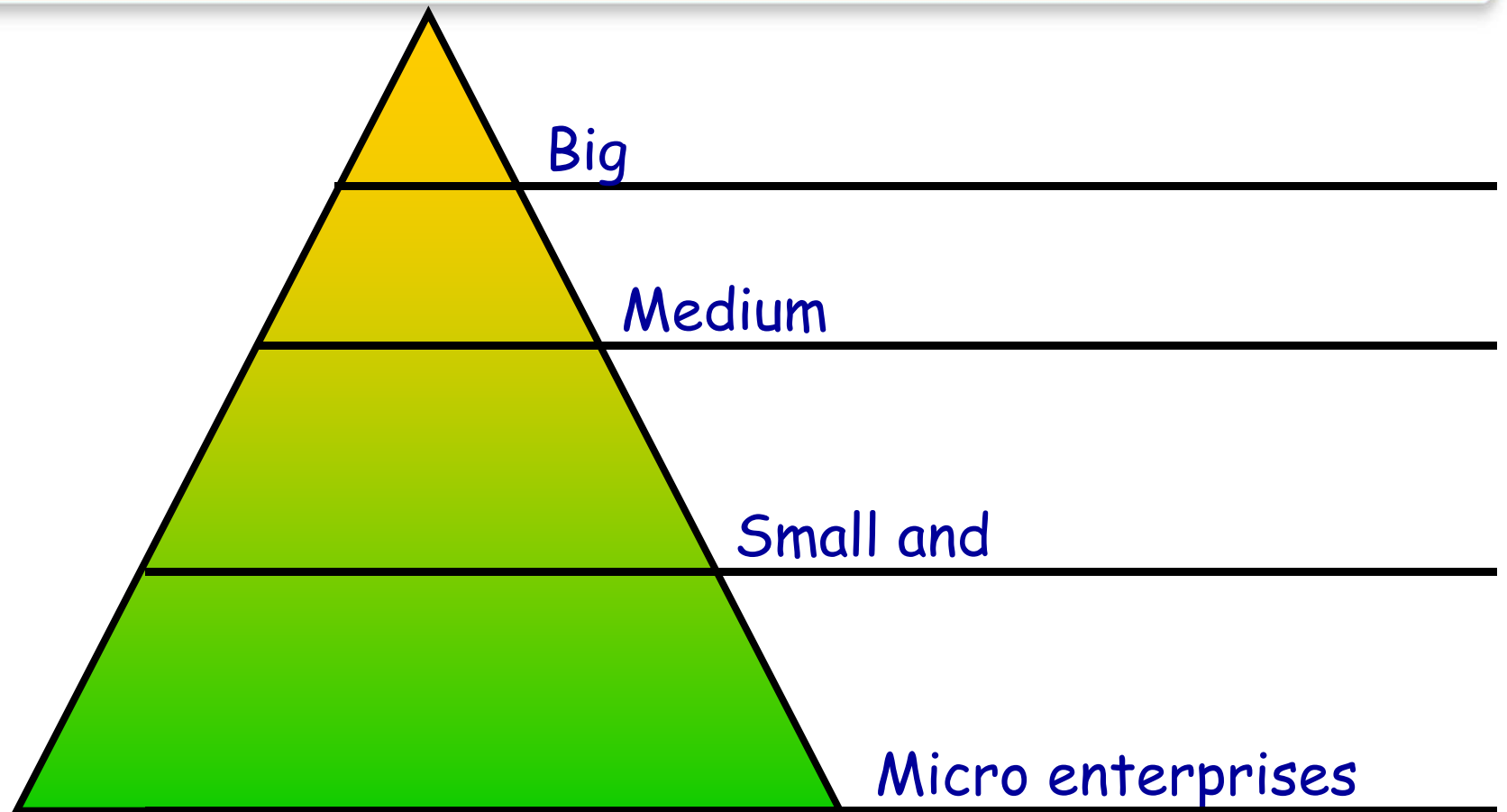


## Sustainable Enterprise Development





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



**...being small has  
disadvantages...**





## Being small is not always easy....

- **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





## **Employment in SMEs is often not easy**

- **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

Managing Small Business Associations: Trainers' Manual

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 Bussiness (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

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

'The Labour Principles of the United Nations Global Compact - A Guide for Business



# ILO Sustainable Enterprise Development: Enterprise Upgrading







## The Truth About Business and Decent Work

### **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**



## **Good Management Supporting Environment and Labour**

- **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**





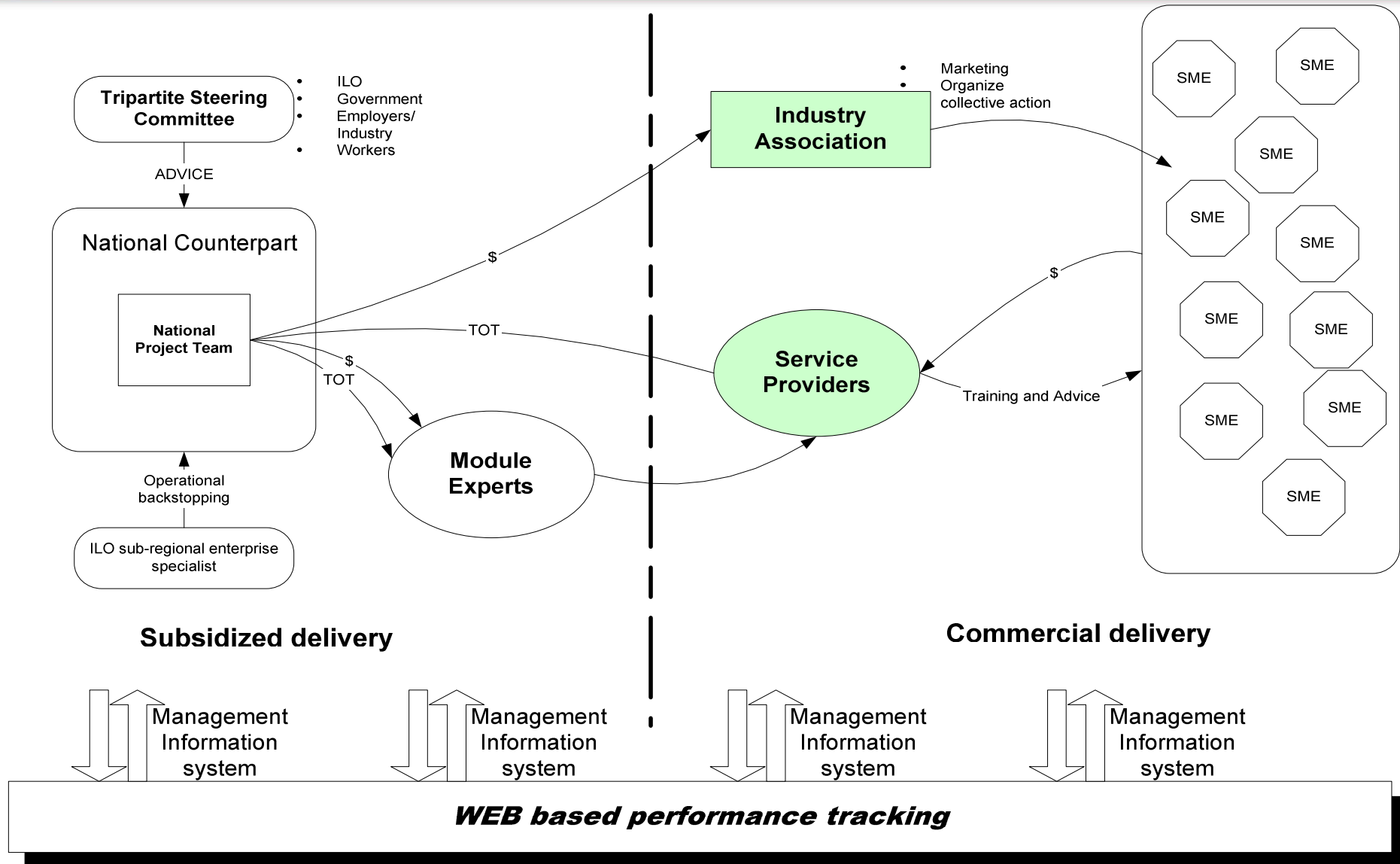


## Good Practices are Linked





# Structure of Enterprise Upgrading Programmes





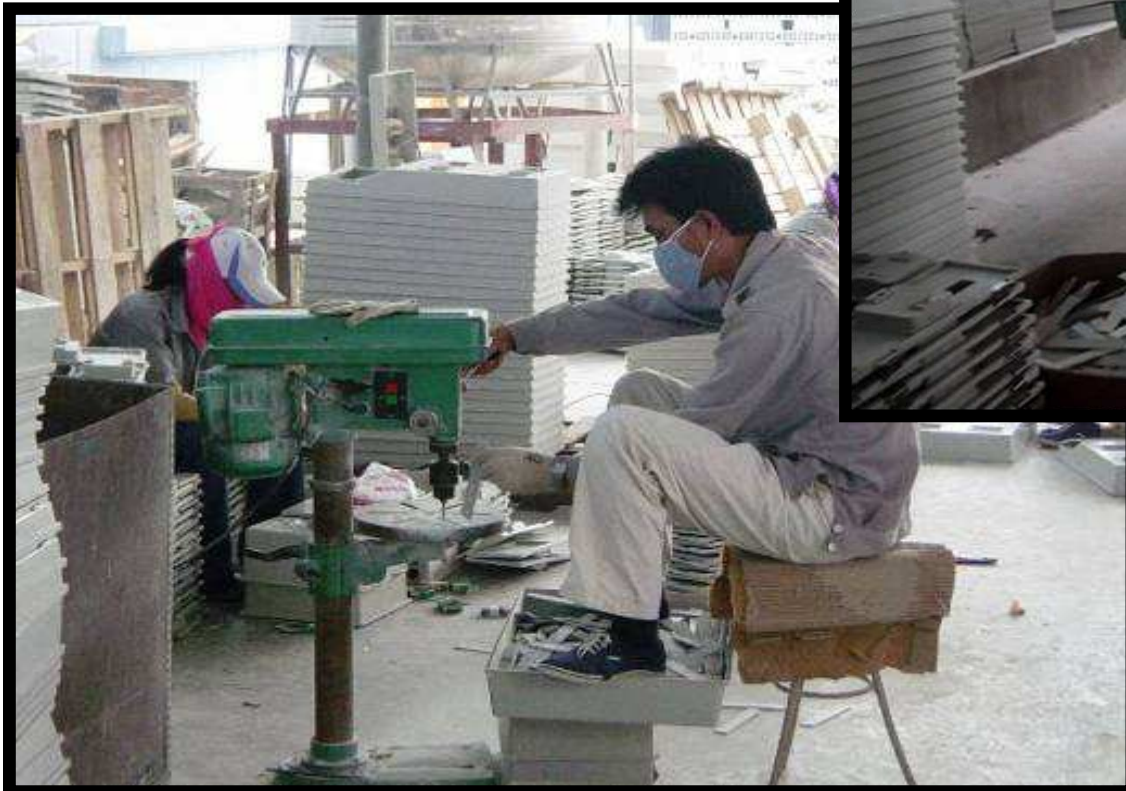
# Higher Productivity, Safer Production, Better Management







## Safety Linked to Productivity





## Better use of valuable materials





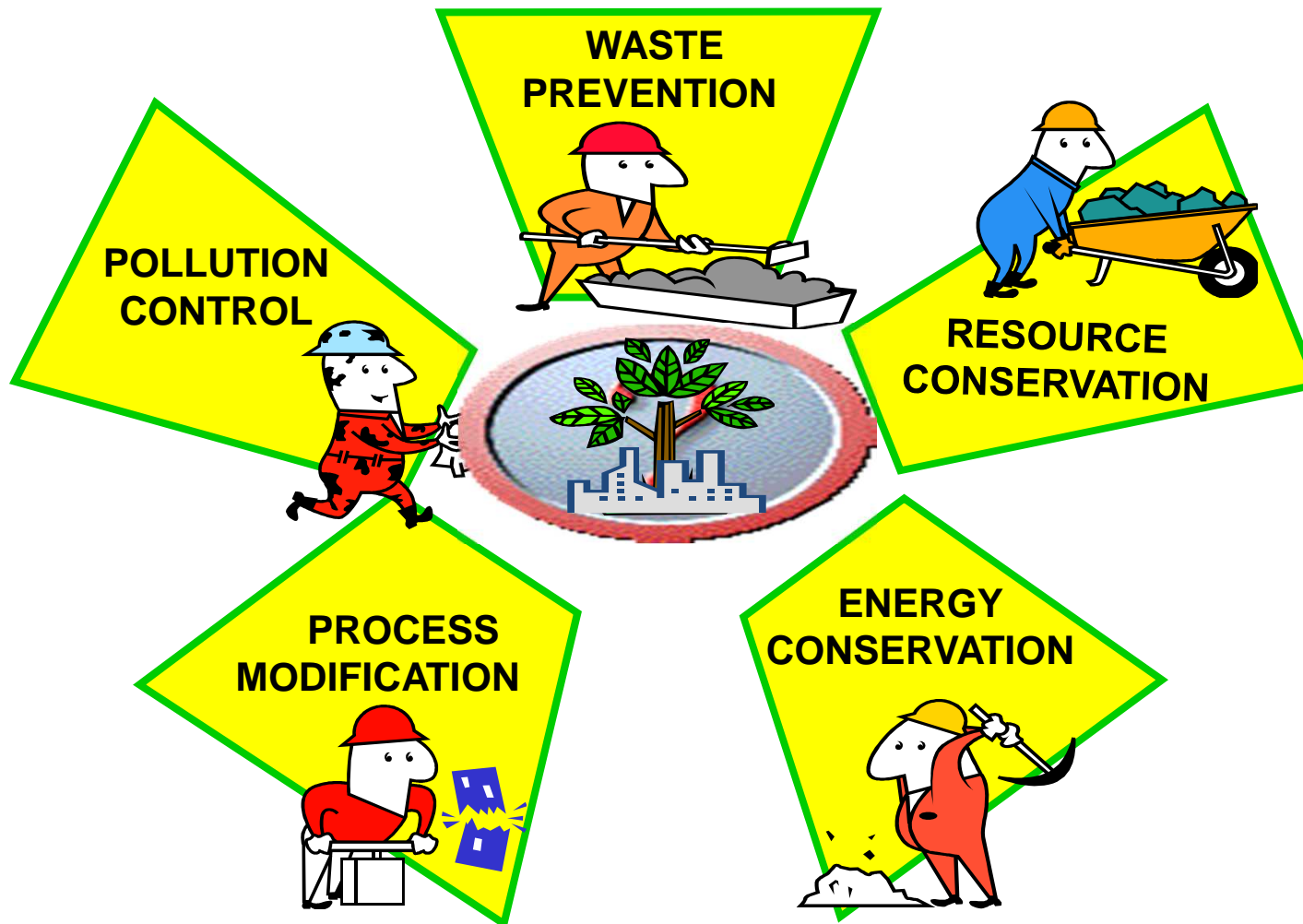


# Linking Working Conditions, Productivity and the Environment





# Enterprise-level Environmental Sustainability















**Thank you!**

**Charles Bodwell**  
**ILO Bangkok**



- **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?**