

IN FOCUS PROGRAMME



Boosting employment through
small enterprise development

WORKING PAPER
NO. 4

Job Quality and
Small Enterprise Development

Series on Job Quality in Micro and
Small Enterprise Development



International Labour Organization
Geneva

WORKING PAPER

No. 4

JOB QUALITY AND SMALL ENTERPRISE DEVELOPMENT

InFocus Programme on Boosting
Employment through Small Enterprise Development (IFP/SED)
Job Creation and Enterprise Department

4, route des Morillons
CH1211 Geneva 22
Switzerland
Phone: +41 (0)22 7996862
Fax: +41 (0)22 7997978
e-mail: ifp-sed@ilo.org
Web page: <http://www.ilo.org/sed>

Publications of the International Labour Office enjoy copyright under Protocol 2 of the Universal Copyright Convention. Nevertheless, short excerpts from them may be reproduced without authorization, on condition that the source is indicated. For rights or reproduction, or translation, application should be made to the ILO Publications Bureau (Rights and Permissions), International Labour Office, CH-1211 Geneva 22, Switzerland. The International Labour Office welcomes such applications.

Libraries, institutions and other users registered in the United Kingdom with the Copyright Licensing Agency, 90 Tottenham Court road, London W1P 9HE (Fax: + 44 171 436 3986), in the United States with the Copyright Clearance Center, 222 Rosewood Drive, Danvers, MA 01923 (Fax: + 1 508 750 4470), or in other countries with associated Reproduction Rights Organizations, may make photocopies in accordance with the licences issued to them for this purpose.

The designations employed in ILO publications, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of the International Labour Office concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

The responsibility for opinions expressed in signed articles, studies and other contributions rests solely with their authors, and publication does not constitute an endorsement by the International Labour Office of the opinions expressed in them.

Reference to names of firms and commercial products and processes does not imply their endorsement by the International Labour Office, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

ILO publications can be obtained through major booksellers or ILO local offices in many countries, or direct from ILO Publications, International Labour Office, CH-1211 Geneva 22, Switzerland. Catalogues or lists of new publications are available free of charge from the above address.

Foreword

This technical paper on Job Quality and Small Enterprise Development is the first of a series of papers that the ILO InFocus Programme on Boosting Employment through Small Enterprise Development will be producing on improving the qualitative aspects of employment in micro and small enterprises.

The paper is the result of a process which began before the adoption of the Recommendation No. 189 “Job Creation in Small and Medium-Sized Enterprises”. With the adoption of this recommendation the ILO was given the mandate to reinforce its work on promoting, not only more, but better jobs in small enterprises. The Director General’s report on “Decent Work” further inspired the Job Creation and Enterprise Department to emphasise this aspect in its programme of activities.

The paper is prepared by an informal team formed to develop a working definition of the term “Job Quality”; to identify existing approaches and tools for addressing the qualitative aspects of employment in small enterprises; and to develop a vision for what the ILO should offer in this area in terms of knowledge, advocacy and technical services.

The list of individuals that have contributed is too long to be listed here. Nevertheless, I should like to thank Ms. Vejs-Laursen, Mr. Kabundi and Mr. van der Ree who played a central role in the team. Also, I wish to mention that individuals from several departments and ILO technical cooperation programmes have offered valuable support to the team. In this respect, the teamwork has been unique. It brought together expertise from a range of technical fields and in a spirit of collaboration and enthusiasm for the topic.

A particular recognition is also due to the two international external consultants who worked with us to produce this technical paper. Mr. Frank Pyke prepared an initial draft of the paper. This formed the basis for discussions in the team and for the final version of the paper which was prepared by Mr. Simon White.

The current paper is the first step in the development of a substantive work programme on improving job quality in SMEs. We would therefore welcome your comments, views and suggestions.

Michael Henriques
Director,
Job Creation and Enterprise Department

Christine Evans-Klock
Director,
InFocus Programme on Boosting
Employment through Small Enterprise
Development

TABLE OF CONTENTS

Executive Summary	v
1.0 Introduction	1
1.1 Definition of job quality	2
2.0 Description of the situation	4
2.1 The aggregate picture	4
2.2 The disaggregated picture	5
2.3 Quality as a basis for competition	5
3.0 Practical experiences	7
3.1 Changing demands and prerequisites for inter-firm trade	7
3.2 Internal enterprise transitions	7
3.3 The community context	10
4.0 Lessons from practical experience	13
4.1 Increasing training and knowledge	13
4.2 Integrating competitiveness with qualitative conditions	14
4.3 Promoting self-help associations and collective solutions	15
4.4 Developing enabling regulatory environments	16
4.5 Towards a local, integrated and holistic approach	16
5.0 Main finding and conclusions	19
List of references	22
Example boxes	
Box 1 Spreading practices	8
Box 2 Supply chain health and safety initiatives	10
Box 3 Patti Territoriali	17

EXECUTIVE SUMMARY

This Technical Paper is the first in a series of papers to be produced by the ILO on the ways in which the qualitative aspects of employment within small enterprises can be improved, along with the creation of new employment opportunities. That is, whilst small enterprises are being recognised for their increasing role in the creation of new jobs, there is a growing need to promote the improvement of quality aspects of employment within this sector.

Drawing from a range of literature and research on small enterprise development this paper highlights the changes to the external and internal influences on small enterprise operations and the factors affecting job creation and job quality. Despite their increasing importance as creators of new employment opportunities, small enterprises have been more likely to be associated with inferior pay and working conditions. However, a closer analysis of global experiences in both developed and developing countries demonstrate that this is not inevitable. There are strong suggestions that an association between small enterprise incomes and working conditions are the basis on which many small enterprises compete.

There are also indications that small enterprises compete by meeting new demands for quality, productivity, reliability, innovation, flexibility and a capacity to adapt to changing needs. Small enterprises, therefore, may have advantages in this regard when various qualitative aspects of employment are present. This includes, for example superior labour relations and opportunities for worker participation, good working and community conditions (including adequate health and safety environments) progressively improving skills and equipment and the adoption of adequate social protection mechanisms. In fact, good conditions and a capability to meet current competitive needs may be mutually supportive and may provide a basis on which small enterprise development can be more effectively positioned.

A series of programme initiatives aimed at improving job quality within small enterprises are reviewed. This review shows that small enterprises and the communities they inhabit can be assisted to gradually raise their competitive capabilities and working conditions in tandem.

In addition, the links between working conditions and living conditions is established. These connections can be very close within informal and micro-enterprises. Equally close, are the connections between local and regional economic development and the environment or operating culture in which small enterprises are located. Improvements in job quality can, be accommodated within developmental measures that improve the competitiveness of the community and its surrounding region, along with the small enterprises located in these areas. These kinds of integration strategies should be considered in a holistic approach to development. In addition, strategies to raise knowledge levels (such as through training, supply-chain and firm-institution networking initiatives) are seen as particularly important. As is an enabling regulatory environment. Area-based social protection schemes should also be part of that environment. As should strategies to link firms to markets and technical support organisations.

The roles of social partners are found to be extremely important. Developmentally minded entrepreneurial, trade union and other self-help associations can perform major roles in raising competitiveness and improving conditions. These roles go beyond traditional representative roles and may provide small and micro-enterprises with both business and social services. They may also become involved in collaborative policy networks and help to drive a progressive process of change at both the enterprise and community levels. Such a systemic perspective emphasises the need for strategies that are part of a long-term vision of rising competitiveness, incomes and conditions at the level of the whole community.

Finally, this paper presents the need for qualitative aspects of employment within small enterprises to become fully incorporated into economic development strategies. Where the goal of policy is only jobs, but good quality jobs and high quality enterprises.

1.0 INTRODUCTION

Following the adoption by the International Labour Conference (ILC) in 1998 of Recommendation 189 concerning General Conditions to Stimulate Job Creation in Small and Medium-Sized Enterprises, the ILO has a clear mandate to promote concepts and interventions aimed at creating more jobs within small enterprises. Contained within Recommendation 189 are various ILO Conventions and Recommendations as well as a number of principles concerning the quality of employment within small enterprises. These principles must be translated into concrete concepts, methodologies and tools the ILO can promote to effectively service the needs of its Constituents.

Over the last ten to 15 years small enterprises have increased in policy importance, particularly in respect of their capacity to provide jobs. In numerical terms, the significance of smaller firms as providers of employment is now well documented¹. Not only have small enterprises become important sources of jobs, but also there have been indications that their proportionate significance could be growing². Amongst the main reasons for this has been the inability of large-scale enterprises to absorb quickly enough populations growing in, and migrating to, urban areas in developing countries. There has also been a lessening of the economic significance of mass production and a greater importance put on flexibility and specialisation. These changes are reflected in the growth of a range of new non-standard employment practices, as well as a greater emphasis on out-sourcing and sub-contracting. The effects of new technological possibilities have allowed small enterprises to produce more economically and flexibly.

Where once small enterprises might have been seen as essentially peripheral economic actors compared to large enterprises—the ‘real’ engines of growth—now the small enterprise is more likely to be seen as playing a fundamental role in ‘the network economy’. This is especially so at the local and (sub-national) regional levels. Consequently, whether as competitors in their own right, or as crucial contributors to whole networks and supply chains of firms, small enterprises are now seen as important sources of both competitiveness and employment.

At the same time a general increase in importance for small enterprises has occurred, there have been important changes in the ways economies are organised and in the ways enterprises must operate if they are to compete under current conditions. These changes include the ways enterprises relate to one another in networks and supply chains. There have been changes to the organisation of labour and the management of stock and inventory. More broadly, there has been a move toward an environment of instability and change, increasingly at the levels not only of individual enterprises but networks of enterprises and local economies. These changes provide important contexts—imposing both limitations and possibilities—for actions to promote small enterprises and job quality.

1 For example, in the developed countries of the European Union self-employed, family units and micro-enterprises. A recent ILO World Employment Report, 1997/8, provided estimates suggesting that the informal sector could be absorbing as much as 40 to 50 percent of the urban labour force in Asia (reaching 65 percent in countries like Bangladesh); 61 percent in Africa; and high levels in South America, reaching over fifty percent, for example, in Colombia. In transitional countries also the small firm sector has become significant. By 1995, in 11 countries of Central and Eastern Europe (Albania, Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuanian, Poland, Romania, Slovakia, and Slovenia) 91 percent of all enterprises could be classified as ‘very small’, employing a maximum of nine persons, accounting for 24 percent of total employment in the non-agricultural private sector, with those employing less than 50 people accounting for 43 percent (EU, 1999).

2 See ILO (1995) for example. Such was the suggestion in respect of developed countries, in a recent review by Cowling and Storey (1998) which found that small firms appear to have ‘increased their quantity of jobs and the proportion of employment.’ Also, there are indications of a similar trend in non-industrialised countries. For example, between 1990 and 1995 proportionate employment in small businesses and self-employment in Latin America increased from 45 percent to 49 percent. Micro-enterprises alone (employing less than 10 people) increased their proportion from 20 percent to 22.5 percent, whilst the proportion employed in large private firms declined from 33 percent to 31 percent (ILO, 1996). More generally, the 1997/8 ILO World Labour Report indicated a ‘steady growth of the informal sector in almost all developing countries, with the exception of the newly industrialising countries (ILO, 1997)’.

Whilst small enterprises have greater significance for their strategic economic importance, particularly in terms of jobs, concerns have been raised about the quality of those jobs. Small enterprises have long been popularly associated with inferior pay and conditions. Especially when compared to larger enterprises that may benefit from both the advantages of scale and superior resources.

Moreover, in recent years, the growth in employment in small enterprises has been associated with a parallel trend of a growth in non-standard forms of informal and flexible employment relationships, which have the potential to reduce access to a range of economic and social entitlements, as well as increase insecurity. Small enterprises are less likely to be included within formal industrial relations and social protection schemes and are often also exempted from legal requirements to regulate employment and working conditions. In cases where they are included, these regulations might not be rigidly enforced³.

It is important to ascertain to what extent small enterprises actually provide inferior incomes and working conditions. Perhaps even more important, it is necessary to identify the conditions under which such enterprises progressively improve, especially in the light of the changing economic context referred to above.

1.1 DEFINITION OF JOB QUALITY

The term 'job quality' refers to a range of inter-connected employment concerns. These concerns incorporate the seven ILO Conventions identified by the ILO's Governing Body as being fundamental to the rights of human beings at work, irrespective of the levels of development of individual member States. These rights are a precondition for all others in that they provide for the necessary implements to strive freely for the improvement of individual and collective conditions of work. Further to this, job quality refers to the absence of child labour and the provision of the following:

- remuneration levels—where salary payments, working hours, fringe benefits and equal opportunities are adequately provided;
- job security—where employment contracts and the length of tenure provide a sense of long-term stability for workers;
- social protection—where mechanisms for health, life, disability and unemployment insurance, as well as pension schemes, child care, and maternity leave are in place;
- safety and health concerns—where working conditions are adequate and include the prevention of occupational accidents and diseases, the containment of environmental hazards as well as the promotion of health in the workplace;
- human resource development—where workers are treated as an integral and valuable asset to the enterprise, provided with education and training opportunities, prospects of promotion and incentives for improvement;
- management and organisation—where contemporary management methods are used (e.g. Total Quality Control), sound industrial relations practised, freedom of association and opportunities for participation and involvement encouraged; and
- freely chosen employment: concerning areas such as the existence and character of bonded labour and exploitative apprenticeship arrangements.

3 This point was strongly made, for example, in respect of the USA by Brown, et al., (1990). In respect of developing countries, the ILO World Labour Report 1997/8 found 'many informal sector operators' are said not to respect—or only to a limited extent—a variety of regulations, including those pertaining to occupational safety and health, working conditions, and social security (ILO, 1997).

Whilst it is recognised that many small enterprises do not provide employment of this type, it is essential that such qualitative aspects become an integral part of job creation in this sector. Safe and secure workplaces not only meet vital human needs, they also boost productivity and enable businesses to grow. Hazardous working conditions create risks and harm workers. They also decrease productivity. This reduces income, which also decreases health and subsequently, productivity. At the same time, many workers in small enterprises are facing a high degree of risk due to their poor incomes and lack of access to social services. This makes them more vulnerable in time of crisis; whether this is financial crisis, sickness or, as is often the case, both.

If the institutional framework for improving working conditions and providing social protection is right, secure workers will invest more in themselves and in their jobs. Social policy can be used to reinforce productivity enhancement and improve the social environment.

2.0 DESCRIPTION OF THE SITUATION

Underlying the context and challenges associated with the promotion of quality employment in small enterprise development is the relationship between job quality and firm size. Is it the case that there is an association between enterprise size and the quality of employment likely to be found there? If so, is this association inevitable, or is it possible that small enterprises, under the right conditions, can create quality jobs?

In fact, there is much evidence that small enterprises in the aggregate do tend to provide locations for inferior pay and most forms of non-wage qualitative conditions of employment, in comparison to larger enterprises.

2.1 THE AGGREGATE PICTURE

Two areas of job quality will be examined by using aggregated data: wage and non-wage conditions. In respect of industrialised countries, an ILO review at the beginning of the 1990s of nine industrialised countries found that on average incomes tended to be inferior in smaller enterprises (Sengenberger et al., 1990). Other studies⁴ have confirmed these findings. Evidence for non-industrialised countries is less available. However, what data exists⁵, together with anecdotal evidence suggests that incomes tend to rise with firm size. For example, a 1995 World Bank survey of over 2,000 manufacturing enterprises in Malaysia found that average incomes increased with firm size, except for the very biggest (World Bank, 1997).

As for non-wage conditions (ranging from the provision of pension, holiday entitlements, car allowances and sick pay, to areas like safety and health, working hours, equal opportunities and security of employment) again, the aggregate general picture is one of likely improvements with size. Studies have shown this to be true in respect of industrialised countries⁶ and non-industrialised countries⁷. More generally, small enterprises and self-employment is equated with the non-regulated informal sector, where instability and insecurity in particular is endemic (ILO 1997; van Ginneken, 1998, 1999). A comprehensive 1995 ILO survey of self-employed and small scale activities (employing less than ten persons), in the urban informal sector of Metro Manila, Philippines, found the sector 'beset with problems of poverty, dismal working environments, child labour, and a lack of social protection'. Women, often working from home, appear to have been particularly affected, with home-workers risking their health in houses that tended to be cramped with poor

4 For example, in Europe a 1993 EU Observatory Report presented evidence that gross wages are higher in larger enterprises in Greece, Ireland, Italy, Netherlands and Portugal; one exception was France (ENSR, 1993). Other reviews such as Storey's (1994) and, for the USA, Brown et al. (1990); for West Germany, Wagner (1995); for Veneto, North East Italy (Crestanello, 1996); and for Canada (Baldwin 1998; cited in Cowling and Storey, 1998) confirm the aggregate picture of a tendency for wages to increase with enterprise size.

5 In respect of Ghana, van Dijk reported that a 1992 enterprise survey there found average earnings for all workers rising with the size of the firm, with large firms paying workers 'significantly higher wages than micro firms (van Dijk, 1994).' Also, a 1995 survey of eight countries in Latin America (Bolivia, Costa Rica, Ecuador, Honduras, Mexico, Panama, Peru and Venezuela) found that the average earnings of informal workers (composed of people working in micro-enterprises, the self-employed and people working as servants) was only half that of those employed in modern establishments, whilst average hours worked were longer (ILO, 1996).

6 Such was the finding of the 1990 ILO review mentioned above (Sengenberger et al., 1990), and the conclusion of other reviews, such as that of Storey's (1994), and, for the UK service sector, that of Curran et al. (1993), and, for the USA, Brown et al. (1990), for Portugal (Cowling and Storey, 1998), and for West Germany, Wagner (1995). For example, in the USA, small firms are much less likely than their larger counterparts to offer health insurance benefits to their employees (McLaughlin et. al, 1995); whilst in the UK a recent survey has found that the rate of accidents at work is significantly higher in smaller businesses (Buckby, 1998a).

7 Comprehensive data is, as for incomes, again lacking, but the information available suggests that the aggregate picture is similar, if not even more pronounced, to that of industrialised countries. For example, Dombos (1993) has pointed out that in Colombia a range of fringe benefits, security and opportunities is generally inferior in smaller firms. Also, in the case of Brazil, 'poor quality' self-employment and employment without a labour card⁷, often in small businesses, is reported to have experienced rapid growth in the period 1987-1992. (Carneiro and Henley, 1998).

lighting and ventilation (Joshi, 1997). As reported earlier, the informal sector in Metro Manila and elsewhere has been experiencing growth in recent years⁸.

2.2 THE DISAGGREGATED PICTURE

The aggregate picture describes tendencies for incomes and conditions to improve with enterprise size. However, a closer disaggregated inspection reveals important exceptions and variations. For example, a 1990 ILO study found that whilst the general picture in industrialised countries was indeed one of an improvements with size of firm, in some countries the differences associated with enterprise size were greater than in others. This indicates that there may be other influences at work than just size per se (Sengenberger et al., 1990). In this latter respect, some studies have highlighted the fact that sectoral affiliation can be an important factor. For example, Scott points out that in China research into working conditions has found much higher rates of lead poisoning in smaller enterprises in the lead sector, but much higher dust levels in larger enterprises in brick making and mining sectors (Scott, 1998: citing Liang et al., 1996 and Scott 1997). Also, in the UK, it has been found that small enterprises in some sectors may provide better incomes or conditions than similar sized enterprises in other sectors (See, for example, Curran et al., 1993).

Geographical location and context also appear to have some affect. Small or micro-enterprises in metalworking that are in a dynamic 'industrial district', such as in Northern Italy, are likely to be providing higher incomes than similar sized enterprises in the same sector in, say, a particular underdeveloped country of Africa or Asia. Other research has suggested that perhaps of more fundamental significance for a small enterprise's propensity to provide better incomes and conditions could be a factor like the tendency for an enterprise to be innovative. The degree of participation in capacity raising collaborative inter-enterprise and enterprise-institution networks has also been identified as an important factor (Cosh and Hughes, 1996; cited in Pyke, 1997a). As has the extent to which small enterprises control key strategic aspects such as design and marketing, and the propensity to employ higher proportions of skilled labour (Crestanello, 1996). For example, in Brazil, Teixeira (1998) found in a study of ten small enterprises employing 20 to 99 persons that the plant most likely to provide better quality employment was also using more sophisticated technology and skills. It was also the only unionised establishment.

2.3 QUALITY AS A BASIS FOR COMPETITION

Despite an aggregate picture which shows widespread tendencies for incomes and qualitative aspects of employment to deteriorate as firm size drops, closer inspection shows that there are, in fact, major differences within the general category of 'small enterprises'. It is clear that small enterprises as such need not necessarily providers of poor pay and inadequate conditions. There are a variety of reasons why small enterprises might offer better conditions than others, but it seems that a particularly significant factor could be the basis on which they compete.

This was borne out in the extensive survey of manufacturing enterprises carried out in Malaysia (World Bank, 1997), which found an association between higher incomes, rising firm size, and superior efficiency. The aggregate picture notwithstanding, it was also found that some small enterprises could be as efficient, or even more so than large enterprises. It was found that size in itself was not necessarily a limiting factor on higher efficiency and higher wages. Efficient enterprises in Malaysia tended to compete on a basis of emphasising and ensuring quality. They also were active in the acquisition of technology and know how through licensing, joint ventures and exports. They emphasised training and practiced human resource development policies that encouraged job stability and the acquisition of further skills (World Bank, 1997).

The evidence suggests that small enterprises that compete on lines similar to the efficient enterprises described in Malaysia are more likely to provide higher incomes and offer better working conditions than others. This is consistent with a conclusion of the recent ILO study of export processing zones, which found

8 Indeed, 84 out of 100 new jobs created in Latin America over the period 1990-95 were said to be created in the informal sector (ILO, 1996). Countries like Venezuela, Panama, Paraguay, Bolivia, Honduras, Ecuador, and Costa Rica all saw the numbers employed in this sector increase between 5percent and 8percent per annum between 1990 and 1995, whilst other countries saw rises not much less (ILO, 1996).

that quality conscious and innovative enterprises there 'are invariably setting standards which are higher than national norms for wages, working conditions, health and safety and training (ILO, 1998)'.

Such findings have important implications for strategies to raise the levels of incomes and working conditions in small and micro-enterprises: On the one hand, it seems that the more efficient, innovative and quality conscious enterprises are more able to provide better incomes and conditions associated with quality employment. On the other hand, as the next chapter suggests the development of innovative, quality conscious, competitive enterprises may, in turn, be significantly influenced by a range of qualitative working and environmental factors.

There is the possibility, therefore, that enterprise competitiveness and qualitative aspects of employment could become mutually reinforcing. The challenge is to provide the right conditions to enable small and micro-enterprises, and indeed broader communities, to move towards such a goal along a path of constant improvement.

3.0 PRACTICAL EXPERIENCES

Strategies and processes for improvements in job quality and small enterprise development must take cognisance of the context in which small enterprises operate. This includes their relationship with larger enterprises, their participation in networks and the communities in which they are located. This chapter presents practical experiences that small enterprises face in relation to job quality. It identifies a number of factors that influence the improvement of the quality of employment provided by small enterprises.

There are indications that qualitative aspects of work and the environment may be increasing in economic significance as individual enterprises and whole economies seek ways of meeting new competitive requirements. Recent years have witnessed a regime of continuous change as enterprises downsize on a regular basis, outsource, introduce flatter organisational models, promote team working, restructure supply chains and form new kinds of network relationships. They also use a range of new forms of flexible employment contracts. Thus, new forms of industrial organisation and competition strategies are creating new contexts, possibilities, and challenges.

Competition on a simple cost basis, typically associated with low labour costs, is still common. However, increasing globalisation has shown that in many industries, regions and countries these are of transitory advantage and are not sustainable in the longer term. Thus, many enterprises, and indeed whole local economies, are looking for ways of competing in the long term. Instead, they seek to maintain price competitiveness through increased productivity. In addition, they recognise the advantages of innovation and improving the quality and finish of their products. The benefits of superior design and fashion content are recognised, as are better service and greater flexibility and the speed and reliability of delivery.

3.1 CHANGING DEMANDS AND PREREQUISITES FOR INTER-FIRM TRADE

Increasingly, new competition has involved action within new forms of inter-firm organisation. A particularly significant development is the proliferation of innovative vertical supply chain organisations whereby lead firms, usually larger enterprises, use information technologies to organise their sourcing requirements through tightly linked networks of suppliers and sub-contractors, in many cases on a global scale. Such developments offer small enterprises new market opportunities, and with globalisation, in parts of the world previously poorly connected up to global markets.

Lead firms are expecting new levels of capability from their suppliers. Especially in areas, such as product quality, level of service, productivity, adaptability, and reliability—in many cases delivering just-in-time. Thus, small enterprises unable to achieve the new standards are likely to be cut out of the chains, whereas those that can achieve higher capabilities may experience good opportunities for growth. Even small enterprises not selling on final markets through the mediation of supply chains are finding that increased globalisation is forcing the same competitive requirements upon them, and the same pressures to upgrade their capabilities.

In responding to the need to meet the new competitive requirements qualitative aspects of employment could have important bearings. This may be the case both inside the enterprise or place of work, and in the broader community of which the enterprise is a part. Thus, strategies to address issues of enterprise competitiveness and qualitative conditions of work need to address both contexts. Already, there are signs of a growing awareness of the importance of qualitative factors for meeting new competitive needs, both inside the enterprise and inside the community.

3.2 INTERNAL ENTERPRISE TRANSITIONS

Growing awareness of the need for improvements in certain aspects of job quality can be seen within small enterprises, for example in worker participation and health and safety. The increasing importance of innovation, quality control, flexibility and the need to adapt to continual change has resulted in a new emphasis on shop floor practices such as team working, cooperation and worker participation. Thus, for example, there is a rapid spread of organisational innovations such as self-directed work teams, job rotation, problem solving groups or quality circles, and total quality management (TQM). Such practices are reported

to have spread rapidly in industrialised countries, and now seem to be becoming prevalent in developing regions, perhaps especially in those areas connected to global markets and requirements (See Box 1).

As a part of the new principles being introduced, labour is seen as an active input in the change process rather than a static cost of production. As a consequence, the conditions under which workers might be expected to cooperate and give of their best is rising to the fore as an issue. Thus commentators such as Pfeffer (1995; 1998), are noting that under current economic conditions successful companies in the USA and elsewhere are those which pay close attention to the needs of their workforces, providing security, good wages, training and other aspects⁹. Recently Levine (1998) called for the 'reinvention of workplace regulation' to promote greater employee involvement, encourage the development of problem solving skills and help stimulate improvements in quality to meet customer needs (Levine 1998).

In the recent ILO review of conditions in export processing zones in countries such as Bangladesh, China, Costa Rica, Dominican Republic, Honduras, and others, the better enterprises were found to be pursuing initiatives to involve workers more fully in the challenge to meet new competitive requirements. This included initiatives to promote a better quality of production and service, lower costs, greater flexibility and speed. Typical measures by such enterprises, says the report, include: 'the introduction of teams, gradual empowerment, increased sharing of information, joint problem solving and target setting, and the encouragement of worker innovation'. Teamwork is growing in zone enterprises. (ILO, 1998).

New participatory approaches appear to be growing in Europe also¹⁰. Cooke et al., (1998) have suggested that factors such as 'trustful labour relations', 'shopfloor cooperation', and 'a worker welfare orientation' are more likely to be associated with an innovative firm. In respect of Baden-Wurttemberg, for example, they suggest that the strong innovatory potential exhibited there is associated with factors such as an 'associative, cooperative and civic culture' (which results in) 'high social partnership, low antagonism in labour relations and, through substantial initial vocational, then further training, strong mentoring in the workplace.' However, concerns have been raised that attempts to introduce greater flexibility, especially those using new forms of precarious employment contracts, may undermine worker security. This in turn

Box 1

Spreading Practices

In the USA, a recent review of the use of new organisational practices such as 'Self-directed Work Teams', 'Job Rotation', 'Problem Solving Groups or Quality Circles', and 'Total Quality Management' was found to be widespread and apparently increasing (Osterman and Lowe, 1998). For Europe, surveys seem to be suggesting that practices similar to the ones above, as well as other new organisational forms such as just-in-time logistics systems, may be less extensive but still substantial, and again seemingly growing (Cooke et al., 1998; Osterman and Lowe, 1998).

In respect of developing and other countries, there is evidence that new practices are also spreading. For example, in Pakistan, Nadvi and Schmitz (1997) refer to both large and small manufacturers in the Sialkot medical instruments cluster coming under pressure to raise quality levels. In Malaysia, the 1997 World Bank survey indicated that amongst manufacturing firms quality issues and the introduction of new practices such as statistical process control, quality circles, and ISO9000 certification were becoming very important. The extensive 1998 review by the ILO of export processing zones¹, found that 'intensified international competition is forcing zone enterprises to improve their speed and quality of production, and many plants are introducing new technology and organisation of work to raise productivity (ILO, 1998).

9 In Germany, a recent study of over 100 companies in ten industrial sectors in Germany compared firms over a seven year period (1987-94) on aspects such as training expenditure, lay-offs and assistance with relocating redundant workers, promotion opportunities, and the extent to which employees have the freedom to take decisions and maximise individual initiative. It was found that those companies who scored most highly on such criteria also performed best in terms of stock market success (share prices and dividends), and also created the most jobs (Bilmes et al., 1997)

10 In fact within Europe, the promotion of active cooperation within the workplace to introduce new working practices is reported to be an important part of EU policy. The aim is to improve competitiveness and employment through changes in work organisation based on 'high skill, high trust and high quality'. Some progress has been made. For example, in Denmark, Cooperation Committees have been formed to encourage flexible organisations; in the Netherlands, works councils have been used to encourage trust and innovation in companies; and in Finland the government has launched a workplace development programme with employers and trade unions (Taylor, 1998a).

might undermine commitment and a readiness to cooperate, and indirectly the goals of increased innovation, quality, modernisation and change. In response, some larger enterprises seem to have recognised that change can be implemented more satisfactorily within a framework of trust and security. One aspect appears to have been an increase in longer term collectively agreed pay deals, which balance flexibility and cooperation for increased job security for the workforce¹¹.

Doubts have been raised as to whether such agreements, valuable as they might be, are adequate for small enterprises and for the increasing numbers of mobile and unstable workers employed on flexible employment contracts. It has been suggested that attention be given to establishing systems for social and welfare protection at the community level for those employees for whom employment is unstable, seasonal and otherwise erratic. (Pyke, 1997b).

Health and safety is another area to receive particular attention in the future because of the increasing implications for modern competitive practices. The detrimental effect on enterprise productivity, morale and absenteeism of poor health, work related stress and inadequate social protection schemes is well understood. For example, a clear relationship between working conditions and productivity was found to exist amongst the self-employed, micro-enterprises employing less than ten people, and people involved in other informal sector activities in the Philippines (Joshi, 1997). In particular, poor working conditions were seen as having an economic effect in terms of wasted time, as well as imposing long term harm on workers.

Other Filipino research projects have been reported as coming to similar conclusions. For example, a study carried out by the Philippines Institute for Labour Studies noted that productivity is often diminished by accidents and illness resulting from poor working conditions (ILS, 1990, cited in Joshi, 1997). Other studies, such as ones connected to the ILO WISE and IWEB programmes have also demonstrated a link in developing countries between working conditions in small and micro enterprises and productivity in those enterprises.

In Europe, the economic cost of poor health has also been recognised. For example, the British Health and Safety Executive calculates that 33 million days are lost at work in the UK annually because of workplace accidents and a further 20 million due to occupational health problems (Taylor, 1998b). It has been suggested that the effect of work related illnesses such as stress undermines the capability to provide the quality products and services now so much in demand, and has an important cost consequence for business (Buckby, 1998b; Harris and Arendt (1998).

11 For example, in 1997, Bayer, the German chemicals and pharmaceutical company, signed a deal with 46,000 German workers which runs until 2001, whereby the company gained increased flexibility and cost cutting measures in the context of guarantees on job security (Bowley, 1997). In the UK, a Scottish whisky company, United Distillers, employing 4,500 workers, has made an agreement with the GMB union whereby a management guarantee of job security has been tied to a commitment to flexibility and retraining, and the pegging of pay increases to just above inflation. This agreement is said to have promoted an atmosphere of cooperation towards introducing modernisation, flexibility and increased productivity.

Further, health and safety are becoming a significant issue in the context of supply chain effectiveness. Recent evidence from the UK indicates that as larger enterprises have restructured their supply chains and pursued new competitive strategies (such as just-in-time deliveries, high quality service, constant costs reductions, rapid product change, and minimum product defect) the reliability of small enterprises further down the chain has risen in importance. This leads many lead firms to take active steps to minimise disruption potentially caused by health and safety hazards. Thus health and safety aspects are becoming discriminating factors when lead firms choose their preferred suppliers (See Box 2). Consequently, more attention should be paid in the future to how small enterprises might be able to achieve adequate health and safety levels.

3.3 THE COMMUNITY CONTEXT

The community or geographic location that a small enterprise inhabits presents a dimension to approaching job quality. This includes the participation of social partners and civic organisations in development strategies. Strategies that incorporate access to knowledge and training, as well as those that address concerns related to living and working conditions.

This latter concern reflects awareness of overlapping working and community experiences and conditions. Where a local economy has a strong presence of small and micro-enterprises, the 'boundary' between the enterprise and society may be more porous and relationships more likely to intertwine. The 'world of work' and the 'world of society' are often overlapping. As pointed out by Joshi (1997), for many small-scale operators in the informal sector, and particularly in respect of home-workers, the home and workplace are one and the same, with housing conditions being synonymous with working conditions. Moreover, relationships between workers and employers are more likely to be informal and of a social kind, spreading into non-work settings.

Even in the case of more advanced small enterprises, the dependency on community support and regulatory institutions is likely to be greater than for large enterprises which may have their own resources to call upon. Like larger enterprises, small businesses are under pressure to achieve new competitive abilities, such as high quality and a capacity for constant improvement, which call for solutions small enterprises might by themselves not be able to provide. Consequently, collective community solutions in training, social security and other areas might be necessary. Moreover, as the new competitive requirements potentially demand greater cooperation and involvement from the workforce, community conditions may have a bearing on relationships within the workplace and the propensity to cooperate.

Box 2

Supply Chain Health and Safety Initiatives

Shell Exploration and Production, which operates production platforms and exploration rigs on behalf of Shell and Esso is reported to tackle health and safety within a Fully Integrated Quality System. This system sets procedure for contractors, which range from big operators carrying out long term contracts, to small companies employed for one-off assignments. Costs and quality are not the only criteria when selecting suppliers. Tenders are now evaluated partly on the bidder's health and safety record, with more emphasis placed than previously on the importance of health and safety as a selection criteria. If contractors fail to measure up to required standards they are not put on the tender list.

In the UK, Adtranz manufactures and repairs railway rolling stock and signalling equipment. Health and Safety issues are reported to be an important component of the contractual relationship that Adtranz UK strikes with its 2,000 suppliers. The company is highly dependent on 'just-in-time' supply and any disruption in supply can have serious financial consequences for Adtranz. Consequently, strategic suppliers must be able to demonstrate good management of health and safety. Once chosen, a supplier has to continue demonstrating that its equipment is reliable and safe.

British Steel has 39,000 permanent employees and is reported to take accident prevention and occupational health issues very seriously. The company has also turned its attention to its suppliers and contractors, which account for an additional 10,000 employees in businesses ranging from computing, industrial and domestic cleaning, catering and security to slag removal. For the past three years the company has pursued a policy of reducing the number on its supplier approved list for which selection is based on performance indicators that include health and safety records. The current policy is to decentralise workplace safety responsibility, handing it down to the company's individual businesses, and ultimately to work teams. The approach is said to be linked to total quality and the desire to see greater workforce involvement in problem solving. The aim is to integrate health and safety into all aspects of the business as part of the total quality approach.

Sources: Simkins. 1998: Kibazo. 1998: Wood. 1998.

The experience of the Italian region of Emilia-Romagna seems to indicate that good working relationships in the small workplaces there may be an important factor in the success. Here the average size of enterprise is only around five people, and the average for manufacturing alone around ten or eleven. Yet competitiveness and a capacity for innovation is reported to be high. However, such a positive collegial atmosphere may not necessarily be completely attributable to 'small size' in itself¹². Research in the region has suggested that the readiness to cooperate and for workers to become involved and 'give of their best' is influenced by the attitudes they bring to the workplace, which in turn are influenced by conditions in the broader community (Brusco, 1996). The implication is that, for small enterprises in particular, perceptions of social fairness and experiences of social cohesion in the community in general can affect relationships at work and the ability of the enterprise to be competitive.

An important community trend has been a heightened emphasis on the issues of knowledge acquisition and dissemination. Knowledgeable entrepreneurs and adaptable well trained labour are seen by many as key to both the promotion of flexible, innovative, quality conscious and productive enterprises, and to the future employability and security of workers. Such knowledge can be generated locally. It can include 'on the job' training in the workplace and in local colleges and other knowledge institutions. It can also be solicited from the global marketplace. Thus, local-global connections are important for improving knowledge.

The creation of a high value adding and high knowledge milieu is a means of, not only creating local enterprises capable of providing good jobs, but also attracting inward investment, particularly of a high value adding type. That is to say, the provision of a quality training and knowledge generating milieu, is an important discriminating factor by potential investors. This is especially so amongst those investors who are not simply seeking to compete on a cheap labour and cheap price basis¹³.

Thus, training and knowledge generation and dispersion initiatives at the community level are crucial aspects of broader local and regional development attempts to move economies along a high wage high value adding path. Businesses and representative organisations in community development initiatives have become more involved¹⁴ in these efforts as the attention of those concerned with improving the economic environment has shifted from a narrow focus on the enterprise context to that of the broader community. Economic reasons for improving community conditions include a concern for the quality of the labour, the image that communities present to possible incoming investors or incoming people (such as visitors or new residents), and the reputation of individual businesses to consumers and other businesses. In addition, communities have come to recognise that the adequacy and efficiency of community infrastructure and regulations have a significant effect on local business success.

Community involvement by business organisations has developed alongside a growth of cooperation and partnership amongst public and private actors. This has often brought together representatives from institutional backgrounds who would not normally act together. Thus representatives of employer and worker organisations might be involved in policy dialogue and joint actions with representatives from educational institutes, research organisations, regulatory authorities, financial institutions, welfare agencies, planning authorities, and others. All with the aim of tackling economic and social issues at local and regional levels.

12 Surveys have suggested that better collegial relationships may be one of the few qualitative advantages which smaller firms may in the aggregate offer.

13 In this regard it might be noted that a recent report by Deloitte Consulting into US foreign investment patterns revealed that in 1998 US manufacturers allocated as much as 65 percent of their foreign direct investment to high-wage and mature labour markets, with Europe being the main recipient. The existence of skilled labour was mentioned as a key reason for the choice, alongside other factors such as stability, well-developed infrastructures, and market opportunities. Moreover, it is instructive to note that in respect of investment into Asia, it was relatively high wage Singapore that captured the greatest investment, ahead of other countries, including China (Mohan, 1999).

14 For example, in the USA organisations such as the Council for Economic Priorities and Business for Social Responsibility has been established. In Europe, the United Kingdom has seen the creation of Business in the Community, whilst at the broader continental level has arisen the European Business Network for Social Cohesion (Pyke and Henriques, 1997).

Pyke (1998) suggests that attempts should be made to achieve coordination and harmonisation of programmes and initiatives at local and regional levels. In addition, resources should be maximised and new synergies created in concert with different actors. This requires the facilitation of consensus within potentially conflicting issues that link 'economic' and enterprise issues to broader community and welfare issues. These initiatives are receiving much attention in the context of decentralised competition at the local and regional levels. An important issue within this context is the extent to which small and micro-enterprises and their workers have the institutional organisation and capability to become involved in policy network activities.

In conclusion, major changes in the way individual industries and indeed whole economies are being organised suggest that qualitative aspects of work and the environment may be receiving more attention in the future, both in the workplace and at the broader level of the community. However, the fact that some authorities are pursuing improvements in areas such as health and safety, greater participation and involvement in the workplace and the community for both good social and business reasons, is no guarantee that it will automatically occur. The ILO review of export processing zones, for example, found that there were small enterprises which were responding, at least at first, with short-term cost cutting and work intensification measures, with little or no consultation with the workers. This occurred while the more progressive enterprises responded to new competitive pressures by innovating with new organisational methods, controlling quality and emphasising long-term development and greater employee involvement. Moreover, there are certain trends, such as the movement towards flexible employment contracts, which could actively impede the achievement of the cooperative committed work culture that is now desired. Consequently, there is a need for thought and action to determine what kinds of active policies might bring about the desired results.

4.0 LESSONS FROM PRACTICAL EXPERIENCE

The previous chapters have shown how the relationships between job quality and enterprise size are quite complex. There are a variety of internal and external influences on small enterprises that can promote improvements in the quality of employment small enterprises provide. Such influences can become points of focus for programme interventions designed to improve the number and quality of jobs provided by small enterprises.

This chapter identifies a number of experiences around the world, which provide a point of focus for analysis and offer opportunities for adaptation and transference. The four areas assessed here are: increasing training and knowledge acquisition for small enterprises and their workers; strategies to integrate initiatives that promote competitiveness with actions aimed at improving qualitative aspects of employment and living conditions; the promotion of self-help associations and collective solutions; and the development of enabling regulatory environments.

4.1 INCREASING TRAINING AND KNOWLEDGE

One of the most important areas to address in the promotion of job quality is that of knowledge and training. This is crucial for increasing workers' security, for meeting new competitive requirements and for moving local economies along a rising wage and rising standards path of development. Developing indigenous capability (rather than relying simply on inward investment alone) may be an important policy. In Africa, the ILO has been particularly concerned with the development of indigenous capability through its ASIST¹⁵ programme. Run by a multi-disciplinary team based in Harare, Zimbabwe, the ASIST programme focuses on labour intensive activities. Training is provided to owners, managers and workers in areas such as health and safety, productivity improvements, and the appropriate use of tools.

In East and South East Asia the successful acquisition of basic knowledge from world sources and the building upon that base to create an indigenous capability has been seen as crucial for the success of many countries. This has included Singapore, Taiwan, Hong Kong, and South Korea where knowledge acquisition has played an important role in helping move small enterprises in these countries along a higher wage path¹⁶.

A variety of tools have been used in the building up of such competence. These range from individual enterprises entering special licensing and technology transfer agreements to the creation of sectoral focused training institutions by local authorities. The use of special intermediary institutions to acquire knowledge of best practice from global sources and then dispersing it to local enterprises has also proved successful as has the creation of special programmes to encourage lead firms to transfer knowledge to smaller suppliers¹⁷.

At the same time, the upgrading of knowledge capabilities and training support mechanisms is not only important for the development of indigenous enterprises, but also for attracting high quality inward investment. A case in point, in respect of industrialised countries, is the Scottish electronics cluster (providing about 65,000 jobs by the late 1990s), where attempts are being made to move the cluster up market and improve the quality of employment. In this, training and knowledge build-up are seen as crucial. A recent and important step has been to attract into the cluster a key leading edge electronics company from

15 ASIST (Regional Programme of Advisory Support Information Services and Training for Labour-based Infrastructure and Transport Planning)

16 See, for example, Hobday, 1995; Mathews, 1996.

17 This last approach mentioned in particular seems to be growing, and possibly reflects an increased recognition of the fact that much knowledge for enterprises comes from other firms, and also perhaps a growing perception of enterprises as occupying positions in networks and supply chains. For example, mention might be made of such programmes to encourage transfer of knowledge from lead firms to small suppliers as the Local Industry Upgrading Programme in Singapore, and the Centre-Satellite Programme in Taiwan, as well as similar initiatives in other parts of the world, such as in Malaysia, Brazil, Argentina, Mexico and countries of Europe. There are also other inter-firm knowledge transfer programmes which give more emphasis to small firms learning from one another, through benchmarking, factory visits, learning networks and other means, and/or in partnership with local knowledge institutions.

the USA that, it is believed, will introduce crucial knowledge to help take the cluster to higher value activities. Significantly, the crucial factor that attracted the company was not so much cash incentives as much as a guaranteed supply of high quality trained labour, provided by a consortium of higher educational institutes brought together by an intermediary institution.

In respect of newly industrialising and developing countries, Singapore has deliberately marketed itself as a location offering high quality services and labour. It has been very successful in attracting inward investment. In Costa Rica the provision of assistance in training is said to be one of a raft of support provisions, which is said to have influenced a major \$500 million dollar inward investment decision by the electronics company Intel (ILO, 1998)

4.2 INTEGRATING COMPETITIVENESS WITH QUALITATIVE CONDITIONS

The integration of small enterprise development initiatives with the promotion of qualitative aspects of employment is a central theme. This can be addressed on a number of levels. One possibility is to consider geographically based schemes that provide broad social protection and form part of a holistic community-based economic development strategy. Within informal sector settings in particular, living conditions and working conditions often overlap and so worker productivity and the ability to earn a living income may be affected by factors such as housing inadequacy, sanitation, and other community aspects. Joshi, for example, asserts that since working conditions in the informal sector cannot be addressed in isolation from the living conditions of the urban poor, efforts to improve working conditions should be 'integrated with efforts to improve the environment of urban poor communities, including housing, sanitation, and access to water and electricity (Joshi, 1996)'. Thus, efforts to improve enterprise competitiveness need to include attention to broader social conditions and issues of social cohesion at the community level, as well as in the enterprise context.

An ILO initiative that goes some way to developing a holistic approach was the regional ILO Asia programme WIDE (Work Improvement and Development of Enterprises). This pilot programme designed and implemented the concept of simultaneously addressing an integrated and coordinated manner, business development and improvements in the working conditions through productivity improvements at the micro-enterprise level. The programme worked through local business development service providers as well as local institutions delivering services in occupational safety and health, and linking up micro-enterprises to these institutions. Intermediary and self-help organizations were helped to improve their capacity to provide development services and to become engaged in policy networks and to advocate their needs.

The principal outcome of the pilot programme was the training package IWEB (Improve your Work Environment and Business). The package, consisting of an Action Manual and a Trainers' Guide, promotes practical action to improve the business of very small and micro-entrepreneurs through concrete activities that have an immediate impact on the business performance and its working conditions.

In addition, the ILO WISE (Work Improvements in Small Enterprises) programme is a training method that provides practical advice on how to improve working conditions through low cost solutions, which also improve productivity, quality and profits. The technical content of each training programme depends on the specific problems and opportunities existing in the participating enterprises. Typically the core issues addressed are: materials storage and handling; work station design; productive machine safety; control of hazardous substances; lighting; welfare facilities and services; work premises; work organisation; and worker involvement (Di Martino, 1995).

WISE has been introduced in Asia, Africa and Central and South America, and the results have been encouraging. For example, follow-up workshops after WISE training courses in Thailand and India found that the rates of achieving proposed improvements within a few months were as high as 80 percent or more (Kogi, 1994). While in various countries of Central and South America participants in WISE have reported introducing numerous working conditions and productivity enhancing improvements (Hiba, 1994).

Programmes that integrate competitiveness with job quality can also be carried out by intermediary institutions that promote knowledge transfer along supply chains (See for example, Pyke, 1997a). In these cases, the intermediary institution acts as a broker between lead firms on the one hand and suppliers on the other, guaranteeing to all parties interventions (such as training) to raise capacity and maintain standards, whilst ensuring fair trading is carried out.

Whether as part of the above initiative or separately, intermediary institutions can, and do, promote cooperation and collective activities. This may include activities that aid learning and improve quality, innovation and business growth amongst limited groups of cooperating small enterprises. Many countries now have such programmes including, for example, Norway, Chile, Italy, Korea, Mexico and Taiwan. Typically, agencies providing programmes will, in addition to brokering inter-firm cooperation, offer either directly or through linkages to specialised agencies, a range of services such as training, and could include assistance in the implementation of measures to raise the level of working conditions.

Some institutions target, on a larger scale, whole sectoral clusters. For example, a well-known case is that of the Garment Industrial Development Corporation of New York. This tripartite governed institution was established to help the many small enterprises in New York's garment industry to introduce new organisational practices to raise productivity, improve fashion content and engage in just-in-time delivery. Training plays a major role. In Europe, various labour institutes are helping public and private organisations modernise and introduce new practices on a basis of consensus. One of the newest institutes, for example, is the Institute for Labour in Bologna in Italy, which also has a tripartite advisory board.

4.3 PROMOTING SELF-HELP ASSOCIATIONS AND COLLECTIVE SOLUTIONS

Increasing the capability of small and micro-enterprises, and their workers, to engage in collective solutions to the problems that individual enterprises (by virtue of their limited resources and scale) find difficult to achieve alone, is an important component of a quality enterprise development strategy. Thus, through associational activity, small enterprises can benefit from a range of business services. They can organise for the provision of social protection and welfare schemes, and can improve occupational safety and health standards. They can also increase their involvement in policy networks and social dialogue at the local area as well as at even higher levels.

There is evidence that employer and worker organisations are showing increasing interest in going beyond their traditional representative and bargaining roles. They are becoming more involved in developmental activities that add value to the economic development process. For example, an international survey carried out by the ILO three years ago found that the social partners expressed interest in providing developmental services to small enterprises and in becoming involved in regional development activities (ILO, 1997).

In industrialised countries, an example of a small firm association that has a strong developmental orientation is the Italian National Association of Artisans. This Association provides small artisan enterprises with a broad range of services that include both enterprise development services (such as consultancy services, access to finance, and training) as well as welfare and social services (such as pension and health schemes).

In developing countries, self-organisation by informal sector groups is said to be growing (Aryee, 1996). For example, a prominent case of a social protection scheme organised by a self-help association is that of the Self-Employed Women's Association (SEWA) in India. In the Philippines, Joshi (1997) reports on the existence of large self-help groups such as SAMA-SAMA, which could 'easily be used to increase awareness about working conditions', as well as carrying out other promotional and developmental activities. Trade unions also, are reported to be showing increased interest in representing the sector. For example, in the Philippines several trade unions have amended their constitutions to enable them to operate in the informal sector and to extend membership and services to those who work in it. Actions to extend membership and take initiatives in the informal sector have also been reported in Tanzania and Colombia (Aryee, 1996)

4.4 DEVELOPING ENABLING REGULATORY ENVIRONMENTS

A fourth component in the promotion of quality employment is the design of an appropriate regulatory environment. The complaints, often justified, of stifling bureaucratic regulation on small enterprise are well known, and the need to remove unnecessary 'red tape' is clear. There is often a need for more flexible regulatory frameworks, which can be adapted to specific circumstances without undermining basic objectives or core protective measures. The introduction of new regulations may be most usefully combined with promotional actions that improve conditions and increase enterprise capacity and competitiveness in an integrated fashion.

Assistance will be needed by entrepreneurs, workers and the self-employed to understand both the social and economic value of regulatory measures. The development of manuals, the promotion of training programmes and the use of self-help associations to share costs and organise assistance should figure prominently in these efforts.

Assistance might also be given in removing blockages or disincentives to the introduction of measures that raise standards. This may include, for example, measures that counter pressure from customers, such as lead firms, to reduce incomes and conditions, where lead firms are competing strongly on price factors and short-term cost cutting approaches¹⁸.

These situations underscore the fact that a key to the success is through systemic approaches rather than ones that focus entirely on an individual small enterprise supplier or sub-contractor. Within this context, powerful lead firms can play an important part by promoting better conditions in small enterprise suppliers and sub-contractors, sometimes referred to as Ethical Sourcing Strategies. This is where lead firms, possibly through negotiation with trade unions, commit themselves to only source from suppliers around the world that meet certain basic standards, such as, the core standards of the International Labour Organisation¹⁹.

4.5 TOWARDS A LOCAL, INTEGRATED AND HOLISTIC APPROACH

The four components highlighted above may be incorporated into a local holistic approach to developing competitive enterprise and improving the quality of employment and living conditions. A holistic approach such as this aims to develop a coordinated and supportive set of policies, programmes, and institutional actions that share common goals of constant improvements in competitiveness and conditions. Thus, the aim would be to embed small enterprises within an environment and culture that improves competitiveness and raises standards.

A possible means of achieving this coordination could be through a range of representative organisations and agencies. Beyond the usual tripartite members, these organisations should include bodies such as local authorities, universities, and various types of self-help organisations, regulatory authorities, welfare agencies, and financial institutions. A feature of such approaches is that they often bring together people

18 For example, as part of a strategy to move the San Franciscan small firm garment industry away from a cost cutting competitive strategy to one based on higher quality and higher value, initiatives in the mid-1990s to provide training and other technical assistance, as well as improved working conditions, were accompanied by efforts to promote compliance with labour regulations. In the past the pressure to not provide adequate working conditions, and not comply with labour laws, is said to have come from a tendency by suppliers to win orders from manufacturers by keeping prices low. Contractors blamed manufacturers for paying insufficient rates, whilst manufacturers said the issue was outside their control and lay in the province of the suppliers. However, manufacturers and contractors were persuaded to come together and cooperate by signing a written agreement which specifies a number of conditions, including, for example, delivery schedules, and compliance with labour laws—including the proper payment of overtime. Surveys have found that between 1992 and 1995 compliance with labour laws rose from 12percent to 61percent (Pyke, 1997a).

19 Within the UN system, the International Labour Organisation has developed an international code of labour standards for member States to use as guiding principles for their own legislation. Of these, 7 are seen as 'core' or basic standards, of which nearly 100 states have ratified at least five of them, being: Conventions 29 and 105 on the abolition of forced labour; Conventions 87 and 98 on the rights to freedom of association and to bargain collectively; Conventions 111 and 100 on the prevention of discrimination in employment and equal pay for work of equal value; and Convention 138 on the minimum age for employment (child labour). Source: (ICFTU: 1996)

from institutions that might not otherwise come into contact. Thus, members are required to address a number of social, educational, infrastructure and regulatory issues related to local enterprise competitiveness in a coordinated fashion.

Partnership approaches might involve representation on local or regional strategic development committees. In transitional countries, such an institution in the Czech region of Ostrava-Karvina is the Union for the Development of Northern Moravia and Silesia. This Union contains representatives from a range of organisations and is reported to be leading the regional process of change. The opportunities for consensus building and coordinated action facilitated by this institution is said to have helped restructuring and reduced the potential for major social conflict (Nesparova, publication forthcoming).

In advanced industrialised countries, processes of socio-economic dialogue have been largely decentralised, particularly in Western Europe and North America. Such processes are reported to have played significant roles, for example, in regions such as North Rhine Westphalia in Germany, Silicon Valley in California, and in parts of Italy (See: Patti Territoriali, Box 3)

An ILO initiative that goes some way to developing a holistic approach is the WIDE/IWEB initiative. IWEB seeks to address issues connected to business development and improvements in working conditions in an integrated and coordinated fashion. This includes the development of a regulatory framework appropriate to micro-enterprises. As part of IWEB, a range of initiatives are introduced. Training packages to teach improvements in business capacity and working conditions in tandem have been developed. Micro-enterprises are being linked up to business services. Intermediary and self-help organisations are being helped to improve their capacity to provide development services and to become engaged in policy networks. Supply chains and other network linkages are being strengthened with the aim of promoting equitable large and small enterprise exchanges and creating win-win situations. Attempts are also being made to improve the regulatory environment and compliance with regulations through a process of consensus building. This involves representative organisations, service providers, government actors and others (Miehlbradt, 1998b)²⁰.

Such kinds of local promotional initiatives aimed at raising enterprise capability and work conditions can also be linked into area-based social and welfare schemes that are suited to the situation of small-scale enterprises and their workers. This may include addressing the concerns of mobile labour forces associated with contingent or unstable work patterns.

In this latter respect, the idea of social security being provided on an area basis is being tested by the ILO for informal workers typically employed in micro-enterprises in Africa, India and Central America. Such

Box 3

Patti Territoriali

The aim of the Patti Territoriali programme in Italy is to encourage a process of consensus building and partnership at the local level. Here representatives of employers' and workers' organisations, local administrations, specific enterprises, financial institutions and other interest groups come together to elaborate a written strategic development plan of action, to which all 'partners' formally agree to contribute, and from which all are expected to benefit. In such a pact or agreement, different institutions can agree to do different things, appropriate to their competence. For example, provincial and municipal administrations might promise to reduce 'red tape' and agree to specific times for providing authorisation from different regulatory bodies for new investments. Trade unions might agree to new flexible working practices or maybe assistance with training programmes. Employers might also agree to make specific investments such as new plants, or new production lines, or new machinery to improve productivity or quality, or to take on more workers; financial institutions might agree to provide credit, and provide it at favourable rates. By making such agreements, it is said, partners are given greater confidence to proceed with investments or other commitments; development strategies can be better-focused and coordinated; and more rational use made of possible funds and resources.

Source: Pyke, 1997b

20 An assessment of a pilot implementation of the WIDE programme in Nepal, Malaysia and the Philippines was encouraging. Participating enterprises were reported to have introduced numerous improvements in both business development areas (marketing, finance, management, and production) and in working conditions within firms; also improvements were noted in areas such as family safety and living environments (Miehlbradt, 1998a)

schemes are aiming at full coverage within a specified area and are mainly run by local government in collaboration with a variety of possible social security partners (van Ginneken, 1998; 1999). Thus, through consensus building and coordination, job quality issues can be linked to a range of strategies to promote economic change. This can develop productive, high quality small enterprises associated with rising incomes and conditions.

5.0 MAIN FINDINGS AND CONCLUSIONS

This chapter presents the main findings and draws conclusions in relation to job quality and small enterprise development. It also gives specific suggestions as to which areas need attention for future research and development.

There is no doubt that small enterprises have been more likely to be associated with inferior pay and working conditions on most dimensions. However this association is not inevitable. There are strong suggestions of a link between small enterprise incomes and working conditions and the basis on which such enterprises compete. There are also indications that enterprises seeking to compete by meeting new demands for high levels of quality, productivity, reliability, innovation, flexibility and a capacity to adapt to changing needs, have advantages in this regard when various qualitative aspects of employment are present. This includes, for example superior labour relations and opportunities for worker participation, good working and community conditions (including adequate health and safety environments) progressively improving skills and equipment and adopting adequate social protection mechanisms. In fact, good conditions and a capability to meet current competitive needs may be mutually supportive.

The improvement of job quality within small enterprises draws together a number of aspects of the work of the ILO. The promotion of employment is a fundamental objective of the Organisation, whilst the improvement of working conditions and the provision of social protection measures remain important and connected themes. When dealing with these concerns within small enterprises a unique set of challenges emerge.

There is, for example, the primary challenge to find, synthesise and promote practical examples that show how improvements in the quality of employment can pay for itself through productivity gains, thereby resolving apparent conflicts or trade-offs between the 'quality' and 'quantity' of jobs. Where safe work environments, proper social protection and an investment into the human resource provide returns in the form of profits and sustainable additional jobs.

Small enterprises cover a wide cross-section of national economies. They can be found in most industrial sectors, they exhibit varying degrees of formality, levels productivity, use of technology and levels of output. Working conditions also vary across this spectrum as will employment potential. It is, therefore, a challenge to find ways which address these variations whilst seeking common standards of quality.

There are further challenges that arise in this field by responding in realistic and practical ways to the issues facing small enterprises. These include the need for improvements in business management skills, access to capital, information, approaches to risk management and social protection, as well as workplace health and safety. Small enterprise employers should be encouraged to view job quality as an integral component to the development of their enterprise. In addition, models and instruments for improving the policy, legal and regulatory framework for enterprise development and improvements in the quality of employment need to be developed so that they are sensitive to the (internal and external) contexts in which small enterprises operate.

There is also the challenge that comes from an appreciation that many small enterprise owners, managers and employees live in poor and inadequate conditions, which may be characterised by poor sanitation, inadequate protection from natural elements, no electricity, official harassment and over-crowding. Indeed, places of residence often become places of employment. Thus, the improvement of job quality cannot be separated from the social, cultural and community aspects of a worker's life.

Improving job quality in small enterprises is a multifaceted and highly complex issue. Amongst other influences, the economic, social and cultural contexts in which small enterprises operate plays an important role, both in terms of contributing to poor job quality and to the way in which improvements can be made. Currently, achievements in this field are poorly documented. There are a number of areas where further information and knowledge concerning job quality in small enterprises is required. Of particular concern is the limited information that currently exists on international regional priorities for action in the improvement of

job quality within small enterprises.

In addressing these challenges, the ILO is required to work in a pragmatic and multidisciplinary manner that remains sensitive to the needs of small enterprises in their economic and social contexts and true to the standards and quality of employment it promotes. Thus, improving job quality in small enterprise development will draw from the work of many ILO technical units. The expertise and experiences of these units will be adapted and tailored to suit the unique challenges of small enterprises as outlined above.

The casual relationships between practices that improve job quality and the promotion of productivity should be properly identified and practical and effective ways of improving job quality within small enterprises promoted. Instruments to measure and assess job quality within small enterprises must also be developed so that the development efforts can be properly monitored and assessed.

There is a need to raise awareness within a range of different organisations in regards to job quality and small enterprises, specifically, member states, worker organisations and employers. Awareness raising should emphasise the complementary benefits of improving job quality with productivity and enterprise development. It should also increase the understanding of these groups to the ways in which an environment that is conducive to the enhancement of job quality and small enterprise development can be achieved. The ILO has a clear mandate in this field and should develop concerted efforts to effectively fulfil this mandate in respect of small enterprises.

The ILO should provide technical assistance and advisory services to its constituents on a variety of matters concerning improvements in job quality and small enterprise development, reflecting the priorities outlined earlier in this paper. Specifically, this should involve the design of models and instruments that can be applied to improving job quality whilst developing sustainable small enterprises. These models and instruments will be promoted, tested, transferred and adapted through a range of networks that are used to share and institutionalise experience and expertise in this field.

Member States should make use of regionally specific criteria for the assessment, promotion and standardisation of job quality measurements relevant to small enterprises and complementary to international labour standards. Small business membership organisations, worker organisations and other forms of community and self-help associations should be better able to provide technical advice and conduct training on job quality, productivity and profitability to their members.

The policy implication of this is the need to establish conditions where a dynamic improvement process can be set in motion. Small enterprises and the communities they inhabit can be assisted to gradually raise their competitive capabilities and working conditions in tandem. Initiatives such as the ILO WISE and IWEB programmes and the activities of some intermediary institutions, such as the Garment Industrial Development Corporation, are good examples of such an approach.

These kinds of integration strategies should be firmly embedded in a whole range of local developmental and quality-raising initiatives. Such initiatives can collectively be considered in a holistic approach to development. Strategies to raise knowledge levels (such as through training, supply-chain and firm-institution networking initiatives) are seen as particularly important, as is an enabling regulatory environment. Area-based social protection schemes could also be part of that environment. Strategies to link enterprises to markets and technical support organisations should also feature.

In such a holistic strategy, developmentally minded entrepreneurial, trade union and other self-help associations can perform major roles in raising competitiveness and improving conditions. These roles go beyond traditional representative roles and may provide small and micro-enterprises with both business and social services. They may also become involved in collaborative policy networks and thereby help to drive a progressive process of change at both the enterprise and community levels. The promotion of social dialogue between government, workers, employers and relevant civic organisations to improve job quality is of primary importance. Often many small enterprises are excluded from participating in these activities due to their marginal position in society, their limited internal resources, and the lack of official recognition. This is so, not only at the national level, but also with provincial, regional and local levels.

Such an approach shifts the focus of attention from an exclusive consideration of the internal dynamics of individual enterprises, to a broader awareness of the enterprise as part of sectoral and community networks. It recognises the significance of both enterprise and community conditions, as well as community institutional support, for improving enterprise performance and competitiveness. Such a systemic perspective emphasises the need for strategies that are part of a long-term vision of rising competitiveness, incomes and conditions at the level of the whole community.

To achieve this, qualitative aspects must become fully incorporated into economic development strategies. For this to occur it will be necessary for organisations of local, regional, and national economic policy-makers take on board issues such as how to create competitive advantages. In this way an important goal of policy will not only be jobs as such, but good quality jobs and high quality enterprises.

LIST OF REFERENCES

- Aryee, G., 1996 *Promoting Productivity and Social Protection in the Urban Informal Sector: An Integrated Approach*, Report on Pilot projects in Bogota, Dar es Salaam and Manila, ILO, Geneva.
- Baldwin, J. R., 1998 'Were Small producers the Engines of Growth in the Canadian Manufacturing Sector in the 1980s?', *Small Business Economics*, Vol. 10, pp. 349-364.
- Bilmes, L., Wetzner, K. and Xhonneux, P., 1997 'Value in Human Resources', *Financial Times*, 10 February 1997.
- Bowley, G., 1997 'Bayer Signs deal on Jobs and Costs', *Financial Times*, June 24th, 1997.
- Brown, C., Hamilton, J. and Medoff, J., 1990 *Employees Large and Small*, Harvard University Press, Cambridge, Mass.
- Brusco, S., 1996 'Global Systems and Local Systems', in Cossentino, F., Pyke, F. and Sengenberger W. (eds.), *Local and Regional Response to Global Pressure: The Case of Italy and its Industrial Districts*, International Institute for Labour Studies, ILO, Geneva.
- Buckby, S., 1998a 'Small and Imperfectly Formed' in Health and Safety in the Workplace; A Financial Times Guide, *Financial Times*, October 24th, 1998.
- Buckby, S., 1998b 'The Long Unwinding Road', in Health and Safety in the Workplace; A Financial Times Guide, *Financial Times*, October 24th, 1998.
- Carneiro, F. C. and Henley, A., 1998 'Wage Determination in Brazil: The Growth of Union Bargaining Power and Informal Employment', *The Journal of Development Studies*, Volume 34, Number 4, April 1998.
- Cooke, P., Boekholt, P. and Toedling, F., 1998 *Regional Innovation Systems: Designing for the Future; Final Report to the European Commission*, DG12-TSER, CASS, Wales.
- Cosh A. and Hughes, A. (eds.) 1996 *The Changing State of British Enterprise: Growth, Innovation and Competitive Advantage in Small and Medium-sized Firms, 1986-95*, ESRC Centre for Business Research, Cambridge, United Kingdom.
- Cowling, M. and Storey, D. J., 1998 *Job Quality in SMEs; Final Report to the European Foundation for the Improvement of Living and Working Conditions*.
- Crestanello, P., 1996 'The Industrial Districts in Veneto: Changes and Tendencies', in Cossentino, F., Pyke, F. and Sengenberger, W. (eds.), *Local and Regional Response to Global Pressure: The Case of Italy and Its Industrial Districts*, International Institute for Labour Studies, Geneva.
- Curran, J., Kitching, J., Abbott, B. and Mills, V., 1993

- Employment and Employment Relations in the Small Service Sector Enterprise—A Report*, ESRC Centre for Research on Small Service Sector Enterprises, Kingston Business School, UK.
- van Dijk, M. P., 1994 *Small Enterprise Associations and Networks: Evidence from Accra, Ghana*, paper presented to the workshop: 'Industrialisation, Organisation and Institutions in the South', EADI Working Group on Industrialisation Strategies, Vienna, November 17-18, 1994.
- Di Martino, V., 1995 'Improving Productivity By Means of Better Working Conditions: An ILO Intervention Programme for Small Enterprises', in *African Newsletter on Occupational Health and Safety*, Volume 5, Number 2, September 1995.
- Dombois, R., 1993 'Small Firms and Labour Relations in Manufacturing Industry in Colombia', in Spaeth, B. (ed.), *Small Firms and Development in Latin America*, International Institute for Labour Studies, Geneva.
- ENSR 1993 'The European Observatory for SMEs', EIM, Zoetermeer, The Netherlands.
- EU, 1999 *Enterprise in Europe: Fifth Report*, Eurostat and DGXXIII, European Commission, Brussels.
- van Ginneken, W., 1998 'Including Informal Sector Workers Through Social Security', in Figueiredo J. B. and de Haan, A. (eds.), *Social Exclusion: An ILO Perspective*, Research Series Number 111, International Institute for Labour Studies.
- van Ginneken, W., 1999 *Social Security for the Informal Sector: A New Challenge for the Developing Countries*, International Social Security Review, January 1999.
- Harris, J. H. and Arendt, L. A., 1998 'Stress reduction and the Small Business: Increasing Employee and Customer Satisfaction', *Advanced Management Journal*, Volume 63, Number 1, Winter 1998, pp.27-34.
- Hiba, J.C., 1994 *Workplace Improvements Achieved by the WISE Methodology in Latin America*, Ergonomie et Lieux De Travail, Vol. 5, 1994.
- Hobday, M., 1995 *Innovation in East Asia: The Challenge to Japan*, Edward Elgar, Aldershot.
- Institute of Labour Studies (ILS), 1990 *Case Studies of Low-cost Improvements in Working Conditions*, Department of Labour and Employment-ILS, Manila.
- International Confederation of Free Trade Unions (ICFTU), 1996 *The Global Market: Trade Unionism's Greatest Challenge*, ICFTU, Brussels.
- International Labour Office (ILO), 1995 *General Conditions to Stimulate Job creation in Small and Medium-sized Enterprises*, Report V (1), prepared for the International Labour Conference 85th. Session, 1997.
- International Labour Office (ILO), 1996 *1996 Labour Overview: Latin America and the Caribbean*, Geneva.
- International Labour Office (ILO), 1997

- World Labour Report, 1997-8: Industrial Relations, Democracy and Social Stability*, Geneva.
- International Labour Organisation (ILO), 1998
Labour and Social Issues Relating to Export Processing Zones, report prepared for discussion at the tripartite meeting of export processing zones-operating countries, Geneva, 1998.
- Joshi, G., 1997
Urban Informal Sector in Metro Manila: A Problem or Solution?, International Labour Organisation, South East Asia and the Pacific Multi-disciplinary Advisory Team, Manila, Philippines.
- Kizbazo, J., 1998
'Heavy Industry, Light Touch: A Profile of British Steel', in *Health and Safety in the Workplace; A Financial Times Guide*, *Financial Times*, 24 October, 1998.
- Kogi, K., 1994
'Introduction to WISE Methodology and Workplace Improvements Achieved by the Methodology in Asia', *Ergonomie et Lieux De Travail*, Vol. 5, 1994.
- Levine, D., 1998
'Working in the Twenty-First Century', M. E. Sharpe; quoted in: Y. X. Liang and H. G. Yang, 1996, 'Lead Hazards and Their Control in Small Scale Industries', *Asian-Pacific Newsletter on Occupational Health and Safety*, Volume 3, No. 3 December 1996.
- Mathews, J., 1996
'High Technology Industrialisation in East Asia', *Journal of Industry Studies*, Vol. 3, No. 2, December 1996.
- Mclaughlin, C., Chernew, M. and Zellers, W., 1995
'Small Business and Health Insurance: An American Dilemma', paper prepared for the OECD High Level Workshop on 'SMEs: Employment, Innovation and Growth', Washington DC, 16-17 June, 1995.
- Miehlbradt, A. O., 1998a
Assessment of the Regional Programme on Micro and Small Enterprise Development and Workers' Protection (in the Asia and the Pacific Region), South East Asia and the Pacific Multi-disciplinary Advisory Team, May 1998, ILO, Manila.
- Miehlbradt, A. O., 1998b
Work Improvement and Development of Enterprise (in the Asia and Pacific Region), Programme Framework, Phase II, South East Asia and the Pacific Multi-disciplinary Advisory Team, June 1998, ILO, Manila.
- Mohan, S., 1999
'US Investors Head for Europe', *Financial Times*, March 1999.
- Nadvi K. and Schmitz, H., 1997
SME Responses to Global Challenges: Case Studies of Private and Public Initiatives, paper prepared for the seminar on 'New Trends and Challenges in Industrial Policy', UNIDO, Vienna, October 16-17, 1997.
- Nesparova, A. (Publication Forthcoming),
'An Active Approach Towards Regional Restructuring: The Case of Ostrava, Czech Republic', in M. Keune (ed.), *Local Restructuring and Employment Promotion in Central and Eastern Europe*, ILO-CEET/ILO-IPRED, Budapest/Geneva.
- Osterman P. and Lowe, N. J., 1998
High Performance Work Organisations and Training: A report to the ILO.

- Pfeffer, J., 1995 *Competitive Advantage Through People*, Harvard Business Press; quoted in Donkin, R. 1995, 'Happy Workers Can Generate High Profits', *Financial Times*, 8 February, 1995.
- Pfeffer, J., 1998 *The Human Equation: Building Profits By Putting People First*, Harvard Business School Press; quoted in S. Caulkin, 1998, 'Treating 'Em Mean Won't Keep Them Keen—Quite the Reverse', *The Observer*, 13 December, 1998
- Pyke, F., 1997a *Small Firms, Industrial Relations and New Roles for Employers' and Workers' Organisations*, a paper written at the request of the International Labour Office, for use in the preparation of the 'World Labour Report 1997-8: Industrial Relations, Democracy and Social Stability'.
- Pyke, F., 1997b *Local Development Initiatives and the Management of Change in Europe*, a paper written for the Employment Department of the International Labour Office, Geneva.
- Pyke, F., 1998 *Promoting Enterprise Through Networked Regional Development*, a paper written for the Private Sector Development Branch, UNIDO.
- Pyke, F. and Henriques, M., 1997 *Small Firms and Substance Abuse: An Economic Development Perspective*, International Labour Office.
- Scott, A. W., 1997 The Environmental Impact of Small-scale Industries in the Third World, final research report to the ESRC, UK.
- Scott, A. W., 1998 'Occupational Health and Safety in SMEs', in *Small Enterprise Development*, Volume 9, Number 3, September 1998.
- Sengenberger, W., Loveman, G. and Piore, M. J. (eds.), 1990 *The Re-emergence of Small Enterprises: Industrial Restructuring in Industrialised Countries*, International Institute for Labour Studies, ILO, Geneva.
- Simkins, J., 1998 'Aiming for the Top League', in Health and Safety in the Workplace; A Financial Times Guide, *Financial Times*, 24 October, 1998.
- Storey, D. J., 1994 *Understanding the Small Business Sector*, Routledge.
- Taylor, R., 1998a 'Dim View of EU Vision', *Financial Times*, 20 May, 1998.
- Taylor, R., 1998b 'Safe Liaisons', in Health and Safety in the Workplace; A Financial Times Guide, *Financial Times*, 24 October, 1998.
- Teixera, R. M., 1998 'Employment and Social Responsibility in Brazilian Small Enterprises Some Cases from Sergipe', in *Small Enterprise Development*, Volume 9, Number 3, September 1998.
- Wagner, J., 1995 *Firm Size and Job Quality: Evidence from Germany*, paper prepared for the OECD High Level Workshop on 'SMEs: Employment, Innovation and Growth', Washington DC, 16-17 June, 1995.

- Wood, L., 1998 'Parallel Lines', in Health and Safety in the Workplace; A Financial Times Guide, *Financial Times*, 24 October, 1998.
- World Bank, 1997 *Malaysia: Enterprise Training, Technology, and Productivity; A World Bank Country Study*, The World Bank, Washington DC.