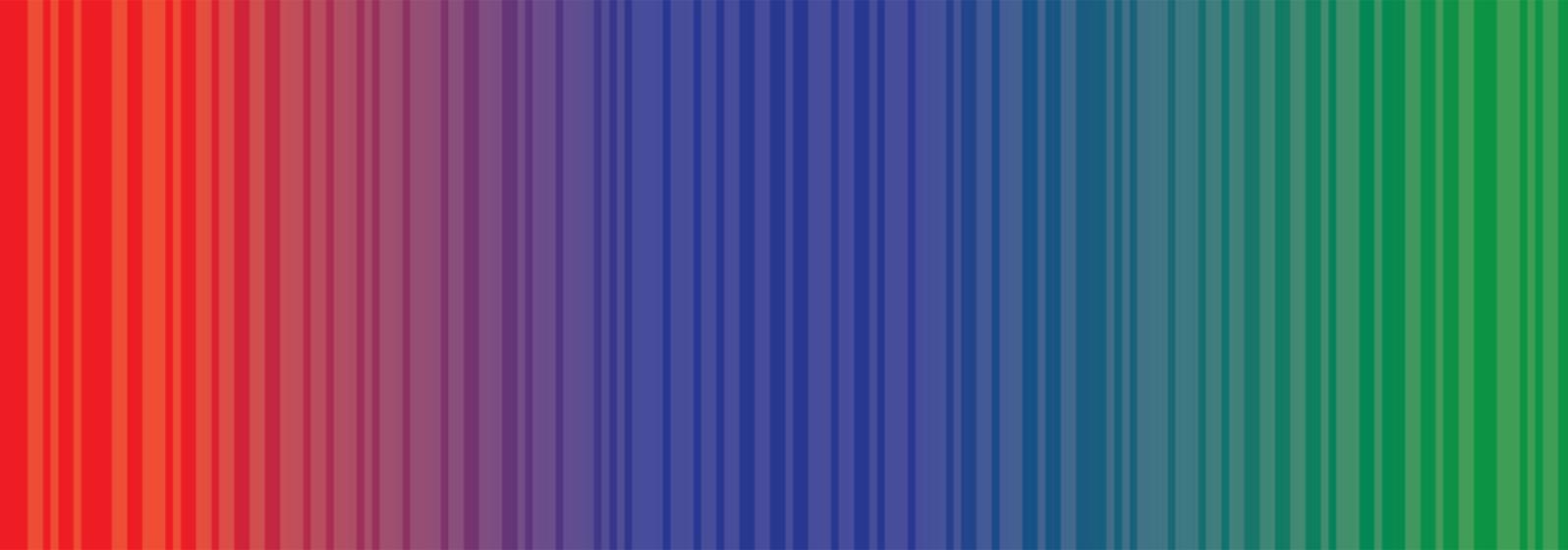




International
Labour
Organization

A decorative horizontal band consisting of numerous vertical stripes of varying widths and colors, transitioning from red on the left to green on the right, with shades of purple and blue in between.

Sustainable enterprises

creating more and better jobs

Sustainable development and decent jobs



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Despite several decades of unprecedented economic gains for many people around the world, unemployment, poverty and inequality remain critical obstacles to sustainable development and global stability. Multinational enterprises have created supply chains spanning the globe but there is a widespread perception that the benefits are not shared sufficiently with host and producer countries and communities. More needs to be done to stimulate inclusive growth, reconciling economic growth with social inclusion and environmental protection. More and better jobs are urgently needed in most countries to maintain social cohesion, achieve broad-based well-being and reduce poverty. And these need to be jobs of the future – productive and of good quality while preserving the natural environment on which future development depends.

In most countries, private enterprises create the most jobs. This is especially true in developing countries, where over 90 percent of jobs are in the private sector. People who have overcome poverty identify “finding a paid job” or “starting a business” as the two most important reasons.

Besides directly contributing to inclusive growth, job creation and poverty reduction, enterprises also have a major responsibility to address climate change and environmental sustainability, because their operations affect the environment. It is also a major business opportunity. Addressing climate change and environmental sustainability requires enterprises that can supply and use appropriate environmental technologies and satisfy the growing demand for green products and services.

The ILO promotes a people-centered and sustainable approach to enterprise development. It is in enterprises and the world of work that the social, economic and environmental dimensions of sustainable development come together inseparably. Sustainable enterprises align enterprise growth and the creation of productive employment and decent work with sustainable development goals.

Creating sustainable enterprises: understanding the challenges

Decent work – a key element of sustainable development

'We recognize that full and productive employment and decent work for all, which encompasses social protection, fundamental principles and rights at work and social dialogue are key elements of sustainable development for all countries.'

Ministerial Declaration, UN Economic and Social Council, Geneva 2006 (para 2).

The potential of sustainable enterprise development is often not fully realized. Constraints to enterprise development include external factors over which businesses may have no control as well as internal factors relating to the capacities and knowledge of entrepreneurs.

Key internal obstacles to business operation and growth may include a lack of management skills, limited information and understanding of markets and finance, a lack of awareness about the value of business support services, the use of outdated technologies, or a neglect of responsible workplace practices resulting in low productivity.

While it is important to address these internal constraints for businesses to grow, it is equally important to look at the external environment in which they operate. Enterprises, whether they are small or medium-sized, large multinationals or cooperatives, do not exist in a vacuum. They operate within a political, social and economic context of markets and supply chains and are subject to regulatory and institutional constraints. Without addressing the issues related to the enabling environment, the progress which can be made through interventions at the enterprise level will be limited.

Most surveys have identified the leading obstacles to sustainable enterprise development as lack of access to finance, poor infrastructure, political instability, legal and administrative regulations, and availability of skilled workers. The obstacles tend to be more acute the poorer the country and the smaller the enterprises.

This unfavourable environment is also a root cause of informality among micro and small Enterprises, which in turn stifles their growth and productivity.

Addressing these challenges calls for an integrated approach to promoting an enabling environment, supporting potential and existing entrepreneurs, and assisting enterprises to adopt responsible and sustainable workplace practices in order to become and remain competitive.



Developing sustainable enterprises: the ILO approach



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The ILO is the only UN body that brings together representatives of governments, employers and workers to jointly shape policies and programmes promoting sustainable enterprises. Drawing on the latest thinking on sustainable development, private sector promotion and good corporate citizenship, the ILO's International Labour Conference in 2007 addressed the imperatives of sustainable development, fair globalization and the role of enterprises. In its Conclusions it set out a programme for and provided guidance on the promotion of sustainable enterprises.

The Sustainable Enterprise Programme applies this guidance through a strategic framework for the creation of decent work in sustainable enterprises. This is built around three crucial and mutually reinforcing elements: creating the right conditions for sustainable enterprises to thrive and create jobs; stimulating entrepreneurs to fulfill their ambitions to build businesses; and nurturing sustainable and responsible workplaces that combine increased productivity and a smaller environmental footprint with improved working conditions and industrial relations.

The ILO's close contact with the governments, employers' organizations and trade unions of its member countries and its engagement with MNEs provides unique access to the actors in the real economy. Working with and through these partners, ILO interventions become more effective by linking policy reform with strengthening of relevant institutions and outreach to enterprises themselves.

Firmly based on the Decent Work Agenda of the ILO, the Sustainable Enterprise Programme applies to businesses of all sizes, from micro to multinational, and all types, including cooperatives and social enterprises.

ILO's Sustainable Enterprise Programme – three pillars

Creating enabling environments for sustainable enterprises and employment:

Assisting member countries to assess and where necessary to adapt policies, laws and regulations. The goal is to encourage investment and entrepreneurship that balances the needs and interests of the enterprise – both workers and employers – with the broader aspirations of society.

Entrepreneurship and business development:

Helping entrepreneurs - including special target groups like youth and women - to start and build successful enterprises. The programme supports efforts to stimulate entrepreneurship through training, provision of business development services, access to information, technology and finance, and connecting enterprises to local and global value chains.

Sustainable and responsible workplaces:

Linking productivity improvements to better working conditions, good industrial relations and good environmental practices. This includes promoting social dialogue and collective bargaining as well as human resource development and cleaner production in order to raise productivity, minimize use of energy and materials, and reduce environmental impacts; for increased wages and shared benefits; and for good corporate governance and responsible business practices.

The ILO's Sustainable Enterprise Programme: what it does

The ILO has an extensive track record and positive reputation in the international development community in the field of enterprise development, based on a range of tested products and solutions applied internationally on a large scale. The ILO's sustainable enterprise development team currently has 11 distinct areas of expertise, with products and solutions that help to create conducive conditions for enterprises, enhance entrepreneurship and business development, and promote responsible workplaces. The ILO also helps enterprises to shift towards a greener economy with more eco-efficient production processes and through green goods and services. These products can be used individually but are most effective when customized and used in combination.

Creating enabling environments

Reforming the business environment:

The ILO offers advisory services and capacity building for policymakers on how to better assess the environment in which businesses operate, how to identify priority areas requiring intervention, and how to formulate reform proposals. For this purpose the ILO introduced a standardized assessment tool, *Enabling Environment for Sustainable Enterprises* (EASE), covering a broad spectrum of issues affecting enterprises such as good governance, the legal and regulatory environment, and social, economic and environmental factors.

Fostering future entrepreneurs:

Creating an entrepreneurial culture is fundamental for an enabling environment. The ILO's *Know about Business* programme is a training package to teach entrepreneurship in vocational, secondary and tertiary schools, now used in 56 countries of which 18 have integrated the course into national curricula. The programme educates and informs young people on what it takes to set up and run their own business.

The cooperative way of doing business:

The ILO promotes the cooperative business model and its specific regulatory and institutional requirements to help cooperatives create and sustain employment and contribute to promoting decent work and social justice.

Boosting local economies:

The ILO advises on how local economic development programmes can promote sustainable and productive work, raise incomes, expand social protection and enable women and men to participate in local development decisions in the workplace and in the community.



Entrepreneurship and business development



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Entrepreneurship and small enterprise management training:

The ILO assists local providers in conducting management training to address the distinctive needs of small enterprises. The ILO's key input is the Start and Improve Your Business (SIY B) programme - a set of training packages for different groups, ranging from a first orientation for potential start-ups to in-depth training for existing enterprises. The programme is offered in more than 100 countries and has trained 6 million people since 2004.

Women's development entrepreneurship:

Investing in women is one of the most effective means of increasing gender equality and promoting inclusive growth. The ILO's *Women's Entrepreneurship Development* (WED) programme works with partners to help women start, strengthen and expand their enterprises.

Access to finance:

Finance is one of the main constraints for the development of small businesses. ILO supports entrepreneurs to understand and make good use of financial services. It helps financial institutions to offer products and services tailored for this cliental, such as micro-insurance.

Value chain development for more and better jobs:

The ILO's value chain development approach helps small businesses identify and exploit market opportunities that have the potential to create quality jobs. The aim is to strengthen all aspects of the supply chain from raw material to consumer to deliver greater value and benefits for the poor from economic growth and development.

The social economy:

The ILO supports the growth of the social economy and social enterprises which produce goods, services and knowledge while persuing both economic and social aims and fostering solidarity. The ILO advises on policy and law, access to finance, transition from the informal to the formal economy, capacity building and partnerships.

Sustainable and responsible workplaces

Responsible global business:

The ILO engages with multinational enterprises on responsible business practices in their operations and supply chains, implementing labour standards and promoting social dialogue. This is inspired by the *ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy* (“MNE Declaration”), the only international instrument with global reach to have been negotiated by governments, employers’ and workers’ representatives.

Responsible workplace practices:

Good workplace practices are a powerful driver of productivity. The ILO has developed several highly effective training and in-factory counselling programmes including *Better Work, Sustaining Competitive and Responsible Enterprises* (SCOR E) and the *System for Integrated Measurement and Improvement of Productivity* (SIMAPRO).

The ILO’s Sustainable Enterprise Programme: teams and network



The deployment of the ILO’s technical expertise is backed by a global organization with a strong presence and capacity to deliver advisory services and a major portfolio of technical cooperation around the world.

The ILO’s sustainable enterprise team operates at global, regional and national levels as well as in the field. The focus is on assisting national stakeholders to provide integrated and practical solutions that deliver systemic change for inclusive and people-centered development.

At ILO headquarters in Geneva, the Enterprises Department has teams responsible for small and medium-sized enterprises, multinational companies, cooperatives, social finance and the creation of green jobs.

The teams cooperate closely with other units at headquarters with expertise on skills development, employment policies, social protection, working conditions, labour law and relations with employers’ and workers’ organizations.

In addition, a network of enterprise specialists operates in all regions as part of field-based ILO teams. For the implementation of large technical cooperation projects, the ILO has over 50 field offices across the globe to ensure implementation and follow-up.

There is a strong emphasis on building the capacity of national partners and stakeholders. Capacity building programmes are designed and delivered around the world in collaboration with the ILO’s International Training Centre in Turin, Italy.

In addition to its close ties with governments, employers’ organizations and trade unions, the ILO works in partnership with other UN agencies, international organizations and academic institutions in delivering projects as well as sharing knowledge on best practices.

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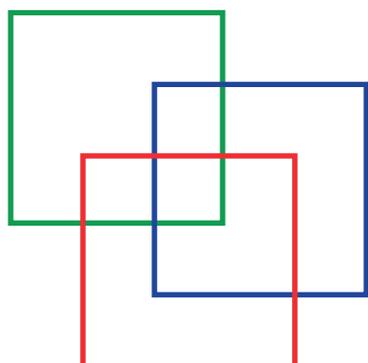
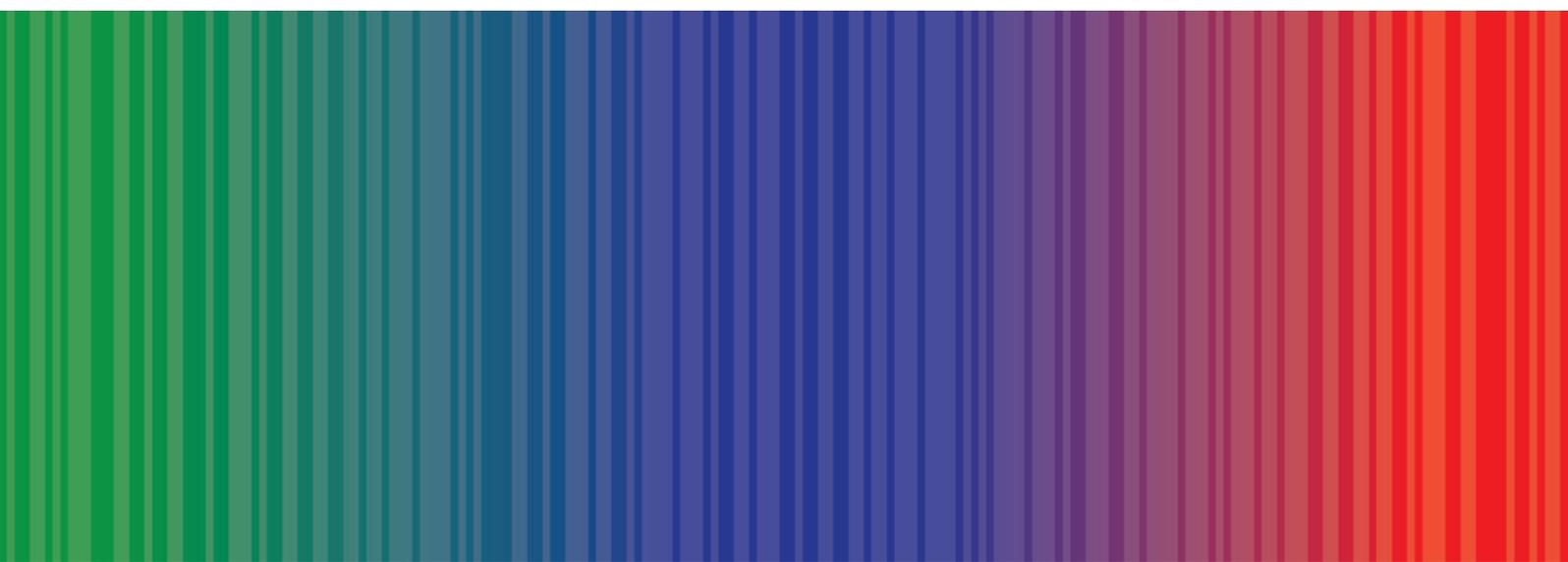
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