

GUYANA

PROPOSALS

On the following Convention, and ILO Declaration which were adopted by the International Labour Conference at its 86<sup>th</sup> Session held in June, 1998.

- 1) Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998, No. 189.
  
- 2) ILO Declaration on Fundamental Principles and Rights at Work and Its Follow-up..

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MINISTRY OF LABOUR HUMAN  
SERVICES AND SOCIAL SECURITY.

**SUBMISSION OF INTERNATIONAL LABOUR INSTRUMENTS  
TO THE NATIONAL ASSEMBLY OF THE PARLIAMENT  
OF GUYANA FOR IMPLEMENTATION.**

The International Labour Conference at its 86<sup>th</sup> Session held in June, 1998, adopted the following Recommendation and Declaration.

- i) Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998, No. 189.
  - ii) ILO Declaration on Fundamental Principles and Rights at Work and its follow-up.
2. Copies of the Recommendation and Declaration are attached as appendices I and II.
  3. As a member of the International Labour Organisation Guyana is obliged to bring the above-mentioned Recommendation and Declaration to the attention of the National Assembly for necessary action and to inform the Director General of the International Labour Organisation accordingly.

**RECOMMENDATION NO. 189 - Concerning General Conditions to Stimulate Job Creation in Small and Medium-Sized Enterprises.**

**1. PREAMBLE**

The International Labour Organisation notes that small and medium-sized enterprises are critical factors in economic growth and development and are increasingly responsible for the creation of the majority of jobs throughout the world, and can help create an environment of innovation and entrepreneurship. These enterprises provide the potential for women and other traditionally disadvantaged groups to gain access under better conditions to productive, sustainable and quality employment opportunities.

**2. DEFINITION, PURPOSE AND SCOPE**

Government should in consultation with employers and workers organisations define small and medium-size enterprises, taking account of national, social and economic conditions,

Government should adopt measures to recognise and promote the fundamental role that small and medium-sized enterprises can play as regards -

- a) the promotion of full, productive and freely chosen employment;
- b) sustainable economic growth and the ability to react with flexibility to changes;
- c) increased economic participation of disadvantaged and marginalised groups in society;
- d) increased domestic savings and investments;
- e) training and development of human resources; and
- f) stimulating innovation, entrepreneurship, technology development and research.

The provision of this Recommendation apply to all branches of economic activity and all types of small and medium-sized enterprises, whether private or public companies, cooperatives, partnership or family enterprises.

**POLICY AND LEGAL FRAMEWORK**

To produce a conducive environment for the growth and development of small and medium-sized enterprises government should -



- a) adopt and pursue appropriate fiscal, monetary and employment policies;
- b) establish and apply appropriate legal provisions as regards property rights, including intellectual property, enforcement of contracts, fair competition as well as adequate social and labour legislation;
- c) improve the attractiveness of entrepreneurship by avoiding policy and legal measures which disadvantage those who wish to become entrepreneurs.

The above should be complemented by policies that provide equal opportunity as regards access to credit, foreign exchange and imported inputs and fair taxation.

Specific measures and incentives aimed at assisting and upgrading the informal sector to become part of the organised sector should be implemented.

#### DEVELOPMENT OF AN ENTERPRISE CULTURE

Measures should be drawn up to create and strengthen an enterprise culture which favours initiatives, enterprise creation, productivity, environmental consciousness, quality, good labour and industrial relations, and adequate social practices which are equitable.

#### DEVELOPMENT OF AN EFFECTIVE SERVICE INFRASTRUCTURE

In order to enhance the growth, job-creation potential and competitiveness of such enterprises, consideration should be given to the availability and accessibility of a range of direct and indirect support services to include inter alia -

- a) business pre-start-up, start-up and development assistance;
- b) business plan development and follow-up;
- c) consultancy and research services;
- d) managerial and vocational skills enhancement;
- e) support for training in occupational safety and health;
- f) legal, accounting and financial services;
- g) market research and marketing assistance.

Credit and other financial services should as far as possible be provided on commercial terms except in the case of particularly vulnerable groups.

The development of organisations and institutions which can effectively support the growth and competitiveness of small and medium-size enterprises should be facilitated.

#### ROLES OF ORGANISATIONS OF EMPLOYERS AND WORKERS.

Organisations of employers and workers should contribute to the development of such enterprises by -

- a) articulating to government the concerns of small and medium-size enterprises;
- b) provide support services in areas such as training, consultancy, easier access to credit, marketing, advise on industrial relations and promoting linkages with larger enterprises

#### INTERNATIONAL COOPERATION

Appropriate international cooperation should be encouraged in the areas such as -

- a) establishment of common approaches to the collection of comparable data to support policy making;
- b) exchange information on the best practices in terms of policies and programmes to create jobs and to raise the quality of employment; and
- c) creation of linkages between national and international bodies and institutions.

## CONCLUSION

Being a Recommendation it is not subject to ratification but the provisions should be used to guide the development of small and medium-sized enterprises.

### **ILO DECLARATION ON FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK AND ITS FOLLOW-UP.**

The ILO was founded in the conviction that social justice is essential to universal and lasting peace. It was mandated to set and deal with International Labour Standards and to promote strong social policies, justice and democratic institutions. Towards these objectives the I.L.O developed and adopted a number of conventions recognized as fundamental, namely:

- a) freedom of association and the effective recognition of the right to collective bargaining;
- b) the elimination of all forms of forced or compulsory labour;
- c) the effective abolition of child labour; and
- d) the elimination of discrimination in respect of employment and occupation.

The International Labour Conference declares that all members, even if they have not ratified the Conventions in question, have an obligation arising from the very fact of membership in the Organization to respect, promote and realize in good faith and in accordance with the Constitution, the principles concerning the fundamental rights which are the subject of those conventions.

To give effect to the Declaration, a promotional follow-up, which is meaningful and effective, shall be implemented in accordance with the measures specified in the annex, which shall be considered as an integral part of the Declaration.

The International Labour Conference stresses that labour standards shall not be used for protectionist trade purposes, and that nothing in the Declaration and its follow-up shall be invoked or otherwise used for such purposes, in addition, the comparative advantage of any country shall in no way be called into question by the Declaration and its follow-up.

### ANNEX FOLLOW-UP TO THE DECLARATION

The purpose is to provide an opportunity to review each year efforts made, in accordance with the Declaration, by members which have not yet ratified all the fundamental conventions.

A global report covering each year, one of the four categories of fundamental principles will be compiled.

The report will be drawn up under the responsibility of the Director General on the basis of information submitted by members.

The report will be submitted to the conference for tripartite discussions.

## CONCLUSION

Guyana has ratified all eight (8) of the fundamental Conventions.

This Declaration is not subject to ratification but is for information.

# **International Labour Conference**

## **Conférence internationale du Travail**

### **RECOMMENDATION 189**

RECOMMENDATION CONCERNING GENERAL CONDITIONS  
TO STIMULATE JOB CREATION IN SMALL AND  
MEDIUM-SIZED ENTERPRISES  
ADOPTED BY THE CONFERENCE AT ITS  
EIGHTY-SIXTH SESSION, GENEVA, 17 JUNE 1998

### **RECOMMANDATION 189**

RECOMMANDATION CONCERNANT LES CONDITIONS GÉNÉRALES  
POUR STIMULER LA CRÉATION D'EMPLOIS DANS LES PETITES  
ET MOYENNES ENTREPRISES  
ADOPTÉE PAR LA CONFÉRENCE À SA  
QUATRE-VINGT-SIXIÈME SESSION, GENÈVE, 17 JUIN 1998

**Recommendation 189**

**RECOMMENDATION CONCERNING GENERAL CONDITIONS  
TO STIMULATE JOB CREATION IN SMALL  
AND MEDIUM-SIZED ENTERPRISES**

The General Conference of the International Labour Organization,  
Having been convened at Geneva by the Governing Body of the International  
Labour Office, and having met in its Eighty-sixth Session on 2 June 1998,  
and

Recognizing the need for the pursuit of the economic, social, and spiritual well-  
being and development of individuals, families, communities and nations,

Aware of the importance of job creation in small and medium-sized enterprises,

Recalling the resolution concerning the promotion of small and medium-sized  
enterprises adopted by the International Labour Conference at its 72nd  
Session, 1986, as well as the Conclusions set out in the resolution  
concerning employment policies in a global context, adopted by the  
Conference at its 83rd Session, 1996,

Noting that small and medium-sized enterprises, as a critical factor in economic  
growth and development, are increasingly responsible for the creation of  
the majority of jobs throughout the world, and can help create an  
environment for innovation and entrepreneurship,

Understanding the special value of productive, sustainable and quality jobs,

Recognizing that small and medium-sized enterprises provide the potential for  
women and other traditionally disadvantaged groups to gain access under  
better conditions to productive, sustainable and quality employment  
opportunities,

Convinced that promoting respect for the Forced Labour Convention, 1930, the  
Freedom of Association and Protection of the Right to Organise  
Convention, 1948, the Right to Organise and Collective Bargaining  
Convention, 1949, the Equal Remuneration Convention, 1951, the  
Abolition of Forced Labour Convention, 1957, and the Discrimination  
(Employment and Occupation) Convention, 1958, will enhance the  
creation of quality employment in small and medium-sized enterprises and  
in particular that promoting respect for the Minimum Age Convention and  
Recommendation, 1973, will help Members in their efforts to eliminate  
child labour,

Also convinced that the adoption of new provisions on job creation in small  
and medium-sized enterprises, to be taken into account together with:

- (a) the relevant provisions of other international labour Conventions and  
Recommendations as appropriate, such as the Employment Policy  
Convention and Recommendation, 1964, and the Employment  
Policy (Supplementary Provisions) Recommendation, 1984, the  
Co-operatives (Developing Countries) Recommendation, 1966, the  
Human Resources Development Convention and Recommendation, 1975,  
and the Occupational Safety and Health Convention and  
Recommendation, 1981; and



- (b) other proven ILO initiatives promoting the role of small and medium-sized enterprises in sustainable job creation and encouraging adequate and common application of social protection, including Start and Improve Your Business and other programmes as well as the work of the International Training Centre of the ILO in training and skills enhancement,

will provide valuable guidance for Members in the design and implementation of policies on job creation in small and medium-sized enterprises,

Having decided upon the adoption of certain proposals with regard to general conditions to stimulate job creation in small and medium-sized enterprises, which is the fourth item on the agenda of the session, and

Having determined that these proposals shall take the form of a Recommendation;

adopts this seventeenth day of June of the year one thousand nine hundred and ninety-eight the following Recommendation which may be cited as the Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998.

### I. DEFINITION, PURPOSE AND SCOPE

1. Members should, in consultation with the most representative organizations of employers and workers, define small and medium-sized enterprises by reference to such criteria as may be considered appropriate, taking account of national social and economic conditions, it being understood that this flexibility should not preclude Members from arriving at commonly agreed definitions for data collection and analysis purposes.

2. Members should adopt measures which are appropriate to national conditions and consistent with national practice in order to recognize and to promote the fundamental role that small and medium-sized enterprises can play as regards:

- (a) the promotion of full, productive and freely chosen employment;
- (b) greater access to income-earning opportunities and wealth creation leading to productive and sustainable employment;
- (c) sustainable economic growth and the ability to react with flexibility to changes;
- (d) increased economic participation of disadvantaged and marginalized groups in society;
- (e) increased domestic savings and investment;
- (f) training and development of human resources;
- (g) balanced regional and local development;
- (h) provision of goods and services which are better adapted to local market needs;
- (i) access to improved quality of work and working conditions which may contribute to a better quality of life, as well as allow large numbers of people to have access to social protection;
- (j) stimulating innovation, entrepreneurship, technology development and research;
- (k) access to domestic and international markets; and
- (l) the promotion of good relations between employers and workers.

3. In order to promote the fundamental role of small and medium-sized enterprises referred to in Paragraph 2, Members should adopt appropriate measures and enforcement mechanisms to safeguard the interests of workers in such enterprises by providing them with the basic protection available under other relevant instruments.

- (b) other proven ILO initiatives promoting the role of small and medium-sized enterprises in sustainable job creation and encouraging adequate and common application of social protection, including Start and Improve Your Business and other programmes as well as the work of the International Training Centre of the ILO in training and skills enhancement,

will provide valuable guidance for Members in the design and implementation of policies on job creation in small and medium-sized enterprises,

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2. Members should adopt measures which are appropriate to national conditions and consistent with national practice in order to recognize and to promote the fundamental role that small and medium-sized enterprises can play as regards:

- (a) the promotion of full, productive and freely chosen employment;
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- (k) access to domestic and international markets; and
- (l) the promotion of good relations between employers and workers.

3. In order to promote the fundamental role of small and medium-sized enterprises referred to in Paragraph 2, Members should adopt appropriate measures and enforcement mechanisms to safeguard the interests of workers in such enterprises by providing them with the basic protection available under other relevant instruments.



4. The provisions of this Recommendation apply to all branches of economic activity and all types of small and medium-sized enterprises, irrespective of the form of ownership (for example, private and public companies, cooperatives, partnerships, family enterprises, and sole proprietorships).

## II. POLICY AND LEGAL FRAMEWORK

5. In order to create an environment conducive to the growth and development of small and medium-sized enterprises, Members should:

- (a) adopt and pursue appropriate fiscal, monetary and employment policies to promote an optimal economic environment (as regards, in particular, inflation, interest and exchange rates, taxation, employment and social stability);
- (b) establish and apply appropriate legal provisions as regards, in particular, property rights, including intellectual property, location of establishments, enforcement of contracts, fair competition as well as adequate social and labour legislation;
- (c) improve the attractiveness of entrepreneurship by avoiding policy and legal measures which disadvantage those who wish to become entrepreneurs.

6. The measures referred to in Paragraph 5 should be complemented by policies for the promotion of efficient and competitive small and medium-sized enterprises able to provide productive and sustainable employment under adequate social conditions. To this end, Members should consider policies that:

- (1) create conditions which:
  - (a) provide for all enterprises, whatever their size or type:
    - (i) equal opportunity as regards, in particular, access to credit, foreign exchange and imported inputs; and
    - (ii) fair taxation;
  - (b) ensure the non-discriminatory application of labour legislation, in order to raise the quality of employment in small and medium-sized enterprises;
  - (c) promote observance by small and medium-sized enterprises of international labour standards related to child labour;
- (2) remove constraints to the development and growth of small and medium-sized enterprises, arising in particular from:
  - (a) difficulties of access to credit and capital markets;
  - (b) low levels of technical and managerial skills;
  - (c) inadequate information;
  - (d) low levels of productivity and quality;
  - (e) insufficient access to markets;
  - (f) difficulties of access to new technologies;
  - (g) lack of transport and communications infrastructure;
  - (h) inappropriate, inadequate or overly burdensome registration, licensing, reporting and other administrative requirements, including those which are disincentives to the hiring of personnel, without prejudicing the level of conditions of employment, the effectiveness of labour inspection or the system of supervision of working conditions and related issues;
  - (i) insufficient support for research and development;
  - (j) difficulties in access to public and private procurement opportunities;
- (3) include specific measures and incentives aimed at assisting and upgrading the informal sector to become part of the organized sector.

7. With a view to the formulation of such policies Members should, where appropriate:

- (1) collect national data on the small and medium-sized enterprise sector, covering inter alia quantitative and qualitative aspects of employment, while ensuring that this does not result in undue administrative burdens for small and medium-sized enterprises;
- (2) undertake a comprehensive review of the impact of existing policies and regulations on small and medium-sized enterprises, with particular attention to the impact of structural adjustment programmes on job creation;
- (3) review labour and social legislation, in consultation with the most representative organizations of employers and workers, to determine whether:
  - (a) such legislation meets the needs of small and medium-sized enterprises, while ensuring adequate protection and working conditions for their workers;
  - (b) there is a need for supplementary measures as regards social protection, such as voluntary schemes, cooperative initiatives and others;
  - (c) such social protection extends to workers in small and medium-sized enterprises and there are adequate provisions to ensure compliance with social security regulations in areas such as medical care, sickness, unemployment, old-age, employment injury, family, maternity, invalidity and survivors' benefits.

8. In times of economic difficulties, governments should seek to provide strong and effective assistance to small and medium-sized enterprises and their workers.

9. In formulating these policies, Members:

- (1) may consult, in addition to the most representative organizations of employers and workers, other concerned and competent parties as they deem appropriate;
- (2) should take into account other policies in such areas as fiscal and monetary matters, trade and industry, employment, labour, social protection, gender equality, occupational safety and health and capacity-building through education and training;
- (3) should establish mechanisms to review these policies, in consultation with the most representative organizations of employers and workers, and to update them.

### III. DEVELOPMENT OF AN ENTERPRISE CULTURE

10. Members should adopt measures, drawn up in consultation with the most representative organizations of employers and workers, to create and strengthen an enterprise culture which favours initiatives, enterprise creation, productivity, environmental consciousness, quality, good labour and industrial relations, and adequate social practices which are equitable. To this end, Members should consider:

- (1) pursuing the development of entrepreneurial attitudes, through the system and programmes of education, entrepreneurship and training linked to job needs and the attainment of economic growth and development, with particular emphasis being given to the importance of good labour relations and the multiple vocational and managerial skills needed by small and medium-sized enterprises;
- (2) seeking, through appropriate means, to encourage a more positive attitude towards risk-taking and business failure by recognizing their value as a learning experience while at the same time recognizing their impact on both entrepreneurs and workers;

- (3) encouraging a process of lifelong learning for all categories of workers and entrepreneurs;
- (4) designing and implementing, with full involvement of the organizations of employers and workers concerned, awareness campaigns to promote:
  - (a) respect for the rule of law and workers' rights, better working conditions, higher productivity and improved quality of goods and services;
  - (b) entrepreneurial role models and award schemes, taking due account of the specific needs of women, and of disadvantaged and marginalized groups.

#### IV. DEVELOPMENT OF AN EFFECTIVE SERVICE INFRASTRUCTURE

11. In order to enhance the growth, job-creation potential and competitiveness of small and medium-sized enterprises, consideration should be given to the availability and accessibility of a range of direct and indirect support services for them and their workers, to include:

- (a) business pre-start-up, start-up and development assistance;
- (b) business plan development and follow-up;
- (c) business incubators;
- (d) information services, including advice on government policies;
- (e) consultancy and research services;
- (f) managerial and vocational skills enhancement;
- (g) promotion and development of enterprise-based training;
- (h) support for training in occupational safety and health;
- (i) assistance in upgrading the literacy, numeracy, computer competencies and basic education levels of managers and employees;
- (j) access to energy, telecommunications and physical infrastructure such as water, electricity, premises, transportation and roads, provided directly or through private sector intermediaries;
- (k) assistance in understanding and applying labour legislation, including provisions on workers' rights, as well as in human resources development and the promotion of gender equality;
- (l) legal, accounting and financial services;
- (m) support for innovation and modernization;
- (n) advice regarding technology;
- (o) advice on the effective application of information and communication technologies to the business process;
- (p) access to capital markets, credit and loan guarantees;
- (q) advice in finance, credit and debt management;
- (r) export promotion and trade opportunities in national and international markets;
- (s) market research and marketing assistance;
- (t) assistance in product design, development and presentation;
- (u) quality management, including quality testing and measurement;
- (v) packaging services;
- (w) environmental management services.

12. As far as possible, the support services referred to in Paragraph 11 should be designed and provided to ensure optimum relevance and efficiency through such means as:



- (a) adapting the services and their delivery to the specific needs of small and medium-sized enterprises, taking into account prevailing economic, social and cultural conditions, as well as differences in terms of size, sector and stage of development;
- (b) ensuring active involvement of small and medium-sized enterprises and the most representative organizations of employers and workers in the determination of the services to be offered;
- (c) involving the public and private sector in the delivery of such services through, for example, organizations of employers and workers, semi-public organizations, private consultants, technology parks, business incubators and small and medium-sized enterprises themselves;
- (d) decentralizing the delivery of services, thereby bringing them as physically close to small and medium-sized enterprises as possible;
- (e) promoting easy access to an integrated range of effective services through "single window" arrangements or referral services;
- (f) aiming towards self-sustainability for service providers through a reasonable degree of cost recovery from small and medium-sized enterprises and other sources, in such a manner as to avoid distorting the markets for such services and to enhance the employment creation potential of small and medium-sized enterprises;
- (g) ensuring professionalism and accountability in the management of service delivery;
- (h) establishing mechanisms for continuous monitoring, evaluation and updating of services.

13. Services should be designed to include productivity-enhancing and other approaches which promote efficiency and help small and medium-sized enterprises to sustain competitiveness in domestic and international markets, while at the same time improving labour practices and working conditions.

14. Members should facilitate access of small and medium-sized enterprises to finance and credit under satisfactory conditions. In this connection:

- (1) credit and other financial services should as far as possible be provided on commercial terms to ensure their sustainability, except in the case of particularly vulnerable groups of entrepreneurs;
- (2) supplementary measures should be taken to simplify administrative procedures, reduce transaction costs and overcome problems related to inadequate collateral by, for example, the creation of non-governmental financial retail agencies and development finance institutions addressing poverty alleviation;
- (3) small and medium-sized enterprises may be encouraged to organize in mutual guarantee associations;
- (4) the creation of venture capital and other organizations, specializing in assistance to innovative small and medium-sized enterprises, should be encouraged.

15. Members should consider appropriate policies to improve all aspects of employment in small and medium-sized enterprises by ensuring the non-discriminatory application of protective labour and social legislation.

16. Members should, in addition:

- (1) facilitate, where appropriate, the development of organizations and institutions which can effectively support the growth and competitiveness of small and medium-sized enterprises. In this regard, consultation with the most representative organizations of employers and workers should be considered;

- (2) consider adequate measures to promote cooperative linkages between small and medium-sized enterprises and larger enterprises. In this connection, measures should be taken to safeguard the legitimate interests of the small and medium-sized enterprises concerned and of their workers;
- (3) consider measures to promote linkages between small and medium-sized enterprises to encourage the exchange of experience as well the sharing of resources and risks. In this connection, small and medium-sized enterprises might be encouraged to form structures such as consortia, networks and production and service cooperatives, taking into account the importance of the role of organizations of employers and workers;
- (4) consider specific measures and incentives for persons aspiring to become entrepreneurs among selected categories of the population, such as women, long-term unemployed, persons affected by structural adjustment or restrictive and discriminatory practices, disabled persons, demobilized military personnel, young persons including graduates, older workers, ethnic minorities and indigenous and tribal peoples. The detailed identification of these categories should be carried out taking into account national socio-economic priorities and circumstances;
- (5) consider special measures to improve communication and relations between government agencies and small and medium-sized enterprises as well as the most representative organizations of such enterprises, in order to improve the effectiveness of government policies aimed at job creation;
- (6) encourage support for female entrepreneurship, recognizing the growing importance of women in the economy, through measures designed specifically for women who are or wish to become entrepreneurs.

#### V. ROLES OF ORGANIZATIONS OF EMPLOYERS AND WORKERS

17. Organizations of employers or workers should consider contributing to the development of small and medium-sized enterprises in the following ways:

- (a) articulating to governments the concerns of small and medium-sized enterprises or their workers, as appropriate;
- (b) providing direct support services in such areas as training, consultancy, easier access to credit, marketing, advice on industrial relations and promoting linkages with larger enterprises;
- (c) cooperating with national, regional and local institutions as well as with intergovernmental regional organizations which provide support to small and medium-sized enterprises in such areas as training, consultancy, business start-up and quality control;
- (d) participating in councils, task forces and other bodies at national, regional and local levels established to deal with important economic and social issues, including policies and programmes, affecting small and medium-sized enterprises;
- (e) promoting and taking part in the development of economically beneficial and socially progressive restructuring (by such means as retraining and promotion of self-employment) with appropriate social safety nets;
- (f) participating in the promotion of exchange of experience and establishment of linkages between small and medium-sized enterprises;

- (g) participating in the monitoring and analysis of social and labour-market issues affecting small and medium-sized enterprises, concerning such matters as terms of employment, working conditions, social protection and vocational training, and promoting corrective action as appropriate;
- (h) participating in activities to raise quality and productivity, as well as to promote ethical standards, gender equality and non-discrimination;
- (i) preparing studies on small and medium-sized enterprises, collecting statistical and other types of information relevant to the sector, including statistics disaggregated by gender and age, and sharing this information, as well as lessons of best practice, with other national and international organizations of employers and workers;
- (j) providing services and advice on workers' rights, labour legislation and social protection for workers in small and medium-sized enterprises.

18. Small and medium-sized enterprises and their workers should be encouraged to be adequately represented, in full respect for freedom of association. In this connection, organizations of employers and workers should consider widening their membership base to include small and medium-sized enterprises.

## VI. INTERNATIONAL COOPERATION

19. Appropriate international cooperation should be encouraged in the following areas:

- (a) establishment of common approaches to the collection of comparable data, to support policy-making;
- (b) exchange of information, disaggregated by gender, age and other relevant variables, on best practices in terms of policies and programmes to create jobs and to raise the quality of employment in small and medium-sized enterprises;
- (c) creation of linkages between national and international bodies and institutions that are involved in the development of small and medium-sized enterprises, including organizations of employers and workers, in order to facilitate:
  - (i) exchange of staff, experiences and ideas;
  - (ii) exchange of training materials, training methodologies and reference materials;
  - (iii) compilation of research findings and other quantitative and qualitative data, disaggregated by gender and age, on small and medium-sized enterprises and their development;
  - (iv) establishment of international partnerships and alliances of small and medium-sized enterprises, subcontracting arrangements and other commercial linkages;
  - (v) development of new mechanisms, utilizing modern information technology, for the exchange of information among governments, employers' organizations and workers' organizations on experience gained with regard to the promotion of small and medium-sized enterprises;
- (d) international meetings and discussion groups on approaches to job creation through the development of small and medium-sized enterprises, including support for female entrepreneurship. Similar approaches for job creation and entrepreneurship will be helpful for disadvantaged and marginalized groups;



- (e) systematic research in a variety of contexts and countries into key success factors for promoting small and medium-sized enterprises which are both efficient and capable of creating jobs providing good working conditions and adequate social protection;
- (f) promotion of access by small and medium-sized enterprises and their workers to national and international databases on such subjects as employment opportunities, market information, laws and regulations, technology and product standards.

20. Members should promote the contents of this Recommendation with other international bodies. Members should also be open to cooperation with those bodies, where appropriate, when evaluating and implementing the provisions of this Recommendation, and take into consideration the prominent role played by the ILO in the promotion of job creation in small and medium-sized enterprises.

The text of the Recommendation as here presented is a true copy of the text authenticated by the signatures of the President of the International Labour Conference and of the Director-General of the International Labour Office.

Le texte de la recommandation présentée ici est un copie exacte du texte authentiqué par les signatures du Président de la Conférence internationale du Travail et du Directeur général du Bureau international du Travail.

Certified true and complete copy,  
Copie certifiée conforme et complète,

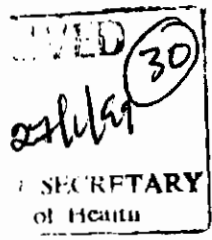
*For the Director-General of the International Labour Office  
Pour le Directeur général du Bureau international du Travail*

The foregoing is the authentic text of the Recommendation duly adopted by the General Conference of the International Labour Organization during its Eighty-sixth Session which was held at Geneva and declared closed the 18 June 1998.

IN FAITH WHEREOF we have appended our signatures this nineteenth day of June 1998.



appendice II



# International Labour Conference

*PA 1/1/98  
on 23/1/98*

**ILO DECLARATION ON FUNDAMENTAL PRINCIPLES  
AND RIGHTS AT WORK AND ITS FOLLOW-UP  
ADOPTED BY THE CONFERENCE AT ITS EIGHTY-SIXTH SESSION,  
GENEVA, 18 JUNE 1998**

## ILO DECLARATION ON FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK

Whereas the ILO was founded in the conviction that social justice is essential to universal and lasting peace;

Whereas economic growth is essential but not sufficient to ensure equity, social progress and the eradication of poverty, confirming the need for the ILO to promote strong social policies, justice and democratic institutions;

Whereas the ILO should, now more than ever, draw upon all its standard-setting, technical cooperation and research resources in all its areas of competence, in particular employment, vocational training and working conditions, to ensure that, in the context of a global strategy for economic and social development, economic and social policies are mutually reinforcing components in order to create broad-based sustainable development;

Whereas the ILO should give special attention to the problems of persons with special social needs, particularly the unemployed and migrant workers, and mobilize and encourage international, regional and national efforts aimed at resolving their problems, and promote effective policies aimed at job creation;

Whereas, in seeking to maintain the link between social progress and economic growth, the guarantee of fundamental principles and rights at work is of particular significance in that it enables the persons concerned to claim freely and on the basis of equality of opportunity their fair share of the wealth which they have helped to generate, and to achieve fully their human potential;

Whereas the ILO is the constitutionally mandated international organization and the competent body to set and deal with international labour standards, and enjoys universal support and acknowledgement in promoting fundamental rights at work as the expression of its constitutional principles;

Whereas it is urgent, in a situation of growing economic interdependence, to reaffirm the immutable nature of the fundamental principles and rights embodied in the Constitution of the Organization and to promote their universal application;

The International Labour Conference,

1. Recalls:

- (a) that in freely joining the ILO, all Members have endorsed the principles and rights set out in its Constitution and in the Declaration of Philadelphia, and have undertaken to work towards attaining the overall objectives of the Organization to the best of their resources and fully in line with their specific circumstances;
- (b) that these principles and rights have been expressed and developed in the form of specific rights and obligations in Conventions recognized as fundamental both inside and outside the Organization.

2. Declares that all Members, even if they have not ratified the Conventions in question, have an obligation arising from the very fact of membership in the Organization, to respect, to promote and to realize, in good faith and in accordance with the Constitution, the principles concerning the fundamental rights which are the subject of those Conventions, namely:

- (a) freedom of association and the effective recognition of the right to collective bargaining;
- (b) the elimination of all forms of forced or compulsory labour;
- (c) the effective abolition of child labour; and
- (d) the elimination of discrimination in respect of employment and occupation.

3. Recognizes the obligation on the Organization to assist its Members, in response to their established and expressed needs, in order to attain these

objectives by making full use of its constitutional, operational and budgetary resources, including by the mobilization of external resources and support, as well as by encouraging other international organizations with which the ILO has established relations, pursuant to article 12 of its Constitution, to support these efforts:

- (a) by offering technical cooperation and advisory services to promote the ratification and implementation of the fundamental Conventions;
  - (b) by assisting those Members not yet in a position to ratify some or all of these Conventions in their efforts to respect, to promote and to realize the principles concerning fundamental rights which are the subject of those Conventions; and
  - (c) by helping the Members in their efforts to create a climate for economic and social development.
4. Decides that, to give full effect to this Declaration, a promotional follow-up, which is meaningful and effective, shall be implemented in accordance with the measures specified in the annex hereto, which shall be considered as an integral part of this Declaration.
  5. Stresses that labour standards should not be used for protectionist trade purposes, and that nothing in this Declaration and its follow-up shall be invoked or otherwise used for such purposes; in addition, the comparative advantage of any country should in no way be called into question by this Declaration and its follow-up.

**Annex**  
**Follow-up to the Declaration**

**I. OVERALL PURPOSE**

1. The aim of the follow-up described below is to encourage the efforts made by the Members of the Organization to promote the fundamental principles and rights enshrined in the Constitution of the ILO and the Declaration of Philadelphia and reaffirmed in this Declaration.

2. In line with this objective, which is of a strictly promotional nature, this follow-up will allow the identification of areas in which the assistance of the Organization through its technical cooperation activities may prove useful to its Members to help them implement these fundamental principles and rights. It is not a substitute for the established supervisory mechanisms, nor shall it impede their functioning; consequently, specific situations within the purview of those mechanisms shall not be examined or re-examined within the framework of this follow-up.

3. The two aspects of this follow-up, described below, are based on existing procedures: the annual follow-up concerning non-ratified fundamental Conventions will entail merely some adaptation of the present modalities of application of article 19, paragraph 5(e) of the Constitution; and the global report will serve to obtain the best results from the procedures carried out pursuant to the Constitution.

**II. ANNUAL FOLLOW-UP CONCERNING NON-RATIFIED  
FUNDAMENTAL CONVENTIONS**

*A. Purpose and scope*

1. The purpose is to provide an opportunity to review each year, by means of simplified procedures to replace the four-year review introduced by the Governing Body in 1995, the efforts made in accordance with the Declaration by Members which have not yet ratified all the fundamental Conventions.

2. The follow-up will cover each year the four areas of fundamental principles and rights specified in the Declaration.

*B. Modalities*

1. The follow-up will be based on reports requested from Members under article 19, paragraph 5(e) of the Constitution. The report forms will be drawn up so as to obtain information from governments which have not ratified one or more of the fundamental Conventions, on any changes which may have taken place in their law and practice, taking due account of article 23 of the Constitution and established practice.

2. These reports, as compiled by the Office, will be reviewed by the Governing Body.

3. With a view to presenting an introduction to the reports thus compiled, drawing attention to any aspects which might call for a more in-depth discussion, the Office may call upon a group of experts appointed for this purpose by the Governing Body.

4. Adjustments to the Governing Body's existing procedures should be examined to allow Members which are not represented on the Governing Body to provide, in the most appropriate way, clarifications which might prove necessary or useful during Governing Body discussions to supplement the information contained in their reports.



### III. GLOBAL REPORT

#### *A. Purpose and scope*

1. The purpose of this report is to provide a dynamic global picture relating to each category of fundamental principles and rights noted during the preceding four-year period, and to serve as a basis for assessing the effectiveness of the assistance provided by the Organization, and for determining priorities for the following period, in the form of action plans for technical cooperation designed in particular to mobilize the internal and external resources necessary to carry them out.

2. The report will cover, each year, one of the four categories of fundamental principles and rights in turn.

#### *B. Modalities*

1. The report will be drawn up under the responsibility of the Director-General on the basis of official information, or information gathered and assessed in accordance with established procedures. In the case of States which have not ratified the fundamental Conventions, it will be based in particular on the findings of the aforementioned annual follow-up. In the case of Members which have ratified the Conventions concerned, the report will be based in particular on reports as dealt with pursuant to article 22 of the Constitution.

2. This report will be submitted to the Conference for tripartite discussion as a report of the Director-General. The Conference may deal with this report separately from reports under article 12 of its Standing Orders, and may discuss it during a sitting devoted entirely to this report, or in any other appropriate way. It will then be for the Governing Body, at an early session, to draw conclusions from this discussion concerning the priorities and plans of action for technical cooperation to be implemented for the following four-year period.

### IV. IT IS UNDERSTOOD THAT:

1. Proposals shall be made for amendments to the Standing Orders of the Governing Body and the Conference which are required to implement the preceding provisions.

2. The Conference shall, in due course, review the operation of this follow-up in the light of the experience acquired to assess whether it has adequately fulfilled the overall purpose articulated in Part I.

The foregoing is the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up duly adopted by the General Conference of the International Labour Organization during its Eighty-sixth Session which was held at Geneva and declared closed the 18 June 1998.

IN FAITH WHEREOF we have appended our signatures this nineteenth day of June 1998.

*The President of the Conference,*  
JEAN-JACQUES OECHSLIN

*The Director-General of the International Labour Office.*  
MICHEL HANSENNE