



Building the next generation of responsible businesses and leaders

Embedding decent work principles through the Youth Business International (YBI) network

IKEA Foundation



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Introduction

When young people become entrepreneurs, they create jobs for themselves and others while driving economic growth. Youth Business International (YBI) believes it is crucial that jobs created and businesses started are **responsible businesses that apply decent work principles**. There's a clear and compelling opportunity for young entrepreneurs to become leaders of and contributors to **more sustainable and inclusive economies** across the globe.

Achieving this means firstly understanding *what* decent work is and how to embed these principles throughout our network.

As a pilot project, supported by the IKEA Foundation and with the help of Catalystas Consulting, we set out to understand decent work in the Indian and Bangladeshi context alongside YBI members Bangladesh Youth Enterprise Advice and Help Centre (B'YEAH) and Bharatiya Yuva Shakti Trust (BYST). This allowed us to develop the first iteration of content and curriculum that our members can use to support young entrepreneurs to embed decent work in their businesses. This work has been conducted with the backdrop of the global COVID 19 pandemic—when safeguarding lives and livelihoods has never been more important.

In this brief, we share our learning to date about decent work, our future actions, and our recommendations.

1. International Labor Organization. The power of small: Unlocking the potential of SMEs: <https://www.ilo.org/infostories/en-GB/Stories/Employment/SMEs#intro>.

Background

Defining Decent Work

The International Labour Organization (ILO) coined the term 'decent work' in 1999 and defines it as:

*“opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity”.*¹

Although there is no formal or universal definition of what this means in practice, a decent work “agenda” has emerged which focuses on the topics of job creation, rights in the workplace, social protection, and social dialogue. It straddles both human rights and workplace rights. The outcomes of the decent work agenda hinges upon all actors in the labour market: government, institutions, businesses, and civil society. It is a systemic and evolving set of policies and actions.

We believe this work will demonstrate that young entrepreneurs can and will safeguard human rights and be the future of responsible business and decent work.

Core elements of decent work as framed within the Universal Declaration of Human Rights:



The right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment



The right to just and favourable remuneration ensuring for themselves and family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.



The right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.



The right to equal pay for equal work.



The right to form and to join trade unions for the protection of their interests.



Access to their rights without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.



The right to security in the event of unemployment, sickness, disability or other lack of livelihood in circumstances beyond their control.

The term decent work is also incorporated into the UN Sustainable Development Goals (SDGs) under goal 8: “Decent work and economic growth”. Decent jobs are considered key to reduce poverty and reduce inequality.

We have found that the term decent work is often applied in two ways in the business and social development context in which YBI operates:



The ability to access economic opportunities thereby increasing living standards and an increased quality of life for others.



A set of conformance issues based on the ILO core conventions and human and workplace rights and responsibilities that address forced labour, child labour, remuneration, discrimination, and freedom of association and collective bargaining as well as emerging themes such as freedom from sexual harassment in the workplace and mechanisms such as social dialogue.

We took both of these applications into our thinking about how to develop our approach.

Building the next generation of responsible businesses and leaders

SUSTAINABLE DEVELOPMENT GOALS

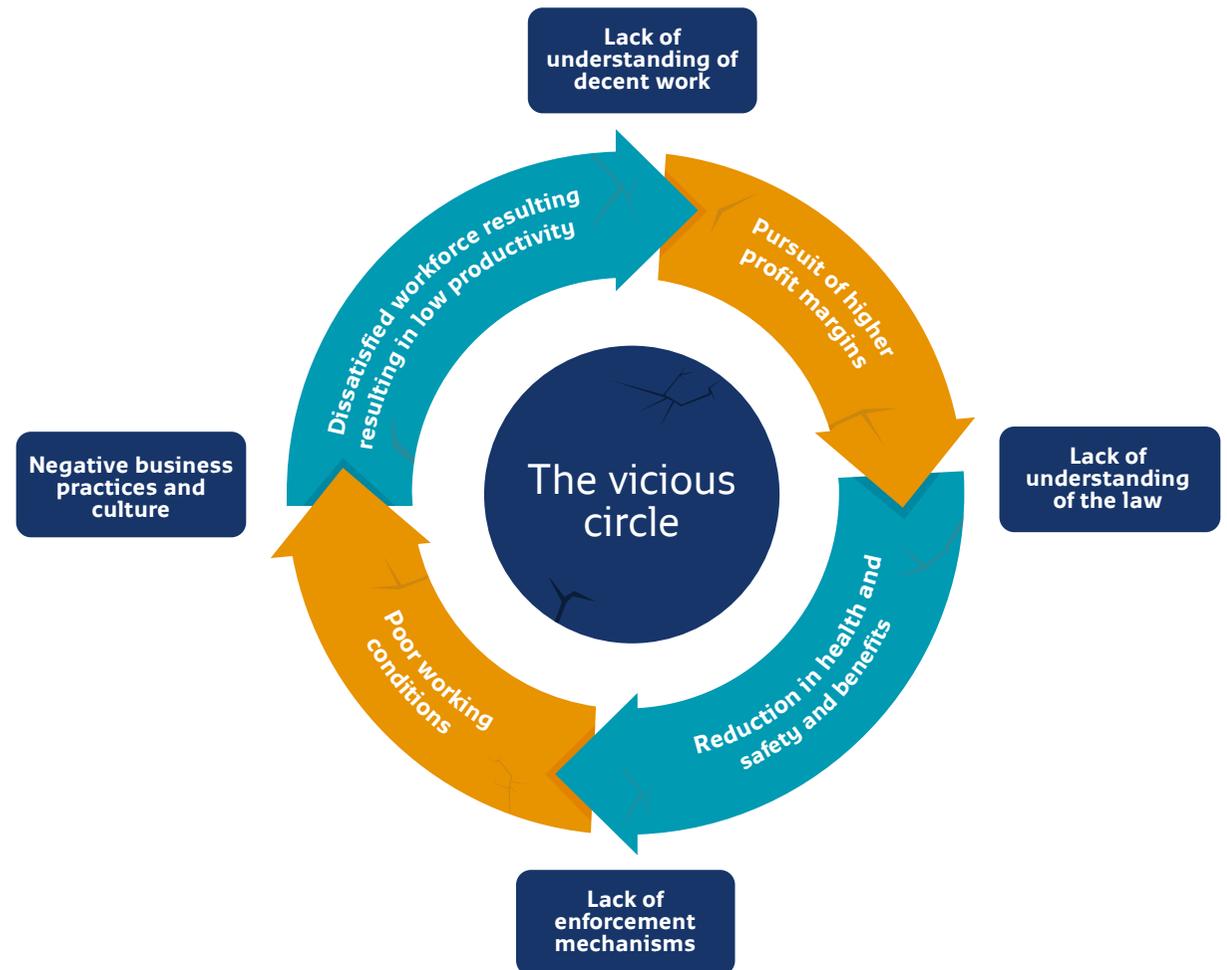
YBI is a recognised UN partner for Sustainable Development Goal (SDG 8) to promote sustained, inclusive and sustainable economic growth, full and productive employment for all and is a Global Initiative on Decent Jobs for Youth partner. Our efforts are particularly focused on supporting disadvantaged young people into entrepreneurship.



Applying Decent Work

In practice, decent work principles, endorsed by the international community, are often associated with larger national or multinational corporations. Individual entrepreneurs and micro, small and medium enterprises (MSMEs) may have formally registered as businesses, but often apply informal practices, particularly in regards to casual work or offers of work not subject to national labour legislation, income taxation, social protection or statutory employment benefits. Entrepreneurs and MSMEs, particularly in developing and frontier markets, often have small profit margins and they are less likely to meet decent work benchmarks when compared to larger enterprises due to lower wages, poor working conditions in terms of health and safety, and a lack of social security.²

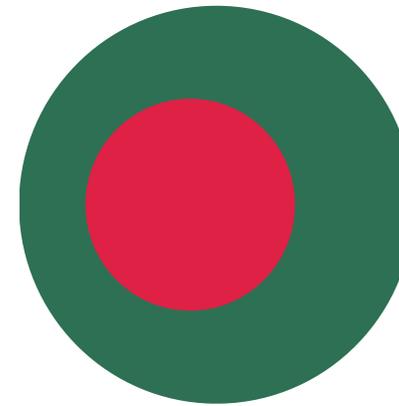
There is a vicious circle when it comes to decent work. Lower wages, poor working conditions in terms of health and safety, and a lack of social security are the results of not applying decent work principles; yet the reasons for not meeting decent work include the pursuit of squeezing out higher profit margins at the sacrifice of health and safety and providing formal employment and statutory benefits. This vicious circle is often exacerbated by a lack of awareness of decent work, misinterpretation or a lack of understanding of the law, the lack of enforcement mechanisms, and business practices and culture that operate contrary to decent work principles.



2. International Labor Organization. The power of small: Unlocking the potential of SMEs: <https://www.ilo.org/infostories/en-GB/Stories/Employment/SMEs#intro>.

Spotlight on Bangladesh & India

Our research shows that disparities in commitment to the practice of decent work principles in MSMEs in both countries could be due to in some cases the common (incorrect) assumption that businesses employing 20 - or in some cases, 10 - workers or less means that these businesses do not need to comply with labour laws and regulations.



Bangladesh

Bangladesh has signed a number of international conventions on decent work, and embedded decent work standards into many national laws and regulations, including granting men and women equal rights in the public sphere under the Bangladeshi constitution. However, these rights and standards are not regularly enforced, and the country is perceived as having weak legal protections for workers, lack of transparency, and an unwillingness to enforce inspection and remediation.³ Corruption, as well as a severe lack of regulation, plagues the informal sector, where the majority of the population (87%) are employed.⁴ Informal enterprises usually do not pay taxes or qualify for social protections and are often subject to lower wages and substandard working conditions.

3. Boudreau, Laura. (2018). Can foreign multinationals improve the enforcement of local workplace safety laws? Evidence from the apparel sector in Bangladesh. Poverty Action Lab. Evaluation. Bangladesh. <https://tinyurl.com/y4obh5ya>.

4. International Labour Organization. (2020). Report on Labour Force Survey.

5. 16 Sony, S. Financial Express. (March 23, 2020). India's MSME sector swells, adds these many enterprises in FY20; micro businesses dominate. <https://tinyurl.com/yab8wxwr>.

India

Working conditions in India are governed by law, based on ratified ILO conventions, including those on forced labor, child labor, and equal remuneration. Safe working conditions are provided in the Constitution, but these articles are deemed Directive Principles and are not enforceable in the court of law. Laws governing specific decent work standards and grievance mechanisms have been installed, but enforcement is limited, and the majority of these laws doesn't apply to businesses with fewer than 20 workers. In a country where 99.4% of registered businesses are considered micro-businesses, and the majority of the workforce is employed in the informal sector, decent work standards are often not the standard in practice.⁵ Child labour, sexual harassment in the workplace is widespread in India, as well as high incidences of forced labour and discrimination, particularly caste-based and religious discrimination.



Understanding Perspectives

We started this learning process by engaging with our members B'YEAH and BYST, their staff and trainers, mentors who support the young entrepreneurs engaged in their programmes, and young entrepreneurs themselves. Some of these young entrepreneurs are solo entrepreneurs or at the start of building their businesses, whilst others are more established. We set out to garner knowledge and understanding to inform us to design a curriculum with these stakeholders in mind and with a particular focus on those entrepreneurs starting out with ambitions to grow. We wanted to acknowledge and build from their starting point for understanding decent work in their business and operating contexts. Here's what we learned.

Young entrepreneurs face barriers to implementing decent work. These include knowledge and understanding as to what decent work means in their context, as well as access to tools and resources—particularly financial resources—to put the principles into action.

For example, some entrepreneurs may offer housing, food, childcare, and transportation costs to permanent staff, migrant workers, or temporary staff and think of these benefits as part of a salary. In many cases standards are not being met; many had not invested in basic health and safety measures such as first aid kits, fire extinguishers, and personal protective equipment. The application of decent work principles is perceived as being costly. Only if there is a surplus in the operating budget would some entrepreneurs consider investing in health and safety measures, providing social security benefits, or paying minimum wages, etc.

Yet young entrepreneurs shared a desire for more knowledge. They want to learn how to develop policies for writing contracts and setting paid sick leave policies and improve the human resources components of a standard business plan. Many entrepreneurs, especially startups, have not yet had the time and resources to develop policies and plans, nor do they have the income to cover any additional expenses that are not considered direct priorities. But the appetite for learning and practical tools is there.

The Young Entrepreneur Perspective

Young entrepreneurs identified challenges in the workplace which would be resolved by the application of decent work principles, especially related to employee acquisition and retention, however there was a lack of understanding that these issues fit within the umbrella of 'decent work'. What was clear is that there is a desire from young people to operate a responsible business from both a legal and ethical point of view. Decent work principles are well placed to provide a framework for this.



"I am excited to attend Decent work training. I want to learn about safety measures and want to grow my business in right way. By learning this I will become a responsible employer."

Supriya Nale

Chaitanya Milk and Milk Products, Maharashtra, India

"My goal is always to have a safe and secure workplace, because I want to be recognised as a good employer and a responsible supplier."

Salman Islam Rony

Owner of Cloud 11, Bangladesh



The Entrepreneurship Support Organisation Perspective

YBI members BYST and B'YEAH recognized the value in adopting decent work principles, as a means of assisting them in becoming more sustainable and profitable in the long run.

Both members placed decent wages, working hours, occupational health and safety, and social security – especially in a COVID-19 context - as most relevant for decent work training. This is based on their observations of working with young entrepreneurs.

Although child labour and forced labour are prevalent in both India and Bangladesh, these issues were largely perceived as non-issues for the young entrepreneurs they serve.

Freedom of association and social dialogue were associated with larger enterprises and also deemed as less relevant for small businesses, especially due to the fact that many of the entrepreneurs in the programmes work with family members or close friends.

The primary challenge in implementing decent work for MSMEs from the perspective of BYST and B'YEAH is the awareness of what decent work requires by law compared to the understanding of decent work as a human rights issue.

Staff members believe that decent work will be a useful addition to programming. There was consensus that a decent work training program could be added to introductory general entrepreneurship training, principles embedded into business planning, and reinforced through mentorship.

“B’Yeah is committed to improving the wellbeing of poor and disadvantaged men and women through increasing their access to the labour market and income and safeguarding their fundamental rights at the workplace following ILO’s Decent work indicators and national labor policy”.

Ashfah Huque

Executive Director, B’YEAH



“ILO’s work indicators and national labour policy has been advancing social justice and promoting decent work, which are values that BYST and its mentors share and impart upon our entrepreneurs and are advocates for implementation at their workplace. We look forward to continuing to evolve how we promote the decent work agenda to encourage a happy, safe and dynamic work environment.”

Ashish Khairkar

Director, BYST

Embedding Decent Work Principles

Making Content Relevant

In order to make content relevant and appealing to young entrepreneurs, the priorities we are using are:



Build the case for decent work as essential for business growth and sustainability.

Emphasise how it addresses the challenges of employee retention and motivation, as well as positively impacting worker productivity, job stability, and company competitiveness.



Position the content in the context of human rights.

This will resonate emotionally with young entrepreneurs, particularly those who have been disadvantaged or faced marginalisation in their lives.



Recognise that young entrepreneurs are not homogeneous.

Curriculum for young entrepreneurs needs to consider that some of them might be at the ideation stage and some of them might have established businesses, and some might have or might plan to have employees whilst others may be solopreneurs. Content needs to be relevant and applicable to different entrepreneurial models and needs.



Reinforce principles of good communication and transparency as core business values.

Young entrepreneurs need to engage with customers, suppliers, and their employers about decent work challenges and opportunities. This will help pave a path for decent, living wages for themselves and their employees, as well as ways to build the business model to offset those costs and reinforce principles around creating safe places to work, being a good employer, wages and benefits, and roles and responsibilities.

While the decent work agenda is global, it is nuanced and localised. It is important to understand the local laws, context, and culture. This is especially important when it comes to the social security system within a given country as well as understanding the benefits that are available to entrepreneurs as business owners, particularly in the changing dynamic of the COVID-19 pandemic.

Delivery Mechanisms

The work to socialise this agenda and embed it into businesses is ongoing, to continue it must be approached holistically and with on-going reinforcement.

YBI will:



Work with our members to demystify, sensitise and localise.



Develop tools, templates and financial modelling—those needed to assess workplace health and safety, calculate piece rates, wages, overtime and benefits, and to develop ways to present contracts.



Embed the principles in trainings and all touch points and interactions that our members have with young entrepreneurs.



Train teams and volunteer business mentors who work directly with entrepreneurs to be decent work advocates and provide the support entrepreneurs need to implement decent work principles.



Use case studies and real-life examples to bring these issues to life.



Our approach will also consider gender dynamics. Our research found that women were more advanced on understanding decent work topics than their male peers. Gender considerations might be needed in terms of how the content is rolled out and positioned.

We will also even the playing field. Our research found some indications of those young entrepreneurs with more education having a better understanding of decent work principles. It will be important that the rollout of this work helps those that haven't had exposure to the issues to easily gain the insight and understanding to advance the practice of decent work.

We intend to make guidance and tools relevant to young entrepreneurs and MSMEs—most materials in the public domain have not been developed with an eye to entrepreneurs and MSMEs. Our work has started to develop some of the initial guidance and tools, but this is an area that will require continuous development.





Next Steps

In 2021 and beyond, YBI will move forward as a champion for decent work and embed decent work principles as a critical aspect of COVID-19 recovery plans to support youth entrepreneurs. This includes:

1

Working with B'YEAH and BYST as they roll out the curriculum and approach to determine what works, what doesn't work, and what else is needed, as well as documenting the learning and application of decent work principles.

2

Sharing the curriculum with our broader membership and facilitating the sharing of experiences of our network of expert entrepreneurship support practitioners. We will leverage their insights to continue to evolve the thinking and good practice of embedding decent work based on active learning, needs and experiences.

3

Engaging with the ecosystem to advance understanding and investment in the promotion and action of the decent work agenda for young entrepreneurs. We believe we need to engage with those interested in this topic to promote making decent work relevant and achievable for young entrepreneurs. This includes advocating for financial mechanisms for young entrepreneurs to upgrade facilities, invest in fire safety equipment and PPE, for instance.

If you want to share, learn, or partner with us on building the next generation of responsible businesses and leaders through embedding decent work principles, let us know.



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