

# **WORKING GROUP ON THE ENGAGEMENT OF MICRO-ENTERPRISES in GCLNs**

**Saad Filali Meknassi, Working Group Chair**



# Outline

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- Objectives of the working group
- Working mode and members
- Brief disclosure of different issues discussed
- Recommendations of the WG



# Context and objectives

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- Established in the 6<sup>th</sup> ANLF in Bonn, October 2008
- To clarify the policy regarding micro-enterprises at the global level that states “...**Due to administrative constraints, companies with less than ten direct employees (micro-enterprises) are not eligible to become Global Compact participants at the global level. However, we encourage micro-enterprises to stay informed about all Global Compact activities via the website and to engage with the respective Global Compact Local Network**”.
- *To advise whether there should be a common approach for all GCLNs with respect to the engagement of micro-enterprises at the local level*
- *To advise on ways GCLNs can practically manage the participation of micro-enterprises*
- *To identify potential challenges in engaging some micro-enterprises (particularly consultancy companies with less the 10 employees) within GCLNs operating in different contexts*



# Working Group Participants

Network	Representative	Organisation
Australia	Rosemary Sainty	St James Ethics Centre
Germany	Constanze Helmchen	GTZ
Ghana	Joyce Aryee	Ghana Chamber of Mines
Indonesia	Yaya Winarno Junardy	Pt. Rajawali Corporation
Japan	Shigeki Yamamoto, Hiroko Enomoto, Emi Sugawara	Global Compact Network
Kosovo	Lindita Daija	UNDP Kosovo
Morocco	Saad Filali Meknassi	ILO
Pakistan	Fasihul Karim Siddiqi	Hinopak Motors Limited
Spain	Isabel Garro Hernández, Cristina Sanchez, Marta Tomás Hernando	Red Española Pacto Mundial
Syria	Muhammad Agha	UNDP-UNGC Project
	Soren Petersen, Nessa Whelan, Jonas Haertle, Oliver Johner	Global Compact Office



# Discussion during the 1st call (15 January)

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- Practical issues: discussion and approval of Draft Terms of Reference, process of Work, selection of a Chairperson, and agreement on the list of issues and planning of the different teleconferences.
- Substantive issue: What is the current status of micro-enterprise engagement within the Global Compact at the global and local levels?

## Outcomes:

- GC is a valuable CSR platform for micros to engage in, unlike the more restrictive initiatives
- WG suggests conducting two surveys to feed into the discussions of the 2<sup>nd</sup> teleconference in April.



# The two surveys aimed to...

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- 1- The 1<sup>st</sup> survey conducted by the GCO among Networks included questions related to the engagement of micros. This provided a mapping of the current GCLN practices and assisted in determining whether the issue of micro engagement is something that each Network decides on itself or whether a global policy recommendation is required.
- 2- The 2<sup>nd</sup> survey was conducted by GCLNs among their participating micro-enterprises in an effort to increase the understanding of why micros engage in the GC.



## Some findings...

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- Less than 10% of GCLNs have a policy for the engagement of micros.
- Only 7% of the networks have micros in the governance bodies with 1 out of five networks in Africa and one out of 10 in Eastern Europe and Asia.
- Close to 40% of networks include Micros in the overall number of participants. 30% list the names of the micros on their website and 14% publish their COPs on their website.

# Discussion during the 2nd call (23 April)

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- ❑ What are the potential opportunities and challenges involved in engaging some micro-enterprises?
  - It is preferable to have a consistent approach to micro engagement at the global/local level.
  - The GC is working towards changing business practices, it should focus on companies with more than 10 employees.

It was suggested that:

- micros can be included in Network activities but not as full participants of the Network.
- examples of policies regarding consultancies should be shared as an example that other Networks could follow.
- ❑ Should there be a common approach for all GCLNs with respect to the engagement of micro-enterprises at the local level?
  - One network indicated that it does not make a distinction between micros and other companies and that it extends the same services to all.
  - Micros are welcome to commit to the GC and communicate publicly via their own website..., but they would not submit the COP to the GCO or be granted the authority to use the GC logos.
  - Following the inclusive nature of the GC, micros should be at least invited to the Network's activities.



# Proposed recommendations

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While recognizing that the inclusive nature of the Global Compact is important, it is understood that the value of micro-enterprise engagement varies depending on the local context.

The Working Group therefore strongly recommends:

- that the engagement of micro-enterprises at the local level should be determined by the individual GCLNs themselves.
- GCLNs are encouraged to reference examples of micro-enterprise engagement by other GCLNs for ideas and inspiration.