



Enabling and supporting decent work in MSMEs

Lessons from the SMEP Programme



Sustainable Manufacturing and
Environmental Pollution Programme



Summary

Micro, small and medium-sized enterprises (MSMEs) make up the majority of businesses globally and account for 60–70% of employment. But many struggle to provide decent work and uphold the fundamental rights of their workers.

To help MSMEs improve working conditions, it is important to identify the incentives that matter most to businesses, meet them where they are, identify and share good practice, and build their knowledge and skills so they can make tangible changes for workers while also strengthening business performance.

Occupational health and safety (OHS) is an effective entry point for progressing decent work because both workers and managers will often see the benefits quickly. Risk assessment is the foundation of OHS. A gender-responsive worker-centred approach improves the quality of risk assessments and the effectiveness of agreed actions: it recognises that women, men and workers from other at-risk groups may experience different hazards and prioritise different preventative actions.

Freedom of association and collective bargaining are fundamental rights for workers. Developing workplace mechanisms that build worker voice, agency and representation are an accessible pathway towards freedom of association, and help foster a workplace culture where risks and concerns are proactively identified and addressed before they escalate into crises.

Key recommendations

- 1 In the short-term, use worker-centred, gender-responsive risk assessment to prioritise achievable, low cost, tangible changes that make a positive difference for workers.** This will help build trust and management buy-in for longer-term and more challenging changes. OHS is often an effective starting point.
- 2 Strengthen worker voice, agency and representation as a pathway towards freedom of association and collective bargaining** – the enabling rights that allow workers to secure other rights and engage in social dialogue to help foster a proactive and preventative workplace culture.
- 3 Integrate decent work into safeguarding expectations and support,** including in design, set-up and implementation of programmes supporting and financing MSMEs. Support peer-learning and sharing of good practice between MSMEs.



About the SMEP Programme

The Sustainable Manufacturing and Environmental Pollution (SMEP) Programme aims to address the environmental and human health impacts of the manufacturing sector and plastics pollution in sub-Saharan Africa and South Asia.

SMEP works with businesses, NGOs and universities active in supply chains of plastics, organic waste, textiles and apparel, tanneries and leather, and used lead acid batteries.

This series of three briefings explains key lessons learnt by SMEP on supporting decent work. The briefings aim to provide practice-orientated recommendations to other actors working in these sectors and beyond.

The briefings focus on the following topics.

Enabling and supporting decent work in MSMEs

Decent work for all: Reaching workers in informal employment

Decent work in emerging circular supply chains and green industries

Photo by: Lorraine Dimairho, [SouthSouthNorth](#)

Lessons from the SMEP Programme

Introduction

Micro, small and medium-sized enterprises (MSMEs) – firms with fewer than 250 workers – make up the majority of businesses globally, account for between 60–70% of employment and contribute 50% of global gross domestic product ([UN 2025](#)).

Despite their important contribution to the world of work and economic development, MSMEs in many parts of the world struggle to access secure markets and investment, and have lower productivity than larger businesses ([ILO-OECD 2022](#)). These pressures are intensifying due to economic shocks, geopolitical upheaval and the accelerating climate crisis.

As a result, many MSMEs struggle to provide decent work and uphold the [fundamental rights](#) of their employees. Limited business capacity reduces their ability to invest in systems, skills and infrastructure that support decent work.

MSMEs have a vital role to play as the world seeks to implement a [just transition](#) towards a viable, sustainable future for the planet. However, for the transition to be just, decent work and workers' rights must be at its centre. Experience from SMEP demonstrates how MSMEs can make tangible changes that improve conditions for workers and strengthen business performance.

Decent work

“The ILO defines decent work as productive work for women and men in conditions of freedom, equity, security and human dignity. Decent work is about more than just having a job. It is about having a job that is fair, safe and respects workers' rights. It means earning a living in conditions of dignity, stability and with opportunities for growth.” ([ILO 2025](#))

Decent work has four pillars:

Rights at work

Social protection

Job creation

Social dialogue

Decent work is reflected in [Sustainable Development Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all](#).

Fundamental principles and rights at work

“The fundamental principles and rights at work, established by the ILO’s Declaration on Fundamental Principles and Rights at Work (1998), are the foundation for fair labour practices worldwide. They reflect a shared commitment to fundamental human values that are essential to social and economic life. The five categories of universal and indivisible fundamental principles and rights at work are:

- ▶ **Freedom of association and collective bargaining**
- ▶ **Eliminating forced labour**
- ▶ **Ending child labour**
- ▶ **Eliminating discrimination at work**
- ▶ **A safe and healthy working environment” (ILO 2025)**

Getting started

1. Identify the right incentives

A key lesson from SMEP is to meet MSMEs ‘where they are’. Despite MSMEs often having poor working conditions, many also exhibit some good practices, which provide a practical starting point for improvement.

Successfully engaging businesses starts with identifying the incentives that matter most to them. Different MSME leaders will respond to different arguments depending on context, values and the challenges their business faces. Incentives may include:

- ▶ **Human rights.** The International Labour Organisation’s (ILO) [fundamental principles and rights at work](#) are ‘universal and indivisible’ but this framing alone may not motivate change. Many MSMEs require practical guidance on implementation.
- ▶ **National laws.** Fundamental rights are reflected in national laws to varying extents, making compliance a legal baseline. However, weak governance and poor enforcement mean they are often ignored by employers.
- ▶ **The business case.** Respecting workers’ rights and improving working conditions reduces absenteeism and staff turnover, and boosts skills, morale, productivity and quality. It fosters an organisational culture that identifies and addresses risks before they escalate into crises. However, this argument may be less persuasive in contexts where labour is easily replaceable or margins are tight. Investments in decent work do pay dividends, but this may not be easily measurable in the short-term.
- ▶ **Access to markets and capital.** Meeting decent work expectations opens doors to higher-value markets and investment. The growing body of [human rights due diligence](#) legislation means MSMEs in global supply chains are increasingly expected to demonstrate decent work standards.
- ▶ **Personal and cultural values.** Workers are human beings who deserve dignity and respect. For some employers, this may resonate with moral or religious values, or with their desire to contribute to national or community development. Others may simply feel a shared sense of humanity.

2. Integrate decent work into business development support

MSMEs are often established out of economic necessity rather than entrepreneurial ambition. But in many parts of the world, business development support services are non-existent or inaccessible. Support on decent work will not be effective if it simply adds to the existing heavy workload of MSMEs. Broader support is needed that also strengthens core operations, market access and overall business resilience. Helping MSMEs to improve their business performance will give them more capacity to embed decent work in their enterprise.

3. Understand and address forced labour and child labour

[Forced labour](#) and [child labour](#) risks must not be overlooked, especially for MSMEs operating in contexts with widespread socio-economic deprivation, poor provision of key public services such as education, and limited oversight of employers. It is important that MSME leaders understand these risks, their reflection in local laws, indicators and local risk factors. Addressing these issues requires specialist expertise and high levels of trust between all involved. MSMEs should collaborate with specialist government agencies and civil society organisations where necessary.



Weaving with natural fibres at TexFad, Uganda. Photo by Henrique Pacini, UN Trade and Development

Making it happen

1. Start with visible, achievable improvements

When faced with a new set of expectations, business people often say “*just tell me what I need to do!*” Support on decent work must therefore move quickly from principles to practice. Peer examples from similar sized enterprises in the same sector can demonstrate application and motivate change.

Occupational health and safety (OHS) is an effective starting point because benefits can quickly be seen by both workers and managers, with fewer accidents and sick days, improved productivity and reduced workplace tension and disputes. This can build workplace trust and provide momentum for tackling more difficult and time-consuming issues.

2. Conduct a thorough workplace risk assessment

Risk assessment is the foundation of safe workplaces. The ILO’s [five-step process](#) is an accessible and action-orientated method to tackle workplace risks. However, risk assessments should not be completed by managers sitting alone at their desks; they must involve workers directly. Tools such as hazard mapping, body mapping and joint safety inspections find risks often missed by management. A worker-centred approach improves the quality of the risk assessment and the resulting actions, and builds trust between workers and managers.

Useful worker-centred tools

- ▶ [ILO 5-Step Risk Assessment template and guidance](#)
- ▶ [Hierarchy of controls](#)
- ▶ [Hazard mapping](#)
- ▶ [Body mapping](#)
- ▶ [Democratically elected workplace committees](#)



3. Agree risk control measures – don't default to PPE before considering other options

A common mistake with risk assessment and OHS is to quickly default to personal protective equipment (PPE) as the preferred control measure. Sometimes PPE will be the right control measure, but it should only be selected once other measures have been considered and discounted. The [hierarchy of controls](#) is a key tool here. PPE is only effective if workers use it consistently and correctly – which does not always happen. Hazard elimination or substitution, and engineering or administrative controls to remove workers' exposure to the hazard are more effective and should be prioritised where possible. Low uptake and inconsistent use of PPE may reflect practical issues rather than worker resistance. For example:

- ▶ Poorly fitting PPE can cause discomfort or reduce work quality or speed, particularly for women as PPE is often designed for an average-sized male body.
- ▶ PPE can be uncomfortable, even unbearable, during hot weather, which is becoming a greater problem as indoor and outdoor workplace temperatures rise with climate change.
- ▶ Management systems are needed to ensure items are cleaned, dried, aired and maintained.

Some businesses have found shifting from shared to individualised PPE improves use, care and maintenance. It is vital to involve workers, both women and men, in assessing the type and use of PPE before purchasing it.

There are times when workers don't use PPE due to its appearance or being resistant to change. In these cases, businesses should provide clear instructions, regular training and toolbox talks. Where there is deliberate disregard for PPE, disciplinary action may be appropriate as the individual may endanger themselves and other workers.

4. Address workplace discrimination and gender risks

Gender inequality often shapes workplace risks. Developing a workplace that is inclusive for all brings business benefits and improves worker retention ([ILO 2016](#)).

To better identify hazards, businesses should use worker-centred tools with single-gender groups and facilitators of the same gender. In mixed-gender discussions, women's perspectives are frequently overlooked, and the risks they face may be less visible or less well understood. For example, in many industries, the musculoskeletal risks of heavy lifting in male-dominated roles are widely recognised. But the risks in stationary roles, more commonly held by women, such as poor posture, repetitive strain injuries and eye strain, are often overlooked or considered less serious. Risk assessments should explicitly consider gender and disaggregate "who might be harmed and how."

Risk assessments should also identify hazards linked to interpersonal relationships in the workplace, including gender-based harassment and violence. These issues are highly sensitive due to stigma, economic vulnerability and fear, and abuses often go unreported. Businesses must introduce organisational policies, training for all workers that sets clear expectations of acceptable and unacceptable behaviour, and confidential safe reporting mechanisms and protocols for investigation and remediation. [Workplace committees](#) for women and other at-risk groups, supported with training and clear remit from management, can also be effective.

5. Establish mechanisms for worker–management dialogue

Freedom of association and collective bargaining are one of the five fundamental principles and rights at work. They are also the ‘enabling rights’ that allow workers to organise, speak and negotiate collectively for their other rights.

These rights can provoke concern or even fear for some employers. And in many parts of the world they are under attack and severely constrained ([ITUC 2025](#)). Trade union membership also tends to be lower in smaller workplaces. However, these rights are universal and can contribute to business success. A pathway from worker voice → worker agency → worker representation is a constructive and non-threatening way to progress towards freedom of association and collective bargaining.

First, businesses should set up mechanisms for workers to communicate their concerns and priorities to management. This enables management to understand concerns and act to improve working conditions, which develops trust. Workers should be involved in designing mechanisms to ensure they are accessible and trusted. These could include an open-door policy by management, anonymous suggestion boxes and confidential staff surveys.

Next, businesses should ensure workers have the knowledge, skills and autonomy to make decisions about their work – that is, worker agency. This can lead to improvements in morale, loyalty, productivity and team cohesion.

After taking these steps, it can be effective to establish workplace committees with worker-elected representatives. Committee members should be trained on the knowledge and skills required for managing change at work. Initially, committees could be established for specific issues, such as OHS, gender and social inclusion. Committees help foster a workplace culture where risks and concerns are proactively identified and addressed, and workers’ concerns and rights are respected and upheld.

Concluding remarks

Reasons for decent work deficits at MSMEs are not always obvious or straightforward. It is vital to engage with workers and their representatives to understand the real drivers behind poor practice. Building trust within a workplace is critical to achieving change. It is also essential for partners, investors and donors to build trust with the businesses they support, develop their own capacity on decent work, and embed accountability, including via reporting and grant disbursement requirements.

A key step in changing poor working conditions is normalising decent work topics within business discourse, support services, and the growing number of environmental sustainability programmes engaging the private sector. MSMEs have a critical role to play as climate and environmental action accelerates. To achieve a [just transition](#), actors at multiple levels must put decent work at the centre of their initiatives, ensuring workers’ rights are respected and that their knowledge and expertise shapes the sustainable manufacturing industries of the future.

Case study: Mananasi Fibre, an MSME making practical changes to ensure decent work for employees

Mananasi Fibre, a medium-sized enterprise based in Thika, Kenya, produces fibre from pineapple waste. It provides a practical example of how MSMEs can integrate decent work into day-to-day operations through low-cost and worker-centred approaches. Established in 2022, the company employs approximately 106 workers, with men and women working across processing and field operations.

Operating in a labour-intensive environment, where tasks include harvesting pineapple leaves, handling fibre extraction, and loading and unloading materials, the company has prioritised OHS.

To reduce safety risks associated with commuting, Mananasi Fibre introduced a dedicated bus for workers travelling to remote sites where pineapple leaves are harvested. The bus also serves as a mobile support station, providing shelter during adverse weather, and first aid and emergency transport when needed.

After SMEP training on decent work, the company introduced the following initiatives:

- ▶ **Worker-led body mapping**, in which workers identified areas of physical strain and linked these to specific tasks. This enabled targeted risk mitigation, including adjustments to reduce load weights. These changes reduced physical strain and injuries, while also improving productivity.
- ▶ **A move from shared to individualised PPE provision**, which improved hygiene, accountability and consistency of use. This demonstrates how relatively simple operational changes can strengthen both worker safety and day-to-day management.
- ▶ **An accessible and portable toilet for workers** in field locations, to address basic welfare needs.

Mananasi Fibre's experiences show how MSMEs can make meaningful progress on decent work when interventions are practical, worker-centred, and embedded into core business operations, translating principles into actionable improvements.



Worker at Mananasi Fibre inspecting harvested pineapple leaves for decortication.
Photo by Henrique Pacini, UN Trade and Development

Recommendations

Recommendations for **MSMEs**:

- ▶ **Establish forums for worker–management dialogue** where priorities can be identified, actions agreed and implementation monitored. Over time these build trust and collaboration.
- ▶ **Conduct regular worker-centred risk assessment** and action planning to identify and address key hazards. Ensure risk assessments capture both physical hazards and those rooted in workplace social relations.
- ▶ **Use gender-responsive tools to understand and address the real workplace experiences of women and other at-risk workers.** Where appropriate establish gender committees to strengthen representation and support.

Recommendations for **partner organisations**:

- ▶ **Embed decent work in business development programmes** that strengthen MSME business practices and support enterprise growth and resilience.
- ▶ **Meet businesses where they are.** Ensure tools and processes are appropriate for their level of maturity, and help them move to the next level.
- ▶ **In the short-term, prioritise achievable, low cost, tangible changes** that make a positive difference for workers. This will help build trust and gain management buy-in for longer-term and more challenging changes.
- ▶ **Identify and share existing good practices** among peer businesses operating in the same sector or geography; use these to motivate and inspire change.

Recommendations for **large companies and lead firms** sourcing from MSMEs:

- ▶ **Support MSMEs with continuous improvement**, including through sharing learning and knowledge and long-term engagement, rather than expecting full compliance from the outset.
- ▶ **Review commercial practices** (e.g. pricing, lead times, sourcing models) to identify how they contribute to MSME vulnerability and decent work deficits.

Recommendations for **funders and investors**:

- ▶ **Integrate decent work into expectations and support on safeguarding**, including at design, set-up and implementation of programmes supporting and financing MSMEs.
- ▶ **Invest in decent work capacity across grantee organisations**, and establish communities of practice to enable peer learning.
- ▶ **Bring together key stakeholders to share challenges and good practice**, and build long-term commitments and multi-stakeholder action on decent work. Include: MSMEs, employers' organisations (e.g. chambers of commerce), trade unions, civil society organisations, especially those representing at-risk workers, technical and vocational training providers, local and national government.



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About the SMEP Programme

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About the Ethical Trading Initiative (ETI)

The Ethical Trading Initiative is the leading alliance of companies, trade unions and NGOs working together to advance human rights in global supply chains. ETI brings together diverse stakeholders to identify and address complex labour rights issues, promoting responsible business practices and respect for internationally recognised labour standards. ETI has been working with SMEP grantees to strengthen safeguarding practices and decent work outcomes. A Resource Pack on Decent work is [available here](#).



Ethical
Trading
Initiative

SOUTH
SOUTH
NORTH



Front cover: Workers producing biochar. Photo by Henrique Pacini, UN Trade and Development