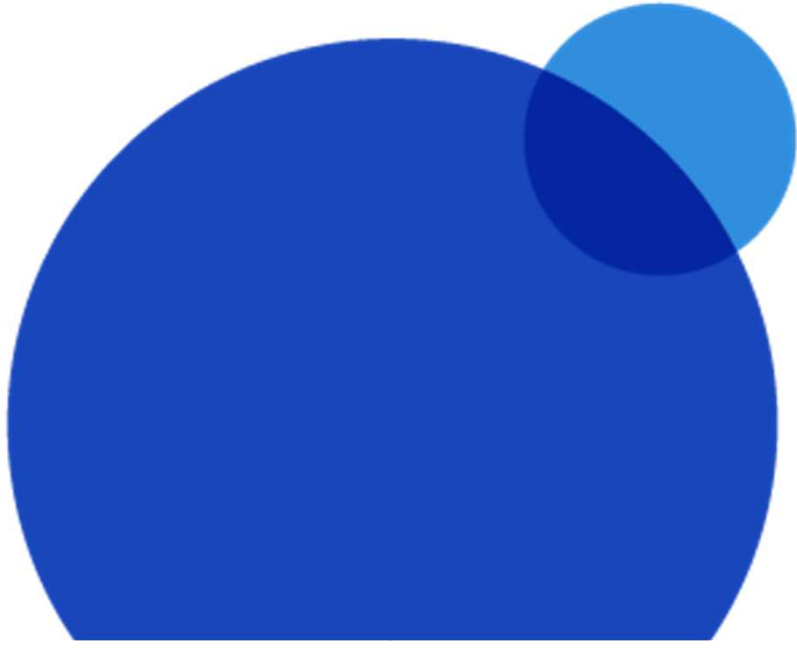


cidoc



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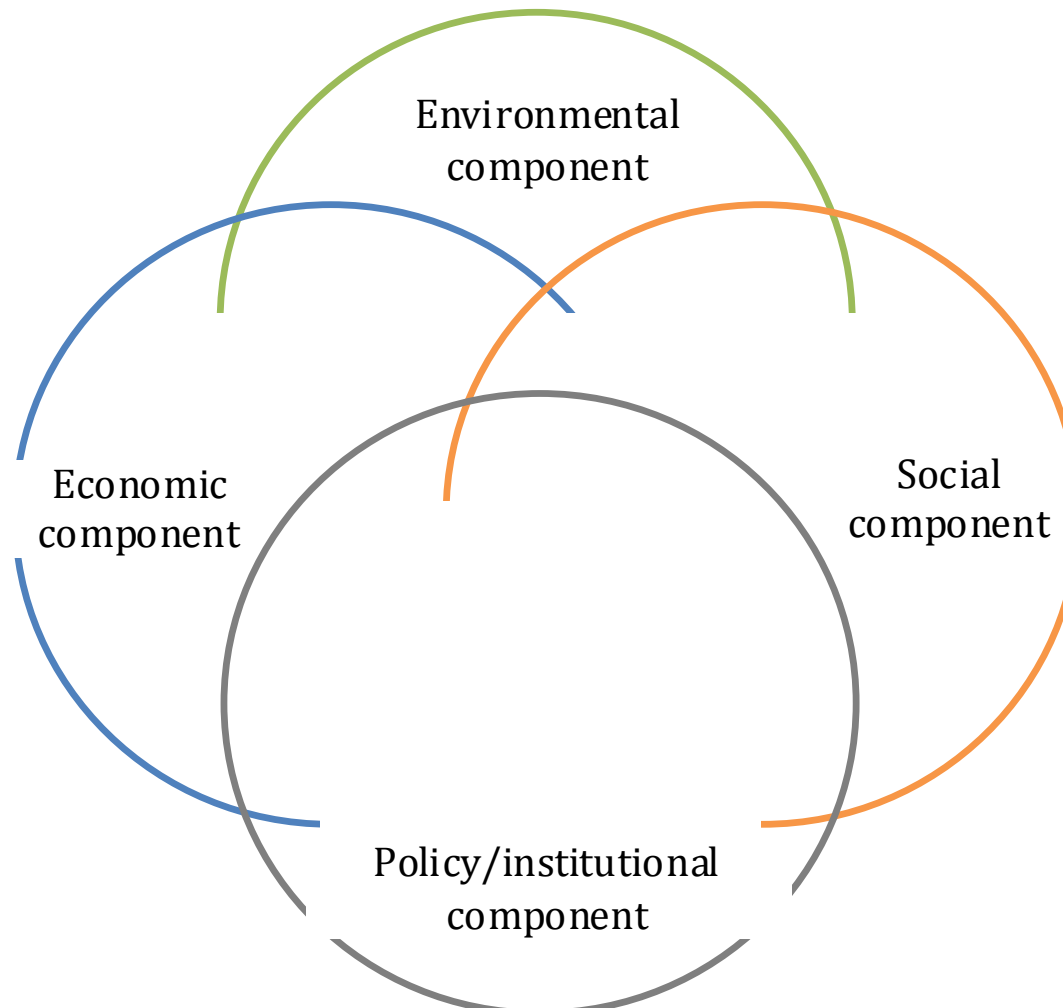
Theoretical Framework

Theoretical Framework

- ① The International Labour Organization (ILO) Framework
- ② The creation and development of sustainable enterprises is promoted based on the monitoring of progress in the 17 strategic categories.
- ③ Includes the different dimensions of sustainable development: social, economic and environmental, in addition to the important policy/institutional component.

Theoretical Framework

Figure 1. Components necessary for the creation and development of sustainable enterprises



Source: CIDAC, based on the ILO conceptual framework, 2102.

Economic Context	Policy / institutional Context	Social Context	Environmental Context
Sound and stable macroeconomic policy and good management of the economy	Peace and political stability	Entrepreneurial culture	Responsible stewardship of the environment
Trade and sustainable economic integration	Good governance	Education, training and lifelong learning	
Enabling legal and regulatory environment	Social dialogue	Social justice and social inclusion	
Rule of law and secure property rights	Respect for universal human rights and international labour standards	Adequate social protection	
Fair competition			
Access to financial services			
Physical infrastructure			
Information and communication technologies			

First Step: Qualitative Selection

- **Representativeness**
- **Availability**
- **Intuitive**
- **Relativity**
- **Endogenous**
- **Causality**

Policy/institutional Component			
Peace and political stability	Good governance	Social dialogue	Respect for universal human rights and international labour standards
Perception of political stability and absence of violence or terrorism	Embezzlement of public funds	Trust in trade unions	% of child labour with respect to the total labour force
Perception of country progress	Trust in public officials	Cooperation between workers and employers	% of workers with social security access
Satisfaction with democracy	Favoritism in decisions of public servants	Efficiency of the legal framework to resolve disputes	Average hours worked per worker

Not a representative sample

Pillar	Correlation
1 Sound and stable macroeconomic policy and management of the economy	0.83
2 Trade and sustainable economic integration	0.98
3 Access to financial services	0.21
4 Entrepreneurial culture	0.97
5 Enabling legal and regulatory environment	0.73
6 Fair competition	0.95
7 Physical infrastructure	0.94
8 Information and communication technologies	0.60
9 Peace and political stability	0.95
10 Good governance	0.91
11 Rule of law and secure property rights	0.79
12 Respect for universal human rights and international labour standards	0.85
13 Social justice and social inclusion	0.99
14 Education, training and lifelong learning	0.82
15 Adequate social protection	0.90
16 Social dialogue	0.74
17 Responsible stewardship of the environment	0.56

Second Step: Quantitative Method

Principal Components Method

- Selecting the most representative variables eliminates redundant indicators.
- This makes it easier to determine the current state of each category in a country without the need to compile, present and analyze all information contained in the hundreds of existing variables

Level of representativeness of the key indicators

Pillar	Correlation between the index with complete information and the index with the final selection
0 Sound and stable macroeconomic policy	1.00
1 Trade and sustainable economic integration	0.98
2 Access to financial services	0.92
3 Entrepreneurial culture	0.97
4 Enabling legal and regulatory environment	0.91
5 Fair competition	0.95
6 Physical infrastructure	0.97
7 Information and communication technologies	0.95
8 Peace and political stability	0.95
9.0 Good governance	0.95
9.1 Rule of law and secure property rights	0.95
9.2 Respect for universal human rights and international labour standards	0.93
9.3 Social justice and social inclusion	0.99
9.4 Education, training and lifelong learning	0.94
9.5 Adequate social protection	0.96
9.6 Social dialogue	0.86
9.7 Responsible stewardship of the environment	0.78

Standardization

Equation 1. Key Variables

Rating by key variable

=

$$\left(\frac{(\text{Number of countries in the ranking} - \text{Position in the ranking of the key variable}_i)}{\text{Number of countries in the ranking} - 1} \right)$$

Sub – index "i" represents any of the key indicators selected

Maximum value of the index = 1

Minimum value of the index = 0

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Results

Results

Countries

América Latina y el Caribe	Argentina, Barbados, Bolivia, Brasil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, México, Nicaragua, Panamá, Paraguay, Perú, República Dominicana, Trinidad y Tobago, Uruguay y Venezuela (República Bolivariana).
HIC-OCDE	Australia, Austria, Bélgica, Canadá, Republica Checa, Dinamarca, Finlandia, Francia, Alemania, Grecia, Hungría, Islandia, Irlanda, Italia, Japón, Corea, Luxemburgo, Holanda, Nueva Zelanda, Noruega, Portugal, Eslovaquia, España, Suecia, Suiza, Reino Unido y Estados Unidos.

Results

