



International
Labour
Organization



ILO/IFC Better Work Programme – Improving Working Conditions and Promoting Competitiveness in Global Supply Chains.

Around the world, over 35 million people work in garment factories, making clothes that drive a global industry worth over a trillion dollars per year. While factories are a valuable source of jobs and can help improve the livelihoods of workers and their families, poor working conditions remain a pressing issue across the global garment industry. Labour is often poorly paid, with long hours and unsafe conditions, driven by fierce competition among suppliers looking for more profitable relationships with international apparel companies. Over the past 20 years, these issues have come under scrutiny and multinational corporations have increasingly recognized the importance of social compliance in their global supply chains.

FACTS AND FIGURES

Partners:

Many of the world's leading international apparel retailers and brands.

Beneficiary Countries:

Bangladesh, Cambodia, Haiti, Indonesia, Jordan, Lesotho, Nicaragua, Vietnam

ILO Objective:

Sector-specific Decent Work

THE RESPONSE

Better Work is an innovative partnership between the International Labour Organization, the International Finance Corporation, and as of December 2013, 22 Buyer Partners

(http://betterwork.org/global/?page_id=361), and 827 factories employing 966,762 workers. The programme can play a significant role in helping international buyers uphold their commitment to comply with international core labour standards and national labour laws, and to continuously improve their global supply chains.

The emphasis is on capacity building and social dialogue and on the identification of practical solutions that bring sustainable and positive change to the industry. Driving sector-wide, sustainable improvements in adherence to national labour laws and core labour standards contributes to improving the lives of millions of workers and their families, and importantly also enhances business competitiveness in major garment producing countries.

Better Work engages international buyers through its Buyer Partnership, which provides a framework for companies to support the programme's long-term success by strategically committing to Better Work in spirit and practice.

At the factory level, Better Work country programmes provide core services – including assessments and advisory and training services – that help participating factories to achieve measurable progress in compliance, and at the same time considerably reduce duplicate auditing. Better Work's unique information management system allows factories to share assessment and remediation information with their buyers.

At the national and global levels, the programme also involves representatives of governments, and employers' and workers' organizations to build consensus on industry-wide improvements and to influence the policies and practices of global supply chain actors, including international buyers.

Local, regional and international Buyers' Forums provide an opportunity for Buyer Partners to address challenges in their supply chains and give feedback on programme implementation. At the forums, Buyer Partners are also invited to take part in stakeholder meetings that offer the chance to engage with national trade unions, manufacturers and their associations, as well as government representatives on industry issues.

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"In my section fewer workers are resigning. It's better than last year...Productivity has improved—workers are now faster...it has got faster for many reasons: the workplace is better, cooler, healthier. Seniority of workers is higher, and new techniques for using drying machines suggested by Better Work have increased productivity."

- Supervisor at T&T factory in Vietnam -



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RESULTS

Initial results from Better Work's comprehensive impact assessment shows that the programme's focus on increasing worker-management cooperation and on improving management systems is leading to better working conditions and increased productivity. Overall, the programme currently benefits approximately 3 million individuals when family members of workers are considered.

Assessments of factories participating in Better Work Jordan for over two years showed the following improvements in compliance:

- Coercion: +33%
- Method of Payment: +28%
- Overtime Wages: +28%
- Employment Contracts: +39%
- Chemicals and Hazardous Substances: +35%
- Health Services and First Aid: +50%
- Welfare Facilities: +38% Social Budgeting

Factories participating for over two years in Better Work Vietnam experienced the following compliance improvements:

- Documentation and Protection of Young Workers: +20%
- FoA/Interference and Discrimination: +50%
- Collective Bargaining: +18%
- Discipline and Disputes: +13%
- Emergency Preparedness: +31%
- OSH Management Systems: +44%
- Worker Protection: +25%

Beyond factory-level productivity gains, evidence from Better Work research indicates that improved compliance with international labour standards and national labour law can improve suppliers' relationships with their customers.

Analysis of Better Factories Cambodia found that:

- Factories violating fewer standards related to working hours and leave attracted more reputation-sensitive buyers;
- Compliance with fundamental rights, and occupational safety and health standards made suppliers 56% and 4.8% more likely to retain buyers, respectively.

Data from Vietnam shows that factories have seen a rise in employment (up to 165% compared with prior year), sales, productive capacity, order size, and a longer relationship with global buyers since they joined Better Work. Duplicate audits have been greatly reduced, meaning efficiency gains for factories. Case studies show that managers perceive lower staff turnover and higher productivity since their participation in Better Work.

BENEFITS OF PARTNERING

Buyers join a global alliance led by Better Work and can: (i) have a voice in Better Work's governance structure through the election of representatives to the Better Work Advisory Committee; (ii) engage, through the country programmes, with governments and industry stakeholders on strategic and cross-sector issues, and receiving critical information on sectoral challenges; (iii) receive credible and comprehensive compliance information on supplier factories, as well as up-to-date information on factory-specific remediation issues; (iv) align with other buyers in the same factory to reinforce best practices; and, (v) participate in factory-level activities such as training and Performance Improvement Consultative Committee meetings.

Suppliers benefit from: (i) increased workplace cooperation and fewer disputes and work stoppages; (ii) increased worker skills and productivity; (iii) higher worker satisfaction and greater employee loyalty, thus reducing worker turnover; and, (iv) increased competitiveness.