



International
Labour
Organization

IMPROVING WORKING CONDITIONS AND PROMOTING COMPETITIVENESS IN GLOBAL SUPPLY CHAINS: THE ILO/IFC BETTER WORK PROGRAMME

Over 60 million people work in garment factories worldwide, making clothes that drive a global industry worth over a trillion dollars annually. 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,

as there is fierce competition between 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 responsibility and sustainability 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 and Viet Nam

Timeframe:

Better Work Global Stage I (2007-2009)
Stage II (2009-2012)
Stage III (2012-2017)

Budget:

Overall annual budget for BWG and country programmes is 20 million (est.)

THE RESPONSE

Better Work is an innovative partnership between the International Labour Organization (ILO), the International Finance Corporation (IFC) and – as of June 2015, – 31 buyer partners and 1,300 factories employing 1.5 million women and men. The programme plays 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, as well as 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 improves the lives of millions of workers and their families, and importantly also enhances business competitiveness in major garment-producing countries.

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 duplicative buyer 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 of 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 these 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.



“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, and healthier. Seniority of workers is higher, and new techniques for using drying machines suggested by Better Work have increased productivity.”

Supervisor at the T&T factory in Viet Nam



Partnerships and Field Support Department (PARDEV)

International Labour Organization
4, Route des Morillons
CH-1211 Geneva 22
Switzerland

Tel. +41 22 799 7309
Fax +41 22 799 6668
E-mail: ppp@ilo.org
www.ilo.org/ppp

RESULTS

Better Work’s comprehensive impact assessments show that the programme’s focus on increasing worker-management cooperation and on improving management systems is leading to better working conditions and increased productivity. Factories enrolled in Better Work have shown substantial improvement in compliance. Data also reveal that increased compliance improves outcomes for workers: five per cent higher compliance translates into a 10 per cent increase in income, 9 per cent more remittances, and a 3 per cent improvement in health.

With respect to workplace safety and health, there have been overall improvements in worker protection, working environment indicators and the handling of chemicals. Further data analysis of compliance assessments show that adherence to core labour standards has also improved – discrimination on disability grounds has declined by 13 per cent in Indonesia; employers’ interference in union activities has declined by 13 per cent in Viet Nam; and in Jordan there have been no incidents of non-compliance with bonded labour legislation.

Improved working conditions are also good for business. Better Work research has demonstrated that labour productivity and the profitability of garment factories increase as working conditions improve. Compliance with international labour standards and national labour legislation can also enhance suppliers’ relationships with their customers.

In Cambodia, factories that increased their adherence to standards on working hours and leave attracted more reputation-sensitive buyers. Compliance with fundamental rights and occupational safety and health standards made suppliers 56 per cent and 4.8 per cent more likely to retain buyers, respectively.

Data from Viet Nam show that since factories joined Better Work, they have witnessed: a rise in employment; a growth in sales, productive capacity and order sizes; and more lasting relationships with global buyers. 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 partnership through 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 receive 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) greater worker satisfaction and employee loyalty, thus reducing staff turnover; and (iv) increased competitiveness.