Better Work
Improving working conditions and competitiveness in global apparel supply chains

Conference «Improved working conditions, safety and health, training and performance in SMEs»
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ILO-IFC Better Work Programme

Objective

• Improve the lives of workers and their families and the competitiveness of firms in the global apparel supply chain.

Implementation

• Factory level: Compliance assessments; advisory services (improving worker-management dialogue); training services
• Sector Level: Capacity building of industry and worker organizations; public reporting of compliance results
• National: Collaboration and capacity building of Ministries of Labour and Trade

Current Scope

• 7 country programmes (Cambodia, Haiti, Indonesia, Jordan, Lesotho, Nicaragua, Vietnam)
• +800 Supplier Factories and +70 Global Buyers
Total number of workers: **924,070** (Dec 2012)

Women workers are 74% of total, ranging from 53% in Nicaragua to 82% in Cambodia.
Collecting data to measure the impact of Better Work

- Better Work compliance data

- Manager Surveys
  - General Manager
  - Financial Manager
  - Human Resource Manager
  - Industrial Engineer

- Worker Surveys
  - Self-administered with ACASI methodology
  - 30 randomly selected
  - not to exceed 5 percent of a factory workforce
1. Improving compliance:
Better Factories Cambodia

Notes: Compliance rates shown are means across firms by period. Periods are defined as follows:
Reduction in Non-Compliance, Jordan

Going down is good!

Overtime wages and leave

Occupational Safety and Health

baseline non-compliance rate
most recent non-compliance rate
Reduction in Non-Compliance, Vietnam

Minumum Wages: 13% (baseline), 3% (recent)
Social Security and Other Benefits: 19% (baseline), 8% (recent)
Discipline and Disputes: 33% (baseline), 12% (recent)
Employment Contracts: 48% (baseline), 38% (recent)
Emergency Preparedness: 70% (baseline), 42% (recent)
OSH Management Systems: 93% (baseline), 44% (recent)
Worker Protection: 92% (baseline), 69% (recent)
Working Environment: 26% (baseline), 15% (recent)
Leave: 13% (baseline), 2% (recent)
Working Time: 8% (baseline), 12% (recent)

Columns represent baseline non-compliance rate and recent non-compliance rate.
Impact on business performance

• NEW BUSINESS
  – Higher compliance attracts better buyers and longer duration relationships (Cambodia and Vietnam)
  – Compliance with core labour standards makes factories 56% more likely to keep their relationship with buyers (Cambodia)

• EFFICIENCY
  Compliance continues without external incentives (absence of public reporting OR reputation sensitive buyer). Implies efficiency gains from compliance.
Impact on business performance (contd.)

• PROFITABILITY
  In Vietnam, factories in which workers trusted that they were being paid correctly and did report verbal abuse are more profitable.

• RESILIENCE
  More compliant firms were more likely to survive the financial crisis (Cambodia)
Improving job quality is good for business: A WINvest case study from Better Work Vietnam

**Action by Company**
- Sustained dialogue with workers
- Kindergarten and health clinic for workers & families
- Predictable working hours

**Results**
- Staff turnover reduced by one third
- Reduced absenteeism
- No strikes in 9 years

**Bottom line impact**
- Reduced costs associated with replacing workers
- High levels of productivity maintained
- Cost savings associated with no strikes
Thank you!
betterwork.org/global