

Ho Chi Minh City, Viet Nam – The rainy season is lashing southern Viet Nam and for garment factory worker Dang Thu Hoan that means a very wet 20 minute ride to work on her motorcycle. Navigating Ho Chi Minh City's wide but traffic-clogged boulevards, Hoan is among the hundreds of thousands of Vietnamese women who will help produce some USD\$ 13 billion dollars in textile export revenues for Viet Nam this year.

The factories range in size from a few hundred employees to several thousand. The work can be hard, with constant pressure to complete the jobs quickly and without mistakes.

Hoan works six days a week at the Viet Thinh garment factory. Today she will handle more than 130 semi-completed garments during her nine-hour shift, earning the daily equivalent of eight dollars (USD), or twice the daily minimum wage, plus benefits.

Since joining this factory 15 years ago, Hoan has watched the Vietnamese economy go from strength to strength. She has also noticed many changes on the production line too, most importantly improvements that have affected workers like her. "There are changes each year," Hoan says confidently. "The managers are paying more attention to the needs of the workers."

Consumers are also paying closer attention. Many shoppers in Western countries – the main export market – are demanding that the goods they purchase be produced in conditions free from worker exploitation. There's good reason for their concern.

Nearly two decades ago, in the mid 1990's, the world's big name brands were rocked by a series of scandals after it was revealed many of their designer products – clothes and sporting goods in particular – were being produced in exploitative conditions in factories across Asia. The use of child labour in its worst forms – prohibited by international convention (ILO C-182) – was discovered, as were cases of adults working in near slave-like conditions.

For the big brands, it was the beginning of a new era of corporate social responsibility (CSR) and the need to keep a closer eye on their supply chains.

The International Labour Organization (ILO) also responded. A number of factory improvement programmes in Asia and the Pacific were launched to ensure workers were treated fairly further down the supply chain, while reassuring employers and factory owners that they could remain productive and competitive while meeting the fundamental principles and rights at work that was the entitlement of their employees.

The ILO's Better Work programme – a unique global partnership between the ILO and the International Finance Corporation (IFC) – is the most recent example of these cooperative initiatives and is now operational in seven countries. Better Work aims to improve working conditions in apparel factories while promoting productivity and competitiveness.

Here in Viet Nam, there are 150 factories participating in the programme. By 2014, it's expected that as many as 500 factories, employing some 500,000 workers, will be participating.

Hoan's factory was one of the early entrants to the Viet Nam programme.

Surrounded by hundreds of colleagues, mountains of cut cloth and the chatter of sewing machines, Hoan works on a production line making winter jackets for a European label. During a break, she remarks with some satisfaction about the increased scrutiny on factory working conditions. "It's really good that customers pay attention to the quality of life of workers like us."

Two flights of stairs above the factory floor, Mr Nguyen Thanh Trai, the company's Vice Director General, oversees operations here and in a further six factories. The Viet Thinh Garment Joint Stock Company is jointly owned by its 2,200 workers (75%) and the Vietnamese Government (25%). Mr. Trai has been participating in the Better Work Vietnam programme for the past year and says it has been beneficial. "Before joining Better Work Vietnam, we didn't assess risks (on the factory floor). Now we know how to undertake risk assessments. The number of costly accidents has decreased significantly, down 40% from the same time last year."

Mr. Trai's factory produces a wide range of apparel for all seasons. The buyers include Columbia Sportswear, L.L.Bean, Nike and a number of others. The clothes are shipped directly to distributors in Australia, Canada, the EU and the United States.

Meeting international standards of quality – and increasingly, assuring the welfare of workers – have become critical to ensuring that orders keep coming in to the Viet Thinh factories. “When international buyers come to visit us and they see we have met international standards, it means they will give us more orders. That is good for us and for the workers we employ.”

Better Work Vietnam has a team of 16 Enterprise Advisors whose roles vary. For each factory, two advisors perform an initial assessment of working conditions at the beginning of a one-year cycle. The initial assessment report is shared with the factory and with their buyers (with factory consent). A third advisor then works with the factory's employers and employees throughout the year to help meet improvement targets set out in the assessment. Two further progress reports at 5 and 11-monthly intervals are produced and are also made available to participating buyers.

This intermediary role is appreciated by many buyers, such as H&M, a major international brand based in Europe. H&M sources its apparel from Asian and European countries and follows an established CSR policy.

“Part of our established business practice is to ensure fair working standards are already in place at a factory before we will enter into a contract with that establishment. Consumers are more aware and do appreciate that we are taking these steps,” says Kanwarpreet Singh, Chief Representative of Puls Trading Far East Ltd, the representative office of H&M in Viet Nam. “Because Better Work Vietnam has transparent procedures and processes for assessing factories and then monitoring and advising them to ensure compliance, and because these procedures are similar to our own, we feel Better Work is good value for us because it avoids duplication and multiple factory visits by us.”

Better Work Vietnam is presently supported by the Australian Government – ILO Partnership Agreement (2010 – 2015). Through the partnership, the Australian Government has provided funding of AUD\$ 7.5 million dollars to the global programme of Better Work.

“The Australian Government is pleased to be supporting the Better Work programme in Viet Nam,” says Michael Wilson, a Minister-Counsellor for AusAID in Hanoi. “The programme is an investment in economic stability and a strong and productive workforce. Buyers and consumers in Australia can be more confident that garments they buy have been produced in factories that respect international labour standards.”

Presently, 33 international buyers and vendors of apparel have subscribed to the programme in Viet Nam. This has helped the programme steadily increase its cost recovery rate and move the Better Work concept toward greater financial self-sufficiency in Viet Nam. “The project has also been highly cost-effective,” says Tara Rangarajan, Better Work Vietnam's Chief Technical Advisor. “On average, Better Work costs US\$ 11 per worker, per year to help improve labour conditions. Some industry analyses have estimated that redundant social audits (by various buyers) could cost as much as US\$ 50 for the same purpose.”

Advisors from Better Work help the factory and its workers set up a Performance Improvement Consultative Committee (PICC) – comprising equal numbers of management and worker representatives – to discuss and resolve any issues that arise. It is through this PICC process that the job of monitoring and documenting progress is achieved. In addition to the factory assessments and reporting on factory conditions and improvements, Better Work offers training to workers and managers on a variety of workplace issues. Public reports showing aggregate industry-wide changes are produced by the programme twice a year.

“Better Work Vietnam is an integral part of the ILO's Decent Work Country Programme and within that framework fits well into the One UN Plan for Viet Nam,” says Rie Vejs-Kjeldgaard, Director of the ILO Country Office for Viet Nam. “The Better Work programme here in Viet Nam is pivotal to sustainable business development and the ILO's core principal of bringing together all key stakeholders for dialogue and collective action. The trade unions, the employers and international buyers as well as the Ministry of Labour, Invalids and Social Affairs and the local authorities where the factories are located are all participants.”

The ultimate goal for the ILO's main stakeholders – the Vietnamese government, employers, workers and partner-donors – is to reduce poverty by creating sustainable, decent work and prosperity. Applying and monitoring national and international labour standards is a proven practice in meeting those objectives.