



Better Work

Rationale

The global garment industry is a significant driver of economic growth and the most viable source of formal employment. Garment industry is labor-intensive and concentrated in developing and least developed countries, where creating good jobs is critical to overcoming poverty.

More than 60 million people are employed by the global garment industry. In Indonesia alone, the garment industry employs up to 2 million people, with roughly 800,000 of them employed by major and medium-sized businesses. Around 80% of garment workers are women, most of whom are between the ages of 18-35, and have barely completed secondary school.

Despite their economic importance, working conditions and respect for workers' rights are often becoming issues in the garment industry—which already has a long history of poor health and safety standards, discrimination and harassment, excessive working hours, low pay, and a lack of respect for workers' fundamental rights. Lack of capacity to adopt and enforce legislation also has become more widespread as garment manufacture shifts from the more industrialized to developing and middle-income countries



Objectives and activities

The main goal of Better Work is to help exporting garment factories in emerging and developing countries to provide decent work, empower women, drive business competitiveness and promote inclusive economic growth. These are done by promoting global supply chains compliance with international labour standards and national laws, as well as influencing business strategies and strengthening the enabling environment for decent work.

Better Work operation is funded by donor contributions and private sector fees. Since 2017, the ILO has shifted operations of Better Work at the factory level in Indonesia to a national foundation called *Yayasan Kemitraan Kerja* (Partnership at Work Foundation). The Yayasan continues to work with the ILO with a small portion of the Better Work team in order to ensure consistency, alignment, and quality of factory services.

Governance Structure

An Advisory Committee (AC) provides advices and recommendations on strategic directions, such as making new collaborations and significant advancements in the area of global supply chains and labor standards. Representatives within the AC are nominated by the International Organization of Employers (IOE), the International Trade Union Confederation (ITUC), donors and international buyers. The AC serves as a critical avenue for engagement between stakeholders, donors and, Better Work as the project's implementing body. For each country

Country/region
Global (Vietnam, Indonesia, Bangladesh)

Executing agency
International Labour Organisation (ILO), International Finance Corporation (IFC)

Project duration
Phase IV: 2019-2022 (Phase III of SECO contribution)

Total budget
CHF 74,900,000

SECO contribution
CHF 12,000,000

that Better Work operates in, there is a National Advisory Committee which plays the same role as the AC, but at a national level.

Results to Date

Better Work is currently in its fourth phase. In the first and second phases, methodologies for assessing and improving workplace labour practice were fine tuned. In Phase III, efforts were directed towards expanding factory outreach, enhancing quality and effectiveness of the programme, intensifying collaboration with various stakeholders, and establishing the Better Work Foundation. In the current phase, Better Work aims to increase national ownership of the programme and ensure 100% financial sustainability by 2022.

Indonesia's garment sector was badly hit by COVID-19. To respond to urgent needs on the ground, Better Work Indonesia adapted its support for factories and the wider garment sector to overcome the challenges brought about by the pandemic. This response included strengthening occupational safety and health support, testing remote monitoring of working conditions, keeping factories in close touch with national authorities and building on social dialogue structures and processes to find equitable solutions to the issues facing workers and their employers. From early 2020, Better Work organized discussions with the Indonesian Government, trade unions, employers' associations and international brands on how best to support factories and workers in dealing with the negative impact of COVID-19. Those discussions shaped the Joint Commitment—an agreement made in August 2020 between APINDO (the Indonesian Employers' Organization), Indonesia's Textile Association (API) and the three main garment and footwear trade union federations. The Joint Commitment outlines the sector's priorities to protect workers and the sustainability of the industry during the pandemic. It is accompanied by an action and implementation plan negotiated by employers and unions with recommendations on providing income support to furloughed workers, implementing OSH protocols, and a general economic stimulus plan for the industry.

One of the key changes affecting operations in 2020 was the adaptation of Better Work services into a full virtual format. The programme also shifted all reporting and activities to digital platform. Albeit the transition, independence and ownership among the programme's factories have increased. Almost 80 per cent of factories produced reports on how they are addressing issues and improving compliance with the regulations (self-reporting using the progress report tools made available by Better Work). Social dialogue indicators were also up despite a rise in industrial disputes. Overall, the number of factories demonstrating effective social dialogue and the ability to resolve disputes increased from 32 per cent in 2019 to 39 per cent in 2020. On grievance mechanisms, factories moved up from 24 per cent of factories having a good system in 2019 to 37 per cent in 2020.

In 2020, Better Work has reached out to 204 factories with close to 400,000 workers, 84% of which are women. It is well-established that women, who represent 80 per cent of workers in the enrolled factories, have been disproportionately affected by the pandemic. Within this period, improving social dialogue through advisory and training, and promoting women's issues and representation in bipartite committees remain high priorities for the programme. Despite challenges found in 2020, the programme took strides forward on its path to ensuring sustainable compliance and strengthening labour market systems and institutions in Indonesia