



BETTER WORK STRATEGY 2022-2027

► Sustaining Impact

A partnership between the International Labour Organization (ILO) and the International Finance Corporation (IFC), a member of the World Bank Group, Better Work is a flagship programme that promotes decent work in the global apparel and footwear industry.

This document outlines the programme's strategy at the global level for the period 2022-2027. Better Work country-level strategies have been developed in consultation with national tripartite constituents to align with the global strategy and to reflect national priorities and ambitions.

The programme will embed eight priority themes across all of its strategic outcomes to advance long- term sustainable change.

PRIORITY THEMES



Business Performance



Digitalization, Data and Evidence



Labour Aspects of Environmental Sustainability and Circularity



Gender Equality and Inclusion



Occupational Safety and Health (OSH)



Social Dialogue



Social Protection



Wages



► Context

The global garment sector is going through a period of profound and rapid change. COVID-19 has had an unparalleled impact on the industry, with demand and supply shocks affecting production across the world and resulting in widespread factory closures. Millions of workers were dismissed or suspended, finding themselves sliding into poverty without adequate social protection. The pandemic has led to an increased risk of discrimination for women, migrants, and other vulnerable groups, and threatens to compromise progress made in these areas in recent years.

The COVID-19 pandemic has exacerbated inequalities, including in the garment industry, and it is critical to ensure that the recovery period delivers a “better normal” grounded in decent work, fundamental principles and rights at work with environmental sustainability. The pandemic has also spurred calls from constituents and other stakeholders for the ILO to help them pursue a human-centred approach and ensure a just transition to a future of work that contributes to sustainable development in its economic, social and environmental dimensions, as stated in the ILO Centenary Declaration for the Future of Work (2019). Similarly, IFC, as part of the World Bank Group, is being called upon to help countries and companies recover from the pandemic crisis.

At the same time, shifting trade dynamics as well as new trade agreements between key apparel sourcing and consumer countries are having a significant impact on garment supply chains. The sector also faces significant challenges to ensure a human-centered approach to technological

advances, digitalization and automation. Demographic shifts are changing where apparel is sold and produced. Extreme heat, air pollution, flooding, reduced availability of water, and the generation of chemical and other waste, exacerbate occupational safety and health risks and undermine productivity. The apparel industry has the opportunity to commit to circularity and deliver on carbon neutral targets, ensuring a more efficient use of resources and reduction in its contribution to greenhouse gas emissions, from cotton growing to retail.

This new strategic phase builds on the programme’s proven models of impact and strong partnerships across the supply chain with an increased focus on tackling the fundamental challenges that have stymied sustainable change and that were clearly exposed by COVID-19. With this new strategy, the programme will harness the momentum to turn the current crisis into an opportunity to forge a more sustainable, resilient, inclusive, transparent, and just garment industry.



Better Work Factory Engagement

Factories enrolled in Better Work go through a process of learning that includes assessments, advisory services, industry seminars and training. Areas covered include child labour, discrimination, forced labour, freedom of association and collective bargaining, and national labour laws on compensation, including social security, contracts and workplace relations, occupational safety and health, working hours and more.

The factory engagement model includes a guided self-diagnosis to support factories to identify issues and priorities within their factory; the establishment of a bipartite worker management committee to improve workplace communication and cooperation; learning services including advisory services, industry seminars and training courses; one assessment per year by two Better Work staff; and two progress reports that indicate improvement.

Better Work's factory engagement is rooted in four key themes. Ownership means that each factory improvement process is driven directly by the factory, taking into account both management and worker priorities. By promoting social dialogue in factories, Better Work supports management and workers to identify their needs and improve their working relationships and communication as a basis for effective prevention and remediation of problems. While engaging with factories, the program also builds partnerships with industry stakeholders to strengthen their long-term effectiveness. Finally, accountability is essential to ensure needed improvements are implemented.

In the context of the pandemic, Better Work has built a suite of virtual services – including virtual compliance checks, revamped training sessions for virtual delivery, workers' surveys, and use of virtual platforms for worker-management dialogue – that have allowed the programme to stay closely connected to factories and workers.

► Better Work's impacts

Better Work has been at the forefront of creating a better path for the garment industry in many countries. As of 2021, the programme has galvanized concrete and sustainable improvements in working conditions in more than 2,000 factories in nine countries in Asia, Latin America, the Middle East and Africa with limited capacity to fully implement and enforce labour standards. Impacts in these factories can be measured both in terms of higher compliance with national legislation, including legislation based on core labour standards, as well as respect for fundamental rights, workers' reported well-being, gender equality outcomes, improved representation and outcomes for migrant workers. The impacts can also be measured in terms of business competitiveness and resilience. Key impacts of the programme to date include:¹

- In research carried out in the pre-COVID-19 period, evidence shows that workers in factories participating in Better Work saw their take-home pay increase alongside a decrease in working hours, due to better compliance with minimum wage and overtime wage payments.² While a pay gap in hourly wages existed between male and female workers, 85 per cent of the gap has been closed by firms that have participated in Better Work for at least four years.³
- The establishment of Better Work's workplace labour-management committees is shown to be correlated with better outcomes for workers. Managers report better ambient environments, improved worker health status, less verbal abuse, and better overall problem solving. However, these correlations are dependent on workers being freely and fairly elected to their position as committee representatives, and women participating as committee members in equal proportion to their share of the overall workforce.⁴
- The Better Work approach – with a focus on continuous improvement, dialogue, empowerment and transparency – results in 7 per cent lower staff turnover at factories.⁵

1 This section draws on Better Work's impact evaluation research projects both at the country-and cross-country levels.
 2 Antolin, A. et al. 2020. Is Social Compliance Win-Win for workers and firms? evidence from Better Factories Cambodia. Discussion paper no.39. Available at: <https://betterwork.org/portfolio/discussion-paper-39-is-social-compliance-win-win-for-workers-and-firms-evidence-from-better-factories-cambodia/>
 3 Djaya, D. et al. 2019. An impact evaluation of Better Work from a gender perspective. Discussion paper no.30. Available at: <https://betterwork.org/portfolio/discussion-paper-30-an-impact-evaluation-of-better-work-from-a-gender-perspective/>
 4 Anner, M. 2017. Wildcat Strikes and Better Work bipartite committees in Vietnam. Discussion paper no 24. Available at: <https://betterwork.org/portfolio/12829/>
 5 Brown, D. et al. 2018. Empowering women through humane workplaces, baseline report (IDRC).

-
- ▶ Factories in the Better Work programme experience increases in average revenue leading to higher profits, offsetting any increased higher costs resulting from compliance with wages and working hours regulations. These improvements are primarily the result of improved supply chain position – including access to buyers, price offered for product, and order size.⁶
 - ▶ Through training and capacity building, Better Work has expanded the space in which women are able to exert agency over their earnings within the context of household resource allocation, and has decreased the negative effects of ongoing and systemic financial precariousness.⁷
 - ▶ Though challenges remain, worker concern over dangerous equipment and injuries tends to lessen the longer their factory participates in Better Work.⁸
 - ▶ As a country level example, engagement with Better Factories Cambodia has reduced the likelihood of sexual harassment, mostly attributable to improved wage compliance that has resulted in better-aligned pay structures between workers and managers. Increased management awareness of workplace sexual harassment has led to an increase in worker reporting, thereby signalling increased empowerment and voicing of concerns.⁹
 - ▶ Overall, comparing workers in Better Work versus non-Better Work factories in Indonesia and Vietnam, those in Better Work factories are less likely to be uncomfortably hungry or thirsty at work, or uncomfortably hot or cold while at work. These conditions all lead to less fatigue on the job.¹⁰
 - ▶ Workers in Better Work factories in Indonesia and Vietnam report that they experience better communication and stronger confidence and increased empowerment, and are more likely than peers in non-Better Work garment factories to feel comfortable seeking help from trade unions, supervisors, or human resources staff.¹¹
 - ▶ Some of Better Work's techniques and approaches can be applied by other organizations to achieve similar results in other supply chains and sectors, in particular in sub-tiers of apparel production or other light manufacturing. Better Work has provided technical assistance to global manufacturers and brand partners to apply the programme's tools in factories based in non-Better Work countries. Independent impact assessments confirm that these enterprises have improved worker-manager communication, as well as cooperative work relationships.¹²

6 Brown, D. et al. 2018. The impact of Better Work: firm performance in Vietnam, Indonesia and Jordan. Discussion paper no 27. Available at: <https://betterwork.org/portfolio/discussion-paper-27-the-impact-of-better-work-firm-performance-in-vietnam-indonesia-and-jordan/>

7 Pike, K. 2020. Impacts on the shop floor: an evaluation of the Better Work – GAP Inc. program on workplace cooperation. Discussion paper no 40. Available at :<https://betterwork.org/portfolio/discussion-paper-40-impacts-on-the-shop-floor-an-evaluation-of-the-better-work-gap-inc-program-on-workplace-cooperation/>

8 Brown, D. et al. 2018. op. cit.

9 Babbitt, L. et al. 2020). Sexual harassment – causes and remediation. Discussion paper no.38. Available at :<https://betterwork.org/portfolio/discussion-paper-38-sexual-harassment-causes-and-remediation/>

10 Brown, D. et al. 2018. op. cit.

11 Brown, D. et al. 2018. op. cit.

12 Pike, K. 2020. op. cit.

► Lessons learned

Better Work's internal analysis as well as independent evaluations have pointed to a range of lessons that inform the programme's 2022-2027 approach. The pandemic has also challenged the way Better Work operates. While the programme was able to swiftly respond to the pandemic and provide essential support to constituents and industry stakeholders, the new industry context will continue to require Better Work to adapt and adjust to new and changing realities. The centrality of achieving long-term sustainability of Better Work's impacts with a focus on sound social dialogue¹³ and gender equality, diversity and inclusion, will need to be further emphasized in Better Work's next phase. When Better Work acts as a trusted partner, uses its unique convening power with purpose, and leverages its knowledge and data capability, the programme can advance long-lasting improvements in the lives of workers and their families, address the environmental impacts of the industry and promote sustainable enterprises.

Better Work has learned that positive change at the enterprise and sectoral levels is driven by a combination of:

- quality data, evidence and advice, focused on long-term behavioural change;
- effective, representative and inclusive social dialogue;
- increased productivity and competitiveness, driven by compliance with national laws and adherence to international labour standards;
- strong partnerships between national constituents on a shared vision for the future of the industry;
- interventions that empower women to participate more fully in the change process and advance gender equality; and
- compelling trade and business incentives linked to global market access through leveraging trade preferences and brand relations.

Importantly, Better Work's factory-level work has been a testing ground for new approaches that have contributed to changes in national labour laws and increased the ability of national governments, employers' and workers' organizations to regulate labour markets. Better Work's role in engaging industry stakeholders has been critical in enabling these interventions to take effect. In order to deepen and scale up Better Work's impacts, the programme must work closely with the ILO technical units responsible for supporting national constituents and industry partners in each country to become increasingly less reliant on Better Work. To this end, national tripartite constituents should be at the centre of defining the programmes' operational trajectory.

13 Social dialogue includes all types of negotiation, consultation and exchange of information between or among representatives of governments, employers and workers on issues of common interest relating to economic and social policy. (ILO 2018). Social dialogue has many forms and collective bargaining is at its heart. (ILO 2013).

Better Work has also learned that the COVID-19 pandemic has reversed some of the progress made in the sector in Better Work countries in terms of child labour and forced labour elimination, freedom of association and collective bargaining, job creation and employment, livelihoods, and equality and inclusion, including gender equality. Factories in the apparel sector have suffered significantly during the pandemic, with cancelled and delayed orders, growing debt, limited access to credit, and increased storage and shipping costs. Many factories

have shuttered indefinitely. Workers in Better Work factories have reported widespread decreases in income and working hours, a higher likelihood of using savings for daily subsistence or going hungry, as well as greater mental stress. Ensuring fundamental rights and principles at work must form the foundation for recovery from the crisis.

As the programme has evolved, Better Work has learned lessons regarding which elements of the programme's approach have the greatest impact and scalability as well as the areas that need to be adapted.



Lessons at the operational level

- ▶ Better Work strengthens its value proposition to national constituents when benefits linked to increased productivity, compliance with national laws, and stronger sectoral compliance systems are both integrated and communicated in the programme's approach.
- ▶ Sustained improvements in working conditions within firms are supported by a mix of strong technical interventions that combine capacity development and accountability with the motivation of positive incentives related to trade, as well as to access to global supply chains.
- ▶ Transparent reporting of non-compliance through Better Work's Transparency Portal has a direct impact on improving compliance. In order to scale up results in the next phase, the programme should continue to focus on transparency as a cost-effective means to generate wider momentum for compliance and greater access to data by labour administrations and social partners.
- ▶ Factors contributing to poor working conditions may include variables found outside of the factory, including in the behaviour of brands and retailers in the supply chain as well as in policies and practice at industrial zone, sector, and national level.¹⁴
- ▶ Businesses can replicate Better Work methods to raise compliance in other supply chains with good results, but with limitations that need to be addressed given their specific position in the supply chain.
- ▶ Interventions that support women's empowerment, by addressing the underlying root causes of discrimination and inequality at all levels, and promoting gender equality and effective social dialogue, are the processes that drive lasting improvements within firms and encourage overall inclusive growth.
- ▶ The presence of worker organizations and the respect for the right to freedom of association and collective bargaining, including collective bargaining agreements, are critical in amplifying the impact of Better Work: workplace unionization and collective bargaining are associated with lower non-compliance related to salaries and benefits, contracts, and occupational safety, health, and welfare standards.
- ▶ Better Work interventions remain labour and resource intensive and are themselves a constraint on the programme's sustainability and replicability. It is therefore essential to reduce resource intensity through partnerships and, where requested, support constituents in strengthening their capacity to sustain improved working conditions.

¹⁴ ILO. 2017.. Purchasing practices and working conditions in global supply chains: Global Survey results. INWORK Policy Brief No.10, Available at: https://www.ilo.org/travail/info/fs/WCMS_556336/lang--en/index.htm;

Lessons beyond the factory level

- ▶ Many decent work deficits cannot be tackled uniquely at the workplace level. Sustainable solutions may require policy and institutional reform by constituents at the zonal, sector, national and global levels. Better Work's impact can be enhanced if it is successfully embedded within broader ILO policy interventions. Within this approach, Better Work's enterprise and sector-level efforts and ILO policy and technical assistance at the national level are mutually reinforcing. In recent years, a notable example of enhanced coherence is the 'One ILO' approach at the country level as applied in Ethiopia, a long-term strategic array of specific yet interconnected interventions. This model shows how Better Work can be effectively integrated into a broader ILO approach as outlined in the Office's Action framework for the Apparel Industry,¹⁵ and how the programme can contribute to ILO's strategic objectives.
- ▶ Harnessing trade and investment incentives is a key driver to reach these policy goals. Better Work has been successful in leveraging trade incentives, such as trade preferences embedded in bilateral trade agreements, to establish its programmes in Cambodia, Haiti and Jordan. More recently, Better Work contributed to the ILO's efforts to support implementation of regulatory reforms associated with the EU-Vietnam trade agreement. As the programme has grown in reputation, constituents have recognized its value in supporting their efforts to increase garment exports and jobs. Better Work is a means by which member States can demonstrate progress in implementing national laws and ratified ILO conventions, which are included in supplier requirements in some markets and in important trade regimes such as GSP+. In some cases, for example Bangladesh and Egypt, such incentives have encouraged States to adopt ILO's recommendations on labour law reform and improve compliance with ILO Core Conventions.
- ▶ Better Work has provided significant support to governments, employers' and workers' organizations to sustain and further improve compliance with labour laws, including those based on core labour standards, and respect for fundamental principles and rights at work. However, barriers to sustained improvements across all country programmes still exist. A key consideration is how Better Work can be more impactful in working in tandem with ILO's efforts to strengthen labour administrations, including public inspection, national social dialogue institutions, and labour market policies in the future.

¹⁵ See: Lessons learned - Better Work Global Mid-term evaluation; and ILO Decent Work Interventions in Global Supply Chains, A synthesis review on lessons learned 2010-2019

- ▶ As part of the ILO, Better Work has strong convening power to bring state and non-state actors together to address the underlying causes of persistent non-compliances in the sector. This role is increasingly important as tripartite constituents develop long-term strategic plans for recovery from the pandemic and growth of the apparel sector. However, despite the value and consistent effort to improve social dialogue across all country programmes, there is still much to be done to institutionalize social dialogue platforms so they become effective enough to drive continuous, positive change.
- ▶ It is possible to leverage new partnerships and offer Better Work's knowledge and tools to others, but this takes time and effort and should be appropriately geared toward supporting the ILO Country Offices in building the capacity of national tripartite constituents.
- ▶ Better Work's unique quality data about compliance, working conditions, and enterprise performance in the garment sector, when shared in the marketplace and accessible to constituents and industry actors, is highly valuable to inform sustainable change and empower national constituents to develop informed evidence-based policy. There is potential for Better Work and relevant ILO technical units to take greater advantage of this function by improving the analysis and communication of the data collected by the programme, and aggregating data and evidence from different sources, including constituents and other institutions.



► The Vision

An apparel sector that has lifted millions of people out of poverty and reduced its environmental impacts by creating safe and decent jobs in sustainable enterprises that empower women and in which workers and employers can exercise their fundamental rights.

Priority Themes

The programme will embed priority themes across all of its strategic outcomes to advance long- term sustainable change.



Gender Equality and Inclusion

Striving for a gender equal and inclusive recovery from COVID-19, Better Work will collaborate with the relevant ILO technical units to reduce discrimination, including violence and harassment; foster women's economic empowerment by tackling the gender wage gap and promoting career development through skills upgrading and accelerating the transition to digital wages. Better Work will support women in leadership and decision-making roles within employers' and workers' organizations, factories, and the public sector. The programme will also ensure that sound knowledge and data arising from

this work inform national policy debates and seek partnerships to challenge discriminatory gender norms in the broader ecosystem. The programme will also build on its efforts to date to address discrimination based on disability, ethnicity, migration or refugee status, and HIV status.



Social Dialogue¹⁶

Together with the dedicated technical units across the ILO, Better Work will deliver a coordinated approach to support strong social dialogue in participating factories in the COVID-19 recovery era. This will include support to national constituents to strengthen and enable social dialogue in the workplace. Better Work will collect factory-level data on all forms of social dialogue to be used in research, in collaboration with relevant ILO units.

¹⁶ Social dialogue includes all types of negotiation, consultation and exchange of information between or among representatives of governments, employers and workers on issues of common interest relating to economic and social policy. (ILO 2018). Social dialogue has many forms and collective bargaining is at its heart. (ILO 2013).



Business Performance

The programme will strengthen its focus on productivity by capitalizing on ILO and IFC expertise. For example, Better Work will collaborate with the Productivity Ecosystem for Decent Work Project to develop effective strategies to extend decent work beyond Tier 1 suppliers into more upstream producers, which tend to be dominated by domestic producers and small and medium enterprises, including in the informal economy. The programme will also leverage Better Work's convening power at the industry and national levels to support stakeholders to achieve greater alignment of their efforts so as to ensure economic recovery of the garment industry as an engine for employment and inclusive growth. This will include a focus on skill anticipation and development in the garment sector.

well as violence and harassment in the context of OSH following the framework of the ILO C190 Convention. The programme will also promote the application of the forthcoming ILO Code of Practice on Safety and Health in Textiles, Clothing, Leather and Footwear.



Wages

Better Work will seek to collect more in-depth data on wage, benefits and working time at the enterprise level and feed it into the work of dedicated ILO technical units. The programme will leverage these data to inform and support constituents' efforts to establish adequate minimum wages and stronger wage setting processes, including through collective bargaining, as well as to comply with applicable national laws on equal pay for work of equal value, keeping in mind links to productivity.



Occupational Safety and Health (OSH)

Better Work will promote safer workplaces including in the post-COVID-19 context, and leverage new technologies to improve occupational safety and health (OSH) outcomes. For example, Better Work will work with the dedicated ILO units to engage in initiatives with the private sector to leverage the Internet of Things (IoT) in order to enable labour administrations and other actors to monitor OSH-related factory conditions remotely. Better Work will address the OSH risks of chemicals and waste management, as



Social Protection

the programme will collect more in-depth data on compliance with social security (registration of workers and payments of contributions), devise practical solutions for increasing compliance, and assess additional cost for the industry of introducing national social protection policies and schemes. The programme will leverage these data to inform and support constituents' efforts to build and further develop robust and sustainable national social protection systems including floors based on strong governance mechanisms.



Labour Aspects of Environmental Sustainability and Circularity

Better Work will use its strengths to support partnerships and interventions that address the negative environmental impacts of the apparel industry on both employers and workers, considering enterprise and industry-wide approaches, and fosters. The programme will work with dedicated ILO units to support national constituents to understand and manage the labour implications of the transition to environmental sustainability and circularity in the sector by providing evidence and advice on how to manage risks and opportunities to advance decent work and increase competitiveness. For example, Better Work will focus on the skills required to transition to a greener production, the contribution to energy and that of resource efficiency to productivity, as well as stronger worker management cooperation. Better Work will also take into account the relationship between good OSH practices and reducing risks of water and chemical pollution, heat stress, and containment, disposal and treatment of hazardous waste, drawing on the ILO Guidelines for a just transition. The programme will leverage ILO and IFC's engagements on resource efficiency and circular economy with Better Work brand partners and their key suppliers.



Digitalization, Data and Evidence

Actionable, reliable and timely data can be transformative to policymakers, regulators, business, and employer and worker organisations as they adapt to promote decent work outcomes in a changing industry. Better Work recognizes the increasing potential and value of its role as a data provider and knowledge broker for the industry and this is relevant to the pursuit of all four outcomes below. The rapid shift towards digitalized service delivery, data collection and dissemination, will be complemented by an effective exchange of data and information between Better Work, ILO, IFC (as part of World Bank Group), and national constituents. The programme will engage with national constituents to improve their access to and capacity to use Better Work's own and other sources of reliable data in areas such as labour compliance, gender equality, and the environment. These data can inform the programme's work at the enterprise level, its engagement with the business community, and the ILO's capacity building activities towards strengthened institutions of work.

► Strategic goals

The Better Work programme aims to be a catalyst for improving working conditions and productivity in the garment sector at the enterprise, sector and national levels. The programme's emphasis will be on leveraging its role within the ILO and IFC as well as within its unique partnerships, while applying its knowledge, tools and experience, to achieve four outcomes:

Outcome 1:

By 2027, employers and workers and their representatives in the Better Work programme uphold and are protected by national labour laws and fundamental principles and rights at work; and enterprises in the sector that have emerged from the COVID-19 crisis are more sustainable, resilient and inclusive.

Better Work's enterprise-level work will focus on achieving the outcomes that drive sustainable change, with a strong emphasis on fundamental principles and rights at work. Key focus areas include: fighting child labour, forced labour and discrimination; advancing freedom of association; effective recognition of the right to collective bargaining and stronger social dialogue; promoting gender equality and women's economic empowerment; building stronger management systems and improved productivity and circularity, and addressing the labour aspects of increasing environmental sustainability. The programme will focus on and measure the behavioural changes of individuals and enterprises that are necessary to achieve these outcomes as a key indicator of impact. The programme will meet the changing needs of constituents both during and in the aftermath of the COVID-19 pandemic and build stronger resilience to future shocks.

- At the enterprise level, the programme will continue to provide high quality services with a more targeted focus on the underlying causes of persistent and structural compliance failings. Better Work will continue to place emphasis on those priority areas demonstrated to be vectors of change, such as robust social dialogue, gender equality, non-discrimination in employment, and sound management systems (including occupational safety and health).
- Given the importance of social dialogue to the overall success of Better Work's intervention in this sector, the programme will strengthen capacity building, collect robust data and generate new evidence at the enterprise level on all forms of social dialogue and grievance mechanisms.
- Better Work's enterprise level interventions will evolve to become more agile and inclusive through increased use of digital technologies, data transparency, and a smarter mix of in-person and virtual delivery methods. The programme will increasingly rely on partnerships with constituents and industry actors to monitor compliance and achieve sustainable improvements. It will share its evidence, experience and advice on the relevance and application of innovative digital technologies to improve and sustain workplace compliance.

-
- ▶ In collaboration with ILO and IFC gender specialists, Better Work will continue to build capacity at the workplace to strengthen women's empowerment and gender equality, including through partnerships with specialized organizations. The programme will support women workers in building their skills towards supervisory and managerial positions and towards becoming worker representatives and leaders. Better Work will address violence and harassment at the workplace, including gender-based violence and harassment, through scaling up Better Work's respectful workplace and sexual harassment prevention programmes. The programme will also enable efforts to support women in the workplace, such as through childcare facilities, care leave policies (maternity, paternity and parental leave, including breastfeeding) and will support awareness-raising initiatives to encourage men to engage in care responsibilities. The programme will promote gender considerations to be reflected in collective bargaining processes and in policies affecting the industry as a whole.
 - ▶ The programme will strengthen its approach to fundamental principles and rights at work, occupational safety and health, and working conditions as integral components of resilience and competitiveness in the aftermath of the COVID-19 pandemic. Leveraging existing programmes and expertise, such as the ILO's SCORE and Vision Zero Fund and the IFC's GEAR programmes, Better Work will sharpen its focus on skills and productivity to support enterprises to be sustainable as well as resilient. The programme will work in close partnership with employer associations, workers' organizations, and industry actors who have long-standing experience in productivity enhancing interventions. Collaboration with the ILO Flagship programme on social protection in building sustainable social protection systems will also enhance business continuity in cases of future shocks and improve productivity of workers. Through this collaboration, Better Work will also build more evidence on the linkages between social protection and competitiveness.
 - ▶ With technical input from the dedicated ILO technical units, Better Work will increase its collection of data on wages and working time at the factory level, including through technology-based mechanisms in order to link payroll, social security, and labour inspection processes and to improve compliance with labour legislation, while supporting a transition towards digital wage payments. IFC also recognizes the transition to digital wages as an area of increasing importance for its clients in the financial sector. By intersecting the work on wages and gender carried out by Better Work, the programme will integrate gender-neutral job evaluations to ensure equal pay for work of equal value.

Outcome 2:

By 2027, Better Work's impact on workers, businesses and compliance is sustained by national institutions that leverage the programme's approaches, data and evidence.

Experience shows that Better Work's sector-wide engagement with workplaces and businesses in the garment industry can be transformational when embedded in a long-term sustainability plan or national strategies driven by ILO constituents and supported by industry stakeholders. The sustainability of Better Work is inextricably linked to the future strategy of the sector it supports.

The ILO supports national institutions and industry partners to implement the priorities set out in national development strategies and industrial policies, UN Sustainable Development Cooperation Frameworks, and Decent Work Country Programmes. With respect to the garment sector, Better Work contributes to this goal by providing its technical expertise and leveraging its close relationships with stakeholders

and constituents in the industry. The programme's data, evidence and experience will be shared with other ILO departments, and with constituents themselves in order to support the development of sustainable industry strategies and the capacity of national institutions to implement them in a critical time of transition.

Constituents place significant importance on their improved ability to exercise evidence-based policy-making informed by robust data, insights and knowledge of the apparel industry in their countries. Better Work has developed a strong capacity to pull, push and analyse data on a range of labour and compliance issues across the garment industry. The programme has also developed considerable capability in training as well as capacity building techniques which are now in high demand. These are valuable assets if deployed as one part of the ILO's integrated strategies and programmes that support sectoral and national constituents to develop stronger institutions, policies and practices to govern labour markets.



Progress towards sustainability: Examples from Better Work Country Programmes

A focus of Better Work's evolution in recent years has been to strengthen the long-term sustainability of the programme's impacts. Strategies to achieve this vary from country to country but key features include close collaboration with constituents to strengthen their capability to sustain compliance with Better Work principles and progressively reduce dependence on the programme. This area of work requires close collaboration with other units within the ILO that have lead responsibilities for technical and political engagement with constituents. Some examples of progress are given below.



BANGLADESH

In conjunction with the ILO Country Office and Decent Work Team for South Asia, the programme contributes to the overall institutional efforts of the ILO by coordinating the ILO-Dhaka RMG **Learning Hub** for tripartite constituents in the sector. In so doing, it uses its factory data and technical expertise. This initiative is primarily aimed at harmonizing capacity-building efforts to bring synergy in delivering capacity development needs of the constituents during and beyond the immediate COVID-19 response.



CAMBODIA

Partners have worked collaboratively with support from the ILO and IFC to define sector level challenges and opportunities, agree on a vision for manufacturing in the country, and develop a coherent, practical industry strategy that involves specific roles for each party.



INDONESIA

The tripartite constituents have used Better Work fora as a platform to discuss labour and industrial relations challenges in the sector. After raising this issue, constituents decided to establish a separate permanent tripartite body, informally called the "garment dialogue forum". The first meeting in September 2019 focused on the implications of new digitalization and Industry 4.0 for the Indonesian garment sector and how to leverage the services of Better Work Indonesia and other initiatives to improve labour conditions further.



JORDAN

Employers and unions came together to negotiate four landmark Collective Bargaining Agreements, promoting workplace cooperation and securing good working conditions for 70,000 national, migrant and refugee workers. This agreement raises the floor for ensuring decent work for all workers in the apparel sector in the country and provides a sustainable mechanism to support and monitor progress. ILO's efforts in strengthening the labour inspection system recently culminated in the establishment of a dedicated Unit inside the Ministry of Labour to lead the inspections in the garment sector jointly with ILO/Better Work staff in coming years.



VIET NAM

Better Work's approach of factory worker management dialogue became enshrined in the national labour code, promoting communication and collaborative problem solving across the economy. Better Work has also contributed to the country's new Garment and Footwear Strategy, which has a strong focus on improving working conditions, investing in new skills and reducing the industry's impact on the environment.

- ▶ Better Work will build on work undertaken to date to ensure the long-term sustainability of its impact by supporting the ILO's efforts to strengthen national capability to sustain improvements in compliance. In each country, together with the dedicated ILO technical units and country offices, constituents and garment industry stakeholders will be supported to develop long-term strategies for sustainable and inclusive growth of the sector. Priorities will be determined by the national constituents, but experience shows that the promotion of competitiveness, diversification, skill upgrading, gender equality and social dialogue are core considerations. The long-term contribution of Better Work including consideration of an "exit strategy" for each Better Work country programme will be agreed in accordance with the national constituents' long-term needs. These plans will include time-bound measures that sustain the delivery of advice and support to enterprises independently of Better Work.
- ▶ Better Work will ensure necessary accountability and collaboration with all relevant policy and field units as well as the Bureaux for Employers' and Workers' Activities. Constituents are likely to request technical support from a range of branches and units within the ILO and close coordination is important to ensure a coherent response. The experience of implementing sectoral projects with multifaceted technical elements in countries like Bangladesh and Ethiopia demonstrate the importance of strong leadership and accountability at the country level, supported by well-coordinated effective technical inputs from across the ILO.
- ▶ With a view to supporting constituents in making agile and evidence-based policy choices through industry transitions,

Better Work will strengthen its role as a knowledge and a digital innovation resource on the sector. This will be done in partnership with constituents to improve their access and capacity to use reliable, sex-disaggregated, actionable data regarding compliance with labour regulation, social dialogue, collective agreements, wages, and social security. In each country, Better Work will provide data and experience from enterprise services to illustrate how national policies affect factory-level practices.

- ▶ In collaboration with LABADMIN/OSH, Better Work will reinforce the capacity of labour administrations, and share data with labour inspectors to help design strategic compliance plans and better understand industry dynamics, including by scaling up a labour inspector secondee programme. Better Work will also work through LABADMIN/OSH to support labour inspectors to use and analyse effectively digitalized compliance data. Beyond working with labour inspectorates, Better Work compliance data can also support institutions in the prevention and settlement of disputes.
- ▶ Working closely with ACTRAV, Better Work will leverage its partnerships with worker organizations to strengthen their capacity to promote worker voice and representation in the industry. The focus will include embedding gender equality, diversity and inclusion as foundational principles for inclusive development, as well as ensuring the full respect, promotion and realization of freedom of association and the effective recognition of the right to collective bargaining throughout garment supply chains and in all Better Work factories. Capacity building efforts will include access to data to support evidence-based social dialogue and bargaining.

- ▶ Building on strong partnerships developed with employer organizations in Better Work country programmes to date, the programme will continue its strong collaboration with ACT/EMP specialists at the regional and headquarters levels, in order to advance the work of national apparel employer federations and continue to build their technical expertise and representational mandate.
 - ▶ Better Work will respond to requests from national social partners to generate robust data from the industry on priority issues, such as social dialogue, gender equality, social protection, and wages, in order to tackle the systemic regulatory weaknesses in many apparel exporting countries. The programme will support constituents in determining what data they need and how to best utilize what is available, including through predictive technologies.
 - ▶ The programme will provide solutions-oriented, cross-country learning and knowledge sharing, drawing on policy lessons that are equally applicable beyond the countries where Better Work operates.
- To do so, the programme will continue building on academic partnerships to produce and disseminate evidence and knowledge on priority policy areas which are shaping the future of the sector, such as through technological innovations, automation, and their gender impact; trade shifts; climate change; global supply chain patterns; and other trends accelerated by the COVID-19 crisis and its aftermath.
- ▶ Better Work will leverage the experiences and evidence emerging from its factory level work to scale up and replicate impacts thus enabling the ILO and IFC/ World Bank Group core functions at the country, regional and global levels, and making explicit links with countries' UN Sustainable Development Cooperation Frameworks and Decent Work Country Programmes. Better Work's enterprise services will inform legal and policy advice provided by the ILO and help strengthen national institutions, especially in the wake of the structural transformation of the economy post-COVID-19.



- ▶ As the garment industry is strongly dependent on global trade, Better Work has proven to be a tool that can harness trade and investment incentives at the country level. Better Work will support governments in their commitments towards the sector under existing and new trade agreements, whilst providing an entry point for ILO and IFC policy advice.
- ▶ Upon request of national constituents, while liaising with employers' representatives at the global and national levels, Better Work will convene meetings with global garment companies to share best practices, collaborate to address decent work issues and develop shared strategies for improving and sustaining compliance in the sector.

Outcome 3:

By 2027, enterprises that participate in Better Work have adopted policies and practices on responsible business conduct that support the realization of decent work.

The COVID-19 crisis has highlighted the importance of responsible business conduct and raised new questions and challenges for global retailers and brands. In this next phase, Better Work will build on the work started in previous years to ensure responsible business conduct respectful of internationally recognised human rights is a central part of its focus, aligning its efforts with the ILO's work to promote the UN Guiding Principles on Business and Human Rights (UNGPs) and the ILO's MNE Declaration. This focus can help to address issues that may contribute to alleviate poor working conditions, and address concerns raised by constituents in countries where Better Work operates. The programme will also serve as a learning hub to help companies in the sector navigate potential

emerging due diligence requirements in many markets. Concurrently, the programme will focus on building trusted relationships both between enterprises and between the public and private sectors to help strengthen reliance on national institutions in order to ensure effective labour market regulation.

- ▶ The programme will continue to influence brands' approach of adhering to social and environmental compliance by promoting national labour laws and the principles of international labour standards as the basis for supply chain monitoring. Better Work will advocate for a standards-based approach to monitoring of labour conditions in the private sector, and through this work, reduce duplication in factory level tools and approaches.
- ▶ Responsible business conduct will be at the forefront of Better Work's engagement with international brands as part of its effort to address issues that contribute to persistent compliance challenges in the industry. The programme will act as a resource on responsible business conduct by providing an evidence base of how responsible conduct in the supply chain can affect compliance at the factory level and will offer support to Better Work's partners to integrate responsible business conduct into their approaches. Data and evidence on sourcing practices will also inform national constituents and enable them to engage in dialogue with global brands and manufacturers.
- ▶ The UNGPs establish the framework for human rights due diligence and this may become even more significant given discussions within some ILO member States and between social partners on legal instruments intended to support due diligence implementation. Better Work, in coordination with the relevant ILO units, will monitor these developments

and provide practical solutions to support business in implementing potential new reporting obligations that may arise as a result of these developments. Better Work will also seek to support the due diligence strategies of brands and retailer partners by building capacity for supply chain management, which will have an impact beyond Better Work programme geographies.

- ▶ Cognizant of the potential of brands to use commercial leverage to incentivize improved working conditions, Better Work will partner with brands to integrate metrics into their sourcing decisions that reward good labour practice, including on social dialogue and gender equality, and address issues that contribute to non-compliance.
- ▶ Given the essential role of large manufacturing groups, agents, retailers, licensees, and vendors in apparel supply chains, Better Work will evolve its relationships with actors across garment supply chains to ensure widespread understanding and adoption of responsible business conduct in line with the UNGPs and the MNE Declaration.

Outcome 4:

By 2027, Better Work's learnings and methods have created positive social and environmental impacts beyond the programme as they are adopted in other countries and sectors.

Better Work has learned in its current phase that it is possible to have influence and reach many more workers and enterprises in other countries by transferring tools and good practices to others, including global brands

and manufacturers, and supporting them in implementing these practices. During its next phase, the programme will leverage existing collaboration and partnerships with ILO technical departments, IFC and World Bank units, national constituents, and businesses to enable the scaling up of its successful approaches beyond Better Work factories to other countries and sectors. The institutional partnership with the IFC, which specializes in environmental improvements, resource efficiency and cleaner production, supports the programme in advancing these aspects of environmental sustainability and circularity in the garment industry.

Better Work will build on existing partnerships and nurture new partnerships to deliver beyond its current reach and leverage the expertise of other ILO and IFC platforms, industry actors, coalitions, multi-stakeholder initiatives, international financial institutions, and UN agencies at the global and country levels. The programme will engage partners to scale up action on key priorities including gender equality, social protection, digital wages, skills development, as well as environment and climate change.

- ▶ While Better Work has always had a strong connection to the export-oriented portion of the sector, through partnerships with relevant ILO technical units and national constituents, it will expand its work with domestic manufacturers in select countries. As worker vulnerabilities may be greater in small and medium enterprises, the programme will amplify its reach to include these firms, in particular through partnerships. In doing this, Better Work will be able to reach workers further upstream in the supply chain, including in the informal economy.

- ▶ In selected countries, Better Work will operate in an integrated way with ILO and IFC units and programmes tackling labour violations in upstream tiers of garment supply chains such as cotton and textiles. At the country level, a more systematic and integrated approach will be pursued to ensure that the ILO assists constituents and industry stakeholders in improving working conditions, addressing fundamental principles and rights at work, and driving sustainable growth in all segments of the supply chain. Better Work, together with other ILO flagship programmes, and other ILO development cooperation projects will be embedded in a sectoral and national framework linked to the priorities set by constituents in Decent Work Country Programmes.
- ▶ Upstream production processes such as apparel dyeing and washing facilities and leather tanning in footwear consume significant environmental resources and have implications for working conditions. Enterprises could realize cost savings through cleaner production practices and become more resilient and competitive. Better Work has the opportunity to advance environmental sustainability and circularity through stakeholder discussions and collaboration, leveraging the ILO Green Jobs Programme, SCORE clean production, SECTOR's circularity model of intervention, the framework provided by the ILO Guidelines for a just transition, and IFC's advisory programmes on resource efficiency and water in textile factories.
- ▶ Better Work will expand its geographical reach beyond the existing country programmes. The programme will explore the adaptability and use of Better Work's tools and methodologies in partnership with national constituents. For example, labour inspectorates in non-Better Work countries frequently request training and support in investigation and problem-solving techniques. Better Work will also share its tools and approaches with global brands, retailers and manufacturers which can be used in their supply chains beyond the direct reach of Better Work operations.



► Measuring Success

Better Work has always been committed to measuring success, progress towards objectives, and long-term impact using a rigorous approach. Since its establishment, the programme has relied on robust monitoring and evaluation indicators, and on academic partnerships to independently evaluate its impact on workers and enterprises.

The new strategy pushes the programme to think beyond progress and impact at the workplace and challenges Better Work to increase its focus on contributing to strengthening institutions at the national and global levels. Better Work will build on its experience in monitoring, evaluating and measuring impact while creating new approaches to partnership. The programme will remain committed to systematically collecting gender-disaggregated data in its work with other ILO and IFC units in order to foster gender equality, non-discrimination, and inclusion at the enterprise and policy levels.

A robust framework of success will combine qualitative and quantitative indicators to accompany the new strategy. This will support the programme to measure progress in challenging areas such as to build stronger, more capable national institutions and governance mechanisms that support garment factories in generating decent jobs and promoting innovation. Other measurement approaches will be needed to understand Better Work's contributions to facilitate a more just transition to new technologies, addressing environmental and demographic trends, measuring the impact of knowledge and data to inform policy reforms, and understanding the impact of the programme's indirect reach through partnerships.



Following donors fund Better Work through a multidonor fund, one or more country programmes or special projects (in alphabetical order)

- ▶ Australia (DFAT)
- ▶ Canada (ESDC)
- ▶ Cambodia (Royal Government, GMAC)
- ▶ European Commission (DG-INTPA)
- ▶ Germany (BMZ and GIZ)
- ▶ Japan (METI)
- ▶ Jordan (The Hashemite Kingdom of Jordan)
- ▶ Levi Strauss Foundation
- ▶ Netherlands (Ministry of Foreign Affairs)
- ▶ South Korea (Ministry of Employment and Labour)
- ▶ Pakistan (Export Development Fund)
- ▶ Switzerland (SECO)
- ▶ United States (US Department of Labour)
- ▶ The Walt Disney Company