IFC and ILO to improve labor standards and competitiveness in Vietnam’s apparel industry

HANOI, Vietnam (ILO News) – IFC, a member of the World Bank Group, and the International Labour Organization today launched the Better Work Vietnam program to improve working conditions for more than 700,000 workers in the Vietnamese apparel industry and boost the international competitiveness of the sector.

Better Work Vietnam is the largest of the country programs developed by the joint ILO-IFC Better Work global program. This voluntary, industry-based initiative seeks to strengthen relationships between international buyers, local enterprises, governments and worker organizations to improve working conditions and competitiveness. The program in Vietnam will also aim to enhance enterprise performance and market access, create a more cost-effective process for labor standards compliance, and assist the government in improving labor standards and economic development.

Rachel Kyte, IFC’s Vice President for Business Advisory Services, said: “We are excited about Better Work Vietnam. IFC’s experience shows that there is a clear and strong business case for companies to effectively manage their social risks. Better Work is an opportunity to demonstrate that responsible labor practices have the potential to open export markets.”

Gap Inc. is one of several international buyers that are supporters of the program. "We strongly support the expansion of efforts to Vietnam to improve working conditions in the global supply chain,” said Dan Henkle, Senior Vice-President for Social Responsibility at Gap Inc. "The Better Work platform is a model that demonstrates how improvements are possible when the right stakeholders are at the table."

Mr. Kari Tapiola, Executive Director of the Standards and Fundamental Principles and Rights at Work Sector of the ILO, said that “decent work is an essential requirement for individuals, their associations and communities to build a better future. Improving labor standards in global supply chains is vital to achieving this. The ILO is enthusiastic about the Better Work program in Vietnam.”

The program in Vietnam is being implemented in partnership with and funded by MPDF, a private sector development initiative in Vietnam, Cambodia, and Lao PDR managed by IFC, whose donors are Australia, Canada, Finland, IFC, Ireland, Japan, New Zealand, the Netherlands, Norway, Sweden, and Switzerland.

About IFC

IFC, a member of the World Bank Group, creates opportunity for people to escape poverty and improve their lives. We foster sustainable economic growth in developing countries by supporting private sector development, mobilizing private capital, and providing advisory and risk mitigation services to businesses and governments. Our new investments totaled $16.2 billion in fiscal 2008, a
34 percent increase over the previous year. For more information, visit [www.ifc.org](http://www.ifc.org) and [www.betterwork.org](http://www.betterwork.org).

**About the ILO**

The International Labour Organization was established in 1919 by the Treaty of Versailles and became the first specialized agency of the United Nations system in 1946. Its work in setting and monitoring international labour standards has provided the framework for national labour law and practice in virtually all countries. The ILO's total budget for 2006-2007 is just over US$900 million, including a regular budget of US$594 million plus US$306 million in extra-budgetary funds associated with special technical cooperation projects. For more information, visit [www.ilo.org](http://www.ilo.org).