Making a difference in workers’ lives — At a factory on the northern outskirts of Ho Chi Minh City hundreds of women are busy assembling the latest clothing order from an international buyer. Above the din of the sewing machines, three of the workers—all women—stop to chat about their jobs with some visitors.

“We’re all migrant workers here, so we treat each other like sisters,” says a smiling Dao Thi Sen. “I have many friends here.”

Originally from the bamboo-producing province of Thanh Hoa near the Vietnamese capital Hanoi, Sen made the 1,000 kilometre journey south to Ho Chi Minh City seven years ago. Her salary from this garment factory, which participates in the ILO/IFC Better Work Vietnam programme, helps support her family, including an 18-year old son she hopes will attend university.

“I was a freelance seamstress before,” says Sen. “But the work wasn’t very stable. This is better.” A colleague nods in agreement.

“Factory work provides a stable job and the working environment is okay,” says Ms Le Thi Hanh, also a seven-year veteran of this factory.

The women produce designer apparel for well-known multinational brand names. Each earns, on average, the equivalent of US$ 120 per month, plus fuel subsidies for their motorbikes and an attendance bonus. Healthcare is provided and the factory has an on-site doctor, nurse and pharmacist.

Sen and Hanh are among 2,000 people working at this factory, part of the Nobland Vietnam group. Nobland Vietnam presently employs a total of 5,000 workers in three factories in Ho Chi Minh City, and a fourth facility is planned for construction next year. The Korean parent company that owns the factories plans to double its Vietnamese workforce to 10,000 by 2015.

Textiles are Vietnam’s second largest export, with revenues for 2011 estimated at US$ 13 billion. While the United States and the European Union are the two largest markets, apparel from Vietnam also makes its way to Australia and Canada. At home, the industry supports the livelihoods of two million Vietnamese.

Concerns of unfair workplace practices in garment factories around the world, however, have led importers and their customers in destination countries to increasingly demand that apparel be produced in conditions free from worker exploitation or abuse. That’s resulted in most big brand names insisting on greater scrutiny along their supply chains.

The Nobland Vietnam factories are among 150 currently participating in the Better Work Vietnam programme, part of Better Work’s larger global partnership of the International Labour Organization and the International Finance Corporation. Growing out of the ILO Better Factories concept in neighbouring Cambodia, Better Work Vietnam was launched in 2009. It brings together policy makers, employers, workers and international buyers with a common goal of improving working conditions in Vietnamese factories while promoting their productivity and competitiveness.

In a meeting room high above the factory floor, surrounded by samples of women’s and children’s woven and knit summer wear, Mr Jong Gon Lee, Nobland Vietnam’s General Manager of Operations, explains his reasons for participating in Better Work Vietnam.
“We get orders from our international buyers who have their own global companies to supply. They are expected to ensure that the factories are meeting various requirements including labour standards,” says Mr Lee. “Either each buyer has to come and do an audit of conditions, or they can rely on Vietnam’s Better Work programme to come in and do it for them. That means one audit instead of many. It saves us time.”

Mobilizing the commitment of international buyers — European brand H&M is one of 33 international buyers and retailers in Viet Nam that have signed up to the Better Work Vietnam’s programme.

“H&M has had a long association with the ILO’s Better Factories Programme in Cambodia – and it was beneficial,” says Mr. Kanwarpreet Singh, Chief Representative, Puls Trading Far East Ltd, the representative office of H&M in Ho Chi Minh City. “Our office here in Vietnam is quite new but given our past experience with Better Factories Cambodia, we are interested in participating with Better Work here in Vietnam too.”

“Better Work Vietnam is a model that directly benefits each of the key stakeholders in the apparel value chain,” says Tara Rangarajan, the Chief Technical Advisor for Better Work Vietnam. “For international buyers, the programme provides a credible and independent assessment of the factories working conditions and it allows for a hands-on focus on making improvements.”

Better Work Enterprise Advisors help the factories and their workers set up Performance Improvement Consultative Committees (PICCs) to discuss and resolve any issues that arise. It is through this PICC process and dialogue that the job of monitoring and documenting progress is achieved. In addition to the factory assessments and public reporting on factory conditions and improvements, Better Work Vietnam offers training to workers and managers on a variety of workplace issues.

In another room, across the factory floor, a small group of female factory workers belonging to the PICC sits across the table from one of the Better Work Vietnam Enterprise Advisors, Mr Hua Minh Duc. Seated next to him is one of the union representatives from the factory. Both have come to listen to the employees and get an update on any concerns they may have about present working conditions in the factory.

“The canteen is very hot and small. It can become crowded,” says one member. “Sometimes it’s too hot on the factory floor too. We have an air chiller, but it’s too far away for many of us,” says another.

Dang Quy Duong, the union representative at the factory, says the PICC is a useful method for encouraging additional dialogue and an opportunity for training. “Like the PICC systems of dialogue, we also have our own union activities and discussions directly with management,” says Mr Duong. “But the Better Work involvement advises us on legal issues and explains international labour standards so it’s more professional and better organized in that regard.”

Nobland Vietnam’s factories 1 and 2 have just completed their first year of participation in
the Better Work programme and this visit by a Better Work representative is the first of the second year. There will be nine more visits to follow to monitor progress and provide advice where required. The annual enterprise assessment and two further reports published during the year are made available to participating buyers.

The Better Work programme focuses on improvements at the factory level to meet eight areas of labour standards—four national and four international. It’s already having a positive impact on working conditions.

“For enterprises which joined the program, we see and observe better compliance with the law,” says Mr Mai Duc Chinh, the Vice Chairman of the Vietnam General Confederation of Labor. “The program has helped management and employees at the factory better understand legal requirements and based on this understanding improve their compliance and take care of the employees.”

It’s a view also held by employers’ organizations in Vietnam. “Buyers are either convincing or compelling factories to ensure they meet labour standards. So those factories with good labour practices are in a better position to get new business,” says Ms. Nguyen Hong Ha, a Deputy General Director at the Ho Chi Minh City branch of the Vietnam Chambers of Commerce and Industry. “Better Work Viet Nam is a most comprehensive initiative and, because it is also a global programme, it is attractive because it has more technical resources to offer and can respond to the needs of stakeholders and factories. Through the PICCs, dialogue between management and workers has also strengthened,” adds Ms Ha.

Better Work has also assisted Vietnam’s Ministry of Labour, Invalids and Social Affairs (MOLISA) to revise training materials for its labour inspectors and have coached five Master Trainers from the Ministry who are now designing and delivering training courses to other senior inspectors who will then continue trainings at the provincial level.

Better Work Vietnam is currently supported by the Australian Government and the State Secretariat for Economic Affairs, Switzerland. “The support is allowing Better Work Vietnam to put in place the structures needed to create a viable organization that can have deeper impacts in factories and continuously expand to a greater number of workers in Vietnam,” says Ms Rangarajan. “It is the basis upon which the programme is moving from its initial start-up phase to a professional sustainability focused organization.”

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PRELIMINARY IMPACT (2010-Present)
(Data from Better Work Vietnam Compliance Synthesis Reports)

• Compliance in Documentation and Protection of Young Workers increased by 25%. Compliance in Gender Discrimination improved by 25%.

• Within Freedom of Association indicators, compliance in Interference and Discrimination improved by 50%.

• Compliance in Occupational Health and Safety indicators, specifically Emergency Preparedness and Worker Protection, improved by 33%.

(Data from impact assessment surveys)

• After two years in Better Work Vietnam, factory managers who had participated in surveys at least twice changed their perception of the role of the trade union, factory worker committees and the PICC in resolving problems within the factory uniformly regarding them as effective in improving worker-manager relations.
FAST FACTS ABOUT BETTER WORK VIETNAM:

- Better Work Vietnam is supported by the Australian Government and the Swiss State Secretariat for Economic Affairs (SECO), as well as revenue received from suppliers and international buyers who subscribe to Better Work Vietnam services.
- Over 140 factories are participating at present, with an anticipated 500 factories by 2014.
- Almost 200,000 workers are now covered by Better Work Vietnam, 80% of whom are women.
- In 2011, 117 factories were assessed and 123 received advisory services.
- 85% of participating factories developed improvement plans.
- Over 30 international buyers and retailers are currently participating in Better Work Vietnam. They are sourcing apparel for some of the world’s best recognized brand names including Columbia, Gap, H&M, L.L. Bean, Nike, and Wal-Mart.

The industry:

- Textiles and garments are the second largest industry for exports (18% of total in 2010).
- The sector brought in an estimated US$ 13 billion in revenue (est.) for 2011.
- The clothes are shipped directly to distributors in Australia, Canada, the EU and the United States.
- The industry supports 2 million Vietnamese jobs.
- Average minimum wage in Ho Chi Minh City’s apparel factories is 2 million Dong (USD$ 100/ month), but net wages are often higher, sometimes double that figure, even after the worker makes his/her health and social insurance contributions.

Governmental donors to other Better Work programmes include: Australia, Cambodia, Canada, Jordan, the Netherlands, Switzerland and the United States.