



BetterWork

Indonesia

AT A GLANCE



International
Labour
Organization



International
Finance
Corporation
WORLD BANK GROUP

In numbers



7.9 billion

Value of apparel exports in USD



15 billion

The Government's projected value of exports by 2035



212

Factories enrolled with Better Work



385,580

Workers in Better Work-registered factories



81

Percentage of female workers

Indonesia's garment industry is poised to expand its role as a crucial driver of socio-economic development for the country. Better Work is committed to helping the nation's garment factories compete in the international market while at the same time ensuring that the sector's growth is inclusive – benefitting businesses, workers and their communities alike.

The programme has shown that engaging workers and managers in social dialogue is the most effective way to address persistent labour issues and bring about better, lasting solutions. By partnering with unions, employers, the government and global brands, during the next strategic phase, Better Work Indonesia will place additional emphasis on tackling challenges like worker health and safety, contract security, and gender inequality.

The national “Partnership at Work” foundation—an innovative funding model, administratively separate from the ILO and responsible for all Better Work factory services—will also ensure that the programme's commitment to the garment industry is sustainable and can meet the demands of the sector and its millions of workers for years to come.

“Being so close to the frontline, my colleagues and I have to respond to the urgency of the issues we see on a daily basis. What makes us unique is that, as part of the ILO and IFC, we can channel our first-hand findings to government and business at the national and international levels, spurring policy change in a way that no one else can.”

MARIA JOÃO VASQUEZ, BETTER WORK INDONESIA PROGRAMME MANAGER

Impact to date

Since 2011, Better Work Indonesia—a joint initiative of the UN’s International Labour Organization (ILO) and the International Finance Corporation (IFC), a member of the World Bank Group—has been engaging workers, employers, the government and multinational businesses to improve the garment industry. Through assessments, training and advisory work at the factory level, as well as research and advocacy at the national and regional level, the programme has:



IMPROVED WORKING CONDITIONS,

with overtime hours reduced by 3.3 hours a week, steadily increased take home pay, and a near doubling of the proportion of workers holding a permanent contract.



REDUCED DISCRIMINATION,

as workers are increasingly willing to report sexual harassment cases and concerns to their trade union representatives.



SUPPORTED NATIONAL CONSTITUENTS,

building dialogue around labour policy, clarifying national labour laws at the local level, and improving industrial relations country-wide.



BOOSTED BUSINESS

by reducing injuries at work and bringing down the overall number of buyer audits. Training female supervisors in management skills also resulted in productivity increases of up to 22%.



IMPROVED LIVES,

with higher rates of schooling reported for children of Better Work factory workers and increased access to vital healthcare services for pregnant workers.



PIONEERED SUSTAINABLE FUNDING,

with the establishment of the “Partnership at Work” foundation – aimed at full cost recovery for factory service delivery, allowing ILO Better Work staff to concentrate on high-level advocacy and partner engagement.

Facts and figures drawn from an independent study of 15,000 workers and 2,000 managers by Tufts University: go.betterwork.org/impact.

Where next?

During its next strategic phase (2017-22), Better Work Indonesia will build on its impact to date with four broad objectives:

1. ACCELERATE IMPROVEMENTS IN WORKING CONDITIONS AND BUSINESS COMPETITIVENESS IN THE GARMENT SECTOR.

- ◆ Expand factory enrolment and the roll-out of the Better Work model through partners, extending the reach of the programme and promoting good management and labour practices.

- ◆ Use public reporting of data and targeted advisory services to raise the number of top-performing factories, with high levels of labour law compliance and the proven systems to maintain them. This will build a core of successful factories to seed best practices into other enterprises, and other industries.
- ◆ Through targeted thematic initiatives and by providing research findings and policy guidance, support the industry’s efforts to be safer, fairer and more inclusive, including for workers with disabilities.
- ◆ Strive for the more efficient delivery of factory services, and through the “Partnership at Work” foundation, progressively increase cost recovery over

the next five years, in turn ensuring the sustainability of Better Work impacts well into the future.

- ◆ Explore opportunities to expand the programme's reach to the home goods and textiles sector, sharing relevant best practices, tools and approaches.

2. SUPPORT NATIONAL PARTNERS, BUILDING A POLICY AND BUSINESS ENVIRONMENT THAT RESPECTS LABOUR RIGHTS AND IMPROVES WORKING CONDITIONS.

- ◆ Improve social dialogue at the factory level by establishing functioning, gender-balanced worker-management committees in all Better Work factories, with all firms also implementing functioning grievance mechanisms by 2022.
- ◆ Strengthen the partnership with relevant ministries such as the Ministry of Manpower to enhance the Government's effectiveness in monitoring and enforcing labour standards.
- ◆ Build trust with employers, strengthening the relationship with Indonesian Employers' Association (APINDO) by promoting the business case for improving working conditions, enhancing gender equality, providing learning opportunities and ensuring regular dialogue.
- ◆ Through training and by providing tailored guidance, help improve unions' impact at both the factory and the political levels, with a particular emphasis on issues such as occupational health and safety at the factory level and the representation of female union members in trainings.
- ◆ Influence public and private sector policy debates by sharing non-compliance data, research findings and best national and international practices. Help facilitate dialogue between stakeholders on key policy issues such as permanent contracts, unemployment insurance, and health and safety.

3. BUILD EFFECTIVE PARTNERSHIPS BETWEEN BRANDS, VENDORS, MANUFACTURERS AND BETTER WORK.

- ◆ Enhance and expand channels for dialogue and exchange with regular platforms for brands, manufacturers and vendors to share best practices and models for sustainable sourcing and compliance.
- ◆ Expand training for local and national brand and manufacturer teams on compliance, international labour standards, and the Better Work model, so they can promote good practices across their supplier base.
- ◆ Continue to advocate for brands to eliminate duplicative audits, and redirect unused audit resources to other public-private sector capacity-building initiatives that support sustainable improvements in supplier factories.

4. EMPOWER WOMEN, PROMOTE WORK-LIFE BALANCE AND REDUCE DISCRIMINATION.

- ◆ Mainstream gender equality issues into all Better Work operations, including assessments, training, advisory services and advocacy.
- ◆ Roll out a sexual harassment prevention programme across factories, incorporating – through a Training of Trainers and Peer Learning approach – training with factory management, line supervisors and workers.
- ◆ By sharing best practices, tools and templates, help factories develop practical workplace policies on gender and incorporate gender equality principles into existing internal policies and practices.
- ◆ Inform debates on national labour laws and policies promoting gender equality by, for example, illustrating legal gaps observed at the factory level.

Key Partners

GOVERNMENT

- ◆ Ministry of Manpower (MoM)

EMPLOYER ORGANIZATIONS

- ◆ Indonesian Employers' Association (APINDO), including industry associations for textile and textile products

WORKERS ORGANIZATIONS

- ◆ Textile, Garment and Leather Workers' Union, part of the Reconciliation and Jakarta Congress
- ◆ National Workers' Union, part of the Confederation of Indonesian Trade Unions
- ◆ Federation of Garment, Textile, Leather and Shoe Trade Union, part of the Confederation of Indonesian Prosperity Trade Union

BUSINESS COMMUNITY

- ◆ 32 brand and retail partners

CURRENT DONORS:

AUSTRALIA (DEPARTMENT OF FOREIGN AFFAIRS AND TRADE) • **GERMANY** (FEDERAL MINISTRY FOR ECONOMIC COOPERATION AND DEVELOPMENT; DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT) • **NETHERLANDS** (MINISTRY OF FOREIGN AFFAIRS) • **SWITZERLAND** (STATE SECRETARIAT FOR ECONOMIC AFFAIRS)