



Thematic Brief

A focus on the Sustainable
Development Goals

THEMATIC
BRIEF

KEY FINDINGS

Better Work activities and services promote decent work, economic growth and responsible consumption and production

Improving the wages of workers can decrease poverty and alleviate hunger

Higher factory compliance with labour laws improves the wellbeing of workers

Better Work supports the education of workers and their families

Empowering women improves factory productivity and closes gender pay gap



International
Labour
Organization



International
Finance
Corporation
WORLD BANK GROUP

BetterWork.



Launched in 2007, the Better Work programme – a joint initiative of the United Nations’ International Labour Organization (ILO) and the International Finance Corporation (IFC), a member of the World Bank Group – mobilizes global brands, governments, factory owners and workers to improve garment factory working conditions, increase competitiveness and create a fairer, more prosperous world. Better Work’s vision is of a global garment industry that lifts millions of people out of poverty by providing decent work, empowering women, driving business competitiveness and promoting inclusive economic growth.

As of 2017, the programme is active in more than 1,400 factories around the world and has made significant progress in improving working conditions and promoting competitiveness in global garment supply chains through compliance assessments, advisory services, training and research. Participating in Better Work has enabled factories to steadily raise compliance with ILO core labour standards and national legislation regarding compensation, contracts, occupational safety and health and working time.

Better Work commissioned Tufts University to carry out an independent impact assessment of the programme since inception. The university’s interdisciplinary research team has gathered and analysed survey responses from nearly 15,000 garment workers and 2,000 factory managers in Haiti, Indonesia, Jordan, Nicaragua and Vietnam. The surveys were conducted after varying periods of their factories’ exposure to Better Work services in order to isolate the change due to the programme. Tufts’ in-depth analysis provides concrete evidence of Better Work’s effectiveness in changing workers’ lives and boosting factory competitiveness.

This brief draws on that research to present how the Better Work programme contributes to advancing the Sustainable Development Goals (SDGs).¹ On the whole, the programme addresses SDG 8: Decent Work and Economic Growth and SDG 12: Responsible Consumption and Production. The impact assessment analysis provides evidence of positive impact on five additional goals: SDG 1: No Poverty, SDG 2: Zero Hunger, SDG 3: Good Health and Wellbeing, SDG 4: Quality Education and SDG 5: Gender Equality.

¹ The 17 SDGs expand on the Millennium Development Goals, which were the global targets at the time research was conducted. The SDGs are part of a wider intergovernmental agreement – Transforming our world: the 2030 Agenda for Sustainable Development – adopted in September 2015 by the 193 member states of the UN General Assembly. The SDGs cover a broad range of issues including ending poverty and hunger, improving health and education, making cities more sustainable, combating climate change and promoting decent work for all. For more information, visit <https://sustainabledevelopment.un.org/sdgs>



1. Introduction & Overview: the Foundations

There is no doubt that in today's world "economic growth and development require the production of goods and services that improve the quality of life"² and, through Better Work's approach and services, the programme ensures that production in the garment global supply chain supports decent working conditions.

As a result, at its core, the Better Work programme supports progress towards Sustainable Development Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all and Sustainable Development Goal 12: Ensure sustainable consumption and production patterns. These underpinnings fuel results in other aspects of sustainable development addressed through the programme.

The global garment industry has the potential to be a critical engine for social and economic development. It offers employment to tens of millions of workers worldwide – the vast majority of them women – and presents major export opportunities for developing countries. However, the industry is often plagued by poor working conditions, such as long hours, low wages and insufficient occupational safety and health standards, as well as by abusive practices such as the verbal and sexual harassment of workers.

Better Work strives to support high-quality jobs in garment factories by encouraging dialogue between workers and managers to improve compliance with labour standards. Economic growth and social development is further reinforced by strengthening workers' voices and participation as well as their ability to pay for basic household goods, support their children and save for the future.

² United Nations Economic and Social Council, Progress towards the Sustainable Development Goals: Report of the Secretary-General, E/2016/75, 3 June 2016.

³ For more information on how Better Work has contributed to improvements in occupational safety and health conditions, please see Progress and Potential: A focus on occupational safety and health. Available at <http://www.betterwork.org>

Factories enrolled in Better Work typically improve their compliance with ILO core labour standards and national labour laws, according to compliance assessment data produced and compiled by the programme. In fact, survey evidence at the factory level and across all countries involved in the programme shows that Better Work is having significant and positive impacts on compensation, contracts, working conditions (including abusive practices, wages and working hours) and occupational safety and health.³ The combination of services that the programme provides to factories is critical to achieving these changes.

No single Sustainable Development Goal can be achieved in isolation; progress towards one can be dependent on or support the realization of another. Demonstrating the intertwining of sustainable development, the sections that follow illustrate Better Work's contribution towards the SDGs as well as the importance of SDGs 8 and 12 to the success of other SDGs addressed through the programme.

BETTER WORK JORDAN'S IMPACT ON REDUCING FORCED LABOUR CONDITIONS

Spotlight on SDG Target 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

Working conditions associated with forced labour were widespread when Better Work Jordan began. Overall, Tufts' findings present strong evidence that the reported decline in compliance violations in this area can be attributed to the length of time factories have participated in the programme. Although migrant workers remain vulnerable to coercive labour practices, Better Work Jordan has helped to reduce these threats, boosting workers' willingness to voice their concerns and improving their wellbeing.

2. Building on the Foundations

Researchers sought to understand the effects of the programme on workers' lives in and outside of the factory as well as the indirect impacts on their families and communities and found that Better Work's impact goes beyond the underlying SDGs. Tufts University assessed the programme's contributions towards achievement of four Millennium Development Goals, which translate to five distinct Sustainable Development Goals:

- ◆ **SDG 1:** End poverty in all its forms everywhere;
- ◆ **SDG 2:** End hunger, achieve food security and improved nutrition and promote sustainable agriculture;
- ◆ **SDG 3:** Ensure healthy lives and promote wellbeing for all at all ages;
- ◆ **SDG 4:** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all;
- ◆ **SDG 5:** Achieve gender equality and empower all women and girls.

2A. SDG 1: IMPACT ON POVERTY AND SDG 2: ERADICATING HUNGER

The greatest opportunity available to people caught in a cycle of poverty is often to work in exchange for wages. An increase in labour earnings can therefore be central to reducing extreme poverty. The findings below exemplify how factory workers' wages contribute to progress towards Sustainable Development Goals 1 and 2 and illustrate a relationship in the programme between SDGs 1, 2 and 8.

Researchers found that, on average, half of the workers in Better Work factories send remittances to their families. In Jordan, where 80 per cent of workers send money to their families, research revealed that the top three reported uses of worker wages among family members across surveys and time periods were for basic needs such as food, clothes and household items. However, over a three-year time period there were two notable trends: increasing reports of families using the money to educate children and decreasing reports of using wages to



pay off debt. Furthermore, in Indonesia, researchers found that the percentage of workers in Better Work factories sending money to their families increased over the span of two years.

There was also strong evidence of Better Work alleviating worker hunger in Jordan. Worker reports of extreme hunger decreased consistently over time, indicating the sustained impact of the programme. In Haiti, hunger is also a significant problem, though there did not appear to be a consistent pattern of improvement driven by Better Work. Adverse events – such as the 2010 earthquake and cholera epidemic – likely overwhelmed any effect from the programme.

2B. SDG 3: IMPACT ON WORKER AND FAMILY HEALTH

Researchers found a clear link between improved worker wellbeing and improved working conditions in Better Work, demonstrating contributions towards achieving Sustainable Development Goal 3 and the

connection between SDGs 3, 8 and 12 in the programme.

According to analysis of Better Work Vietnam factories, higher overall compliance levels improved the life satisfaction and wellbeing of workers. In particular, workers reported higher levels of life satisfaction and wellbeing if they worked in factories complying with laws regarding limits on working time, child labour, discrimination and forced labour. Worker wellbeing was also higher in factories where workers perceived better working environments. Feeling safe from accidents and working in an environment with good air quality and comfortable temperatures were particularly important for the wellbeing of workers.⁴

Furthermore, wages – both workers' concerns about the rate and the rate itself – also significantly affected worker wellbeing. The Tufts research discovered that as workers' concern with low wages decreased, their wellbeing increased at a significant rate. Similarly, their wellbeing improved substantially when they were less concerned about wage deductions, in-kind compensation and excessive overtime, and when they believed pay practices were transparent.

In terms of use of wages, though the top uses for monies sent home remained constant (food, clothing and household expenses), after three years in the programme, on average more than 20 per cent of workers reported funds being spent on family healthcare.

In Vietnam, researchers were able to measure the health status of workers' families directly by asking about their children's health. Results showed that initial health conditions were precarious: nearly one quarter of workers in Vietnam rated the health of their children as fair or poor. However, after

participation in the Better Work programme, workers were more likely to report that their children's health improved. Additionally, where parents – particularly mothers – achieved better working hours and pay, their children's health also improved.



An additional advancement seen in the programmes in Haiti, Vietnam, Indonesia and Jordan was expanding access to pregnancy-related healthcare. Women – largely under the age of 30 – represent nearly 80 per cent of workers at Better Work factories, so this is a vital service for young women working long hours in the garment sector.

In Haiti, only six per cent of female workers reported having access to prenatal check-ups at the outset of the programme. This increased to 26 per cent after five years. In Vietnam, Better Work's impact in improving prenatal care was clearly visible after the first and second compliance assessments. Similar results were observed for Indonesia. The programme achieved an even greater impact on pregnancy-related healthcare in Jordan. By the fourth and fifth assessments and in the subsequent months of advisory services, the probability of having access for both prenatal and postnatal healthcare increased for women. This finding links Sustainable Development Goals 3 and 5.



2C. SDG 4: IMPACT ON EDUCATION OF WORKERS AND THEIR FAMILY MEMBERS

Advancements towards Sustainable Development Goal 4 connect to those seen in SDGs 1 and 8 in the Better Work programme. By asking workers about use of their remitted wages, researchers confirmed that money sent to family members played an important role in supporting education. In the third year

⁴ G. Domat et al. (2013). Do Factory Managers Know What Workers Want? Manager-Worker Information Asymmetries and Pareto Optimal Working Conditions, Better Work Discussion Paper Series: No. 10.

of the programme, 33 per cent more workers in Jordan reported using remitted money to educate children than had in the first year.

In Vietnam, workers at Better Work factories were better able to fund schooling for their daughters after their factory had participated to the programme for one year. Similar patterns were observed for workers' sons in Indonesia.

In Nicaragua, financial constraints significantly affected child schooling at the outset of the programme, with 19 per cent of workers reporting having school-aged sons out of school for financial reasons. After one year of participating in Better Work, survey data showed a decline in the number of workers reporting that their children were not in school due to financial constraints.

As training is one of the key services offered by Better Work to participating factories, the programme provides lifelong learning opportunities as promoted through SDG 4. Sessions are offered for managers, supervisors and workers and include topics ranging from compensation, labour law and human resources management and occupational safety and health, to soft skills such as supervisory training, facilitation skills and workplace cooperation.

2D. SDG 5: IMPACT ON GENDER EQUALITY⁵

Gender equality and non-discrimination are critical components of decent work, firmly linking SDG 5 to SDG 8. The Tufts University research showed that the experience of women in factories enrolled in Better Work tends to differ from those of their male counterparts. In particular, women have fewer opportunities to progress at work, receive lower pay and suffer higher levels of abusive treatment.⁶ However, the impact assessment also highlighted that Better



Work plays an important role in promoting gender equality, helping to improve working conditions for women.

Sexual harassment – a form of discrimination defined as unwelcome conduct of a sexual nature that makes a person feel offended, humiliated or intimidated – is prevalent in the garment industry. Beyond infringing on basic rights of workers, the presence of sexual harassment in a factory setting reduces productivity. Better Work research showed that the most successful firms were those recognizing the frequent prevalence of such abuses in the sector and acting to eliminate them in their workplace. In Nicaragua, raising awareness among managers about sexual harassment in their factory was associated with a 29 percentage point decline in workers' concerns about the issue. Better Work also offers specialized training on sexual harassment prevention. Workers' concern with sexual harassment fell over time with factories participating in the programme, including an 18 per cent reduction in Jordan.

Better Work also helps to empower women. Tufts' assessment showed that having female representatives in worker-management committees at the factory level and training female supervisors are key strategies for achieving better working conditions and improving productivity. Researchers found that when women take part in these committees (a required component of all Better Work country programmes) in numbers reflective of the overall workforce, outcomes for workers were significantly improved. In particular, there were reductions in workers' concerns about sexual harassment and verbal abuse with women represented in these committees. Additionally, managers were more likely to see worker committees in a positive light and supervisors were less stressed about their jobs in factories where women were included on committees.

⁵ For more information on how Better Work has advanced gender equality, please see *Progress and Potential: A focus on gender* available at <http://www.betterwork.org>

⁶ M. Fontana and A. Silberman. (2013). *Analysing Better Work Data from a Gender Perspective: A Preliminary Exploration of Worker Surveys with a Focus on Vietnam*, Better Work Discussion Paper no.13.

It is not uncommon in the garment industry for capable factory workers to be promoted to supervisory positions with little preparation for leadership roles. Through Better Work's Supervisory Skills Training (SST), women are equipped with skills to be effective communicators and supervisors, strengthening their relationships with colleagues and emboldening them to take initiative to improve performance and productivity.⁷ Additionally, women in supervisory positions typically receive higher wages than in a factory worker role, providing economic empowerment as well. Overall, research revealed a substantial reduction in the gender pay gap in factories in Haiti, Nicaragua and Vietnam due to their participation in the Better Work programme.

Research focused on SST showed broad positive

effects on supervisors' feelings of competence, on workplace relations and on improving production performance. Training women supervisors in particular drove the greatest productivity impact – an average improvement of 22 per cent – relative to lines without trained supervisors.

Moreover, Better Work's training in workplace co-operation and financial literacy was shown to affect women's lives in positive ways beyond factories. Improvements in communication and relationships with supervisors in the factory led workers to feel less stressed when arriving home, which had a positive effect on communication and relations among family members. Workers in Lesotho also reported improving communication with their relatives about budgeting and resolving conflicts more easily.⁸

7 ILO News: How are people skills improving working conditions in Indonesia's apparel factories? 29 September 2016.

8 K. Pike and S. Godfrey. (2015). Two Sides to Better Work - A comparative analysis of worker and management perception of the impact of Better Work Lesotho, Better Work Discussion Paper Series: No. 20.

BETTER WORK'S IMPACT ON REDUCING DISCRIMINATION AND ENSURING EQUAL PAY

Spotlight on SDG Target 5.1: End all forms of discrimination against all women and girls everywhere and Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

In Haiti, factories significantly reduced the gender pay gap as a consequence of participating in Better Work. At the outset, women were working longer hours for less pay than men. Over the course of the programme, the average number of weekly hours reported by women decreased, while their total pay relative to men increased. Similarly, in Nicaragua, the gender wage gap declined, as did the gap in working hours between women and men. The gender wage gap began to close immediately following the first Better Work compliance assessment. In Vietnam, Better Work's positive impact on closing the gender pay gap intensified as factories maintained their access to the programme's services over several years.



3. Future work towards SDGs

While the focus on sustainability in supply chains is increasing, changes in consumer buying patterns in Western markets – such as keeping clothes for shorter periods of time – are creating challenges. These aspects will undoubtedly impact garment procurement and production, including working conditions such as working hours and safety.

Better Work will collaborate with buyers, manufacturers and industry stakeholders to identify those supply chains practices which are most successful in driving improvements for workers and business in this shifting environment. The programme will also provide access to financing and services that provide for factory upgrades – including cleaner production – and support environmental compliance and resource efficiency.

Better Work will work in concert with ILO and the World Bank Group to facilitate national level policy dialogues

on the future of work in the garment sector, including key industry trends such as the impacts of new technologies and changing global supply chains and buying patterns. Collaboration between the private and public sector, informed by research and policy, will support Better Work engagement on the role of technology as driver for decent work and inclusive economic growth.

The Sustainable Development Goals put a global spotlight on and offer a renewed focus to issues which are at the heart of Better Work: decent work, economic growth, sustainable production and gender equality. They present a highly-visible worldwide platform around which the programme will engage more intensively with global manufacturers, brands and retailers to encourage sustainable business practices in markets that serve the rapid growth of consumers in developing economies.





International
Labour
Organization



**International
Finance
Corporation**
WORLD BANK GROUP