



BetterWork

Progress and Potential Vietnam

Better Work Vietnam Quick Facts



392 Factories



517,000 Workers



21% of the Garment Industry

Key highlights from an independent impact assessment of the Better Work programme

Independent research carried out by Tufts University finds Better Work creates positive results through its unique approach

Working with garment factory workers and managers, along with engaging all industry players, leads to improved workplace conditions, better factory performance and greater well-being among workers and their families. Taking stock of multi-year research results from across country programme contexts reveals key implications for businesses and policy makers.

Empowering women drives success

Worker-management committees intended to facilitate problem solving are more effective when females hold equal representation. Training line supervisors, especially women, can increase productivity by **22%**.

Improving working conditions is an investment, not a cost

Factories where workers report better working conditions, where compliance is higher and where supervisors are well equipped for their jobs are more productive and more profitable.

To address non-compliant supply chains, all actors need to take action

Impact assessment results show with hard data how certain sourcing practices of international apparel brands create inherent challenges in achieving decent work in supplier factories. At the same time, supply chain leaders have great potential to reinforce sustainable business models.

MEASURING IMPACT

Better Work is a partnership between the UN's International Labour Organization, and the International Finance Corporation, a member of the World Bank Group. The programme works to improve working conditions and promote competitiveness in global garment supply chains. As a result of their participation in Better Work, factories have improved compliance with ILO core labour standards and national legislation covering compensation, contracts, occupational safety and health and working time.

To further understand the impact of its work, Better Work commissioned Tufts University in 2009 to conduct an independent impact assessment. Tufts' multi-disciplinary research team has gathered and analysed nearly 15,000 survey responses from garment workers and 2,000 responses from factory managers in Haiti, Jordan, Indonesia, Nicaragua and Vietnam to do this. The analysis of these responses represents a unique and in-depth evaluation of Better Work's effectiveness in changing workers' lives and boosting factory competitiveness.



Key highlights from Better Work Vietnam

Impact assessment results from Vietnam suggest significant progress has been made, with potential for further improvement

WORKING CONDITIONS

Workers experience greater contract stability...

Better Work is preventing the use of insecure or unprotected contracts that leave the worker in a precarious employment situation. The longer a factory participates in the programme, the less frequent their abuse of probationary contracts.

...along with increased pay...

Workers' reported take-home pay increases in constant terms. Better Work is driving this effect through ensuring compliance with paying workers as promised in their contracts.

...and fewer excessive working hours.

Workers in Vietnam reported working 55 hours per week by the 5th year of their factory's participation, down **4 hours** per week from baseline. However, excessive overtime remains a significant compliance problem for many firms.



The Better Work Vietnam programme is supported by the following key donor partners (in alphabetical order):

Australia (Department of Foreign Affairs and Trade, DFAT)
Canada (Employment and Social Development, ESDC; Department of Foreign Affairs, Trade and Development)
United States (US Department of Labor, USDOL)

COMPETITIVENESS

Better working conditions, and participation in Better Work, are linked to higher profitability.

Factories with better working conditions, from the perspective of workers, are up to **8%** more profitable than their counterparts. And, the average firm enrolled in Better Work Vietnam increases its revenue to cost ratio by **25%** after four years of participation.

Tolerating abusive behaviour in the workplace hurts the bottom line.

Beyond infringing basic human rights, the presence of verbal abuse or sexual harassment in a factory setting reduces the productivity of workers. Impact assessment analysis shows the most successful firms are those that recognize the frequent prevalence of such abuses in the sector and act to eliminate them in their workplace.

Training line supervisors, particularly women, pays off in better working relationships and higher productivity.

When trainees believe they can improve their skills, and they have support of their managers, Supervisory Skills Training is demonstrated to lead to more balanced production lines, higher productivity and better workplace relations. Training female supervisors in particular was shown to result in a **22%** increase in productivity.

BEYOND THE FACTORY

The quality of jobs in the garment sector influences the educational opportunities of workers' children.

School enrolment rates in Vietnam are high, including among the children of garment sector workers. Yet researchers establish evidence showing increased ability to pay for schooling among workers in factories committed to improving conditions of work.

Worker and family health are supported by increasing job quality.

More workers have access to pregnancy-related healthcare since the start of the programme. Where women achieved better working hours and pay, researchers found that the health of these workers' children improves.

Supply chain dynamics: certain sourcing practices of global apparel brands - such as rush orders and frequent order changes - are associated with higher rates of non-compliance with working hours and with workplace safety and health, as well as with higher supervisor stress. In turn, this is associated with increases in verbal abuse in the workplace. A holistic approach involving firms all along the garment supply chain is needed to achieve sustainable business models for the sector.

