



Evaluation Summary



International
Labour
Office

Evaluation
Office

Better Work Vietnam and Better Work Indonesia – Final Independent Cluster Evaluation

Quick Facts

Countries: Vietnam and Indonesia

Final Evaluation: 23 Jan 2017

Evaluation Mode: Independent

Administrative Office: Better Work

Technical Office: Better Work

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Project Code: Better Work Vietnam: VIE/14/01/NET, VIE/12/06/MUL, VIE/12/06/MUL, VIE/13/06/MUL, VIE/14/06/CAN, VIE/13/07/IRL

Better Work Indonesia: INS/14/51/NET, INS/12/10/MUL, INS/12/10/MUL, INS/12/10/MUL

Donor(s) & Budget: Better Work Vietnam: USD 9,627,611, Better Work Indonesia: USD 6,980,180

Keywords: labour; Better Work; garment workers

Background & Context

Summary of the project purpose, logic and structure

Better Work Vietnam (BWV) and Better Work Indonesia (BWI) are part of the Better Work Global (BWG) partnership programme between the ILO and the International Finance Corporation (IFC). The programme aims to improve compliance with labour standards as well as the competitiveness of enterprises within global garment manufacturing supply chains. The Better Work strategy is based on the premise that by

enhancing compliance with international labour standards and national labour laws, enterprises will be in a better position to meet the social compliance requirements of buyers, improve conditions for workers, and increase productivity and product quality.

BWV commenced in 2009 and is in its second phase (January 2013 to December 2016). BWI began operations in 2010, and its second phase, the focus of this evaluation, ran from July 2012 to December 2015. BWI commenced its third phase in 2016.

In both Vietnam and Indonesia, Better Work's (BW) central strategy is to provide independent enterprise assessment, advisory and training services to garment factories to help them make improvements in their workplaces to comply with national and international labour standards. The assessments are made based on an assessment tool developed by BWG and adapted to individual country legal contexts. Advisory services delivered through management-worker committees and training services for a range of enterprise staff are among the core services provided by BW to support the factories in their improvement process. Better Work engages factories in the program by partnering with buyers globally and in-country to leverage buyer pressure on their suppliers to register with Better Work, and also by promoting their services directly to factories.

In parallel, BWV and BWI aim to influence wider policy making and industry practice to improve labour standards and working conditions by translating experiences and lessons learned at the factory level into advocacy towards government, the business sector and workers' organizations, as well as supporting their capacity for improved labour law governance.

Present Situation of the Project

In its second phase, BWV has focused on refining its service delivery model and expanding coverage in the North of the country and to the footwear sector. It aimed to strengthen sustainability of the services and results through building the capacity and ownership of its national partners.

The second phase of BWI aimed to extend BWI services to a greater proportion of large apparel enterprises in the Greater Jakarta area as well as the Central Java and West Java Regions. It also aimed to build sustainability of its operations through transition to an independent entity.

Purpose, scope and clients of the evaluation

The purpose of the final evaluation of BWV Phase II and BWI Phase II is to provide an independent assessment of the experience and performance of the projects and to provide a comparison and synthesis of findings from the two country projects. As a cluster evaluation, it is intended to consolidate lessons and experiences from both programmes to inform country project management, Better Work Global, the ILO and other stakeholders towards advancing the overall Better Work strategy.

Methodology of evaluation

The evaluation was carried out from October to December, 2016 by a team of two consultants, and included a field visit to each of Vietnam and Indonesia. Based on specific evaluation questions, a methodology was developed which incorporated triangulation of data from project reports and documents with interviews with relevant stakeholders in each country.

Main Findings & Conclusions

Relevance

Overall, the design and implementation strategies of the second phases of BWV and BWI are relevant to the interests and priorities of the stakeholders, particularly the core strategies to support compliance in the garment industry. There are a number of similar perceptions among stakeholders in Indonesia and Vietnam about BW's relevance to their needs. These include the stakeholders' trust in ILO as the international standard setting body, the benefit to factories of securing buyer orders and a reduction in the number of audit requirements, the benefit to buyers of the audit plus advisory package or "complete solution" to compliance offered by Better Work; and the relevance to government of a "self-complying" industry.

In Vietnam, Better Work is particularly relevant to employer organizations' interests, given the importance of the garment export sector. In Indonesia, employer bodies, although supportive, have been less actively engaged. The main limitation expressed by stakeholders in Vietnam is that BW does not reach further across other parts of the country and to more small and medium enterprises. Trade Unions find that Better Work serves their needs in both countries, where capacity building has been instrumental.

The integration of BW within the ILO has served the projects' influence on policy by strengthening the voice and involvement of ILO tripartite constituents in what had been mainly industry-driven social compliance initiatives in the garment sector.

Effectiveness and impacts

Progress of delivery and achievement of targets: Both BWV and BWI achieved the majority of their delivery outputs and targets during their second phases. The scale of coverage of garment suppliers was substantially increased. However, there is still a growing and unmet demand of factories waiting to join BW. The projects also expanded geographically. BW also initiated small scale operations in the footwear sector.

Response to Mid-Term evaluation recommendations: In Vietnam, a systematic response to the MTE was not taken up, mainly due to the project management perception that insufficient time remained in the project life to introduce the changes recommended. Regarding the recommended improvements to the BWV M&E framework, changes already underway brought improvements to the set of BW Global indicators, but issues of interpretation remain and there is scope for further articulation of the two sets of indicators. BWV's strategic expansion was aligned with the MTE recommendations with regard to focusing on impact and how to scale up rather than expanding numbers.

BWI pursued strategies that were consistent with many of the MTE. It expanded its communications strategy, with observed success; embarked on strategies to improve time efficiency and financial viability continuing into phase III, and proposed strategies to address concerns about how the transition of core services delivery to a national institution may affect program effectiveness, largely by maintaining a strong role for ILO/BWI at least during in the transition phase.

Effectiveness of core service delivery: BWV and BWI brought steady improvements in many aspects of labour standards and working conditions in the participating factories, as demonstrated in the compliance synthesis reports and the Tufts impact study. At the same time, in Vietnam, non-compliance is common in occupational health and safety issues and in excessive overtime; while in Indonesia, in addition to the occupational health and safety issue, non-compliance around health care benefits, the use of non-permanent contracts, and correct payments for overtime among other compensation issues, is prevalent.

Enterprise and industry stakeholders indicate that BW is providing a transparent and trusted compliance assessment and the advisory services providing an added value of BW over traditional audit services. The adjusted model was introduced during phase II, and fully rolled out in Vietnam by the end of phase II, with indications of increased ownership by factories for their improvement process. It is not yet clear that the approach is less labour-intensive as intended, as advisory services are intensified in the initial period. The adjusted model is accelerating compliance and factory initiative.

Bi-partite workplace improvement committees are the main conduit for performance improvement plans. In Vietnam, Performance Improvement Consultative Committees initially facilitated by BWV, are showing signs of growing independence, and gradually enabling workers' voice, although the influence of management within the enterprise trade union and therefore management bias persists. In Indonesia, these are built on existing, legally mandated workplace committees and stakeholders are generally positive about their role to implement workplace improvement; however, trade unions would like to see additional pressure on non-complying suppliers.

Training services provided are well with varied take-up, depending on factories' willingness to pay for training which is not currently included in the registration package. The supervisory skills training (SST) has been highly popular and also prove effective in communicating with the production workers without resorting to bullying or humiliating tactics. The SSTs are good practice with potential for incorporating gender issues such as awareness on sexual harassment.

Communications strategies: During phase II, BWV and BWI introduced innovative pilot communications

campaigns to raise awareness and support behaviour change among workers and managers on occupational safety and workers' rights. These included the use of SMS on occupational health and safety, and creative media such as films and rap songs in Vietnam. Although limited in scale and not continued all the way through the project life, these are promising communication approaches for future phases.

Contribution to public and private sector policy: BW's focus on compliance contributes to the ILO's capacity to exert influence on labour policy. The capacity of the programs to influence national policy debates differed, with the ILO generally having a bigger voice in wider national policy discussions in Vietnam than in Indonesia. In both countries, the production of a body of research, synthesis reports and policy briefs has raised awareness of compliance issues.

Effectiveness of gender equality strategies: BWV and BWI have mainstreamed gender concerns into the delivery of core services related to compliance with national laws that protect women workers. BW also promoted women's participation and collecting gender disaggregated data across their activities and training programmes and through implementing gender focused ad-hoc mini-projects.

Efficiency and effectiveness of human resources

As part of their strategies to improve the quality and efficiency of core services, both BWV and BWI have invested significant efforts toward developing staff skills to enable them to fulfil the complex demands of providing the core assessment and advisory services. As the service delivery has evolved under Phase II, a wider range of advisory skills is required. The diversity and depth of expertise among the staff has been enhanced through the designation of technical focal points among enterprise advisors and other staff, and through intensified training and on-the job mentoring for EAs. However, EAs continue to find the advisory role challenging and would like more emphasis on advisory skills in their training.

Sustainability

During their second phases, both countries made significant progress towards sustainability while pursuing different institutional paths. The projects' efforts towards operational sustainability through cost recovery of core services have reached around 50% in Vietnam and up to 72% in Indonesia.

BWV engendered increased national and provincial partner ownership and capacity to contribute to the delivery of the programme. It also invested in a sustainability scoping study to inform the direction of the operational and institutional model in the next phase. In Indonesia, by the end of phase II, BWI had laid much of the groundwork for the establishment of an independent foundation, which is scheduled to take over delivery of BW core services in early 2017.

Recommendations

Main recommendations and follow-up

1. Streamline the BW global indicators within country-specific Performance Monitoring Plan indicators and ensure that the global indicators designed to monitor the adjusted model are being utilised. BW Global should further guide country project teams in understanding the M&E system and the potential to adjust indicators and targets with appropriate justification during the life of the project.
2. Enhance and differentiate core service delivery to further meet different needs. As already being introduced in Vietnam and Indonesia, this differentiation may include offering a more flexible choice of options in the advisory and training components and further development of group-based advisory services on thematic topics to factories in the same or adjacent areas.
3. Build more expertise focal points among the core-service delivery team and provide specialized training to these individuals/teams. Further training on advisory issues should be provided to enterprise advisors in the form of seminars and case studies.
4. Enhance policy influence through compliance reporting used strategically to inform ILO tripartite stakeholders, brands and consumer advocacy groups about compliance gaps in the respective countries exporting factories, including highlighting positive trends more effectively and also move ahead with other public reporting initiatives that reinforce transparency in the sector, and look for strategies to amplify the visibility of the findings of its annual compliance synthesis reports.
5. Enhance policy influence strategy through identifying emerging issues for advocacy in the ongoing labour law reform in Vietnam, and planning an advocacy strategy. In Indonesia, the issue of reform on contracts was highlighted.
6. Embed gender dimensions in the design of core and other interventions. Some innovative approaches that may be considered by BW programs to complement core services include forging strategic alliances with Women's rights NGOs for the organization of education programs in BW factories; and encouraging company social responsibility or donor initiatives that empower women in communities around factories.
7. Continue and enhance the way the programmes use innovative communication with workers on their rights issues.
8. Consider developing additional training and other capacity building approaches such as mentoring or coaching or "learning circles" that are geared towards improving leadership skills among factory managers, human resources managers and worker representatives using peer learning approaches.
9. Strengthen trade union capacity to further represent workers in garment factories. Ways that this might be done include:
 - Continue trade union capacity building, with focus on leadership development and basics of union roles and responsibilities for union representatives on the shop floor;
 - Facilitate a working group of trade union representatives to agree on common agenda for improving labour conditions in garment sector.
 - Explore feasibility of supporting the ILO in negotiating sector level and/or regional/sector collective bargaining agreement.
10. Maintain the strategic focus on compliance in the apparel sector in Vietnam and expand the geographic coverage of the sector, while exploring ways of influencing compliance among more SMEs in the supply chain. The latter could involve collaboration with ILO projects supporting SME development, BW enterprises sharing their experience in business forums.
11. In Indonesia, ILO/BWI and/or APINDO should explore ways to create and strengthen sector and/or regional business associations/forums with which BWI may collaborate and share experiences. It should explore how it can integrate with and/or foster new collective approaches to improving compliance and promoting productivity at these levels.