

Promoting Decent Work in Garment Sector Global Supply Chains

Highlights and Insights from the ILO project

*Labour Standards in Global Supply Chains:
A Programme of Action for Asia and the
Garment Sector (LSGSC)*



The International Labour Organization (ILO)'s "Labour Standards in Global Supply Chains: A Programme of Action for Asia and the Garment Sector" (LSGSC) project addressed a range of decent work deficits in global supply chains in the garment sector, particularly those related to wages, collective bargaining, and compliance with labour standards.

LSGSC's overall objective was to improve the lives of workers and increase decent work opportunities in global supply chains in the garment sector, starting with the project's beneficiary countries: Cambodia, Indonesia and Pakistan. In pursuit of this goal, LSGSC delivered a programme of action that included interventions at factory-level and country-level, as well as global and Asia regional components.

The Government of the Federal Republic of Germany, through the German Federal Ministry for Development Cooperation (BMZ) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), provided a total of approximately US\$8 million in funding for LSGSC, which was implemented from December 2014 to March 2019, as part of a renewed partnership between BMZ and the ILO signed in May 2014.

The garment sector in Asia:

A snapshot from Cambodia, Indonesia and Pakistan

- Asia accounts for roughly **60 per cent** of global garment exports. The garment sector employs around **40 million** workers.¹
- Women constitute more than half of the garment sector workforce in Asia, and are disproportionately represented in low-wage jobs in the lower tiers of garment sector global supply chains.²
- Working conditions in the garment sector in Asia are generally characterized by long working hours and low pay, amongst other decent work deficits.³

Cambodia

- The garment sector is a key contributor to Cambodia's economy, accounting for approximately **75 per cent** of merchandise exports, and employing around **632,000** workers, nearly **80 per cent** of whom are women.⁴

The sector's value added accounts for nearly **11 per cent** of Gross Domestic Product (GDP).⁵

- The sector directly provides income to **one in five** Cambodian households.

Indonesia

- In Indonesia, the garment sector accounts for around **1.4 per cent** of total GDP and for **6.6 per cent** of total merchandise exports, corresponding to an export value of around **US\$ 11.6 billion**.
- More than **4 million** people are employed in the garment sector in Indonesia, around **58 per cent** of whom are women.⁶
- Nearly **60 per cent** of workers in the garment sector work excessive hours.⁷

- Wages in the sector were around **US\$ 154** per month in 2016, and have grown in nominal terms by around **8.8 per cent** per annum since 2012.
- Minimum wages are set at the provincial, district and industry level. In 2017, these ranged from around US\$ 266 per month in DKI Jakarta to around US\$ 100 in DI Yogyakarta. Dispersion between the highest and lowest provincial minimum has been widening over the past decade.⁸
- Geographically, employment in the garment sector tends to be concentrated in provinces with the lowest minimum-wage levels.

Pakistan

- In Pakistan, the garment sector provides employment to **4.4 million workers** (40 per cent of the country's total).⁹
- Men account for **two-thirds** of all garment workers, although the industry is increasingly employing a greater share of women.
- Geographically, almost **90 per cent** of all garment sector jobs are concentrated in two provinces: Punjab and Sindh.
- Pakistan's garment sector contributes **8.5 per cent** to GDP of the country.
- In 2015, garment sector exports reached nearly **US\$ 13.6 billion**, totaling more than **60 per cent** of all merchandise exports.
- The garment sector in Pakistan is characterised by persistent decent work deficits, including poor working conditions, low wages, and wide gender pay gaps. During 2014 - 2015, **53.4 per cent** of all garment wage employees earned less than the statutory monthly minimum wage. Two in five of those employed in the garment sector in Pakistan are estimated to work excessive hours.¹⁰
- In 2010, the 18th Amendment to the Constitution of Pakistan devolved implementation of labour regulations to the provincial level, placing significant responsibilities on Pakistan's provincial governments. In this context, the LSGSC project in Pakistan maintained a particular geographic emphasis on Sindh province.

Gender aspects of garment sector global supply chains in Asia



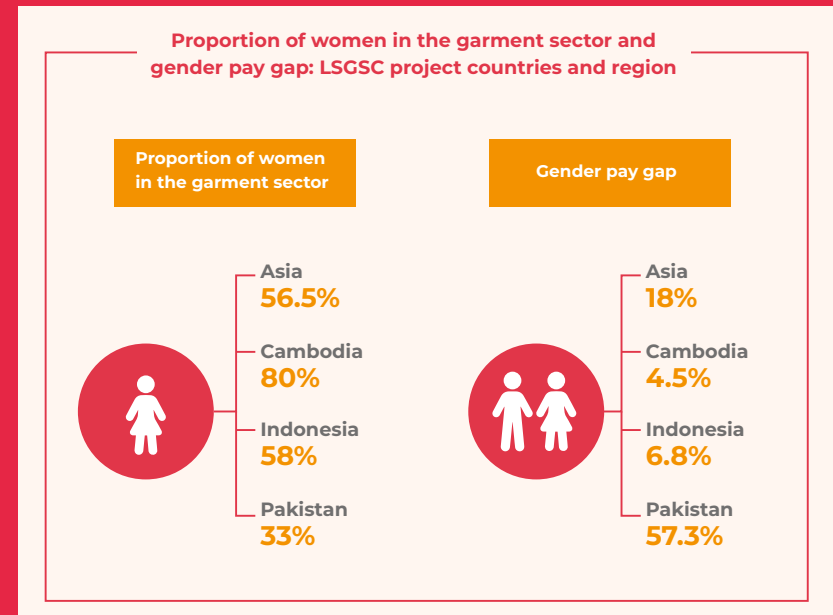
At the regional level in Asia, the aggregate proportion of women in the garment sector among a sample of countries is approximately **56.5 per cent**. The average raw **gender pay gap** in the garment sector in nine countries in Asia is approximately **18 per cent**.¹¹

At the country level, in Cambodia, nearly **80 per cent** of the garment sector workforce are women, and the raw gender pay gap is approximately **4.5 per cent**. In Indonesia, around **58 per cent** of garment sector workers are women, with a raw gender pay gap in the sector of approximately **6.8 per cent**. Meanwhile in Pakistan, the raw gender pay gap in the garment sector is approximately **57.3 per cent**.

Characteristics such as age, education and experience have limited explanatory value for observed gender wage differentials within the garment sector in Asia, implying that a large proportion of the observed gender pay gap is likely to be attributable to **gender-based wage discrimination**.

LSGSC considered the specific and differentiated challenges and concerns facing women workers in both the design as well as the implementation of its intervention strategies. LSGSC promoted women's direct participation and, in some cases, leadership of project activities.

LSGSC undertook targeted interventions and research activities specifically to address gender aspects of garment sector global supply chains in Asia. These included, for example, a research report on barriers to pay equality in the garment sector in Pakistan, the preliminary findings of which were validated through stakeholder consultation, as well as dedicated interventions to promote gender equality in the garment sector through collective bargaining.



MINIMUM WAGES

Strengthening systems for participatory and evidence-based minimum wage fixing and wages policy

Recognizing that wages are among the most important conditions of work, the ILO is committed to promoting policies on wages and incomes that ensure a just share of the fruits of progress to all. Whether minimum wages are determined by statutory bodies and procedures or are established through collective bargaining agreements that are backed by the force of law, the purpose of minimum wages is always the same: To protect workers against unduly low pay. As such, minimum wages can be an important element of a policy to overcome poverty and reduce inequality, including inequality between women and men in the world of work. Indeed, well-designed and effective minimum wage policies can contribute to reducing inequality and promoting decent work for all women and men. When women are over-represented among low-paid workers, the minimum wage should also reduce the gender pay gap. At the same time, recent studies have shown that minimum wages not only help to reduce wage dispersion and to channel productivity gains into higher wages, but that minimum wages can also contribute to higher labour productivity – both at the enterprise level and at the aggregate economy-wide level. Worldwide, more than 90 per cent of ILO member States have one or more minimum wages set through legislation or binding collective agreements.

More information available at: www.ilo.org/wages

LSGSC contributed to **strengthening systems for participatory and evidence-based minimum wage-fixing and wages policy** in Cambodia, Indonesia, and Pakistan. In particular, LSGSC sought to promote the development and operation of more regular and periodic, more strongly evidence-based, and more participatory national wage systems better aligned to International Labour Standards (ILS), in particular the Minimum Wage Fixing Convention (No. 131).



HIGHLIGHT

Cambodia: Through support to the national minimum wage system, LSGSC impacted the lives of workers and expanded decent work opportunities, with benefits for employers.

Statutory minimum wages applicable to the garment sector in Cambodia more than doubled from US\$80 per month in 2013 to US\$182 per month for 2019, and actual wages have increased significantly in real terms.

LSGSC contributed to this outcome through a well-focused, intensive, and sustained programme of capacity building well anchored with the key actors and institutions of Cambodia's national minimum wage system. Included in the programme was a series of 12 training workshops on evidence-based minimum wage fixing criteria, designing and managing working time arrangements, the foundations of economics and statistics for trade unions, and a High-Level Workshop on Minimum Wage Monitoring, organized

jointly with the Ministry of Labour and Vocational Training (MoLVT).

“ Cambodia is a LSGSC success story of effective support for minimum wage-setting mechanisms reform with notable outcomes in terms of improving the wage-negotiation process as well as in terms of raising actual wages while maintaining the garment sector's competitiveness. ”

Independent Final Evaluation of LSGSC project ¹²

LSGSC supported the development of Cambodia's new law on minimum wage, adopted in 2018, under which a National Minimum Wage Council is established with a mandate to set the minimum wage for the garment sector, and progressively expand statutory wage floors beyond the garment sector for the first time.

“ We see that the minimum wage negotiations in Cambodia were smooth... the process has been better than before. ”

Heng Sour, spokesperson, Ministry of Labour and Vocational Training (MOLVT) ¹³

LSGSC research showed that increasing wages based on evidence and productivity growth is compatible with maintaining a competitive garment sector.¹⁴ Exports and employment in the garment sector in Cambodia are still growing alongside five successive years of rapidly rising statutory minimum wages. The purchasing power of garment workers in Cambodia has increased during the lifetime of the project, and this has had a positive follow-on effect on real wages in other labour-intensive sectors of the economy.

LSGSC contribution to the SDGs

LSGSC contributed to Goal 8 of the Sustainable Development Goals (SDGs) to “promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all” and to Goal 10 to “reduce inequality within and among countries”. In particular, LSGSC contributed to SDG indicator 8.5.1: “Average hourly earnings of female and male employees, by occupation”, SDG Target 10.1 to “progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than

the national average”, and SDG Target 10.4 to “adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality”, for which labour share of GDP, comprising wages and social protection transfers is a key indicator (Indicator 10.4.1).

“*In terms of impact, we have benefited a lot... the project has also improved the stability of the industry.*”

Trade Union Representative, Cambodia



H. E. Dr. Ith Samheng, Minister of Labour and Vocational Training, Cambodia, leading a High-Level Workshop on Minimum Wage Monitoring organized by LSGSC in November 2018 in Phnom Penh, Cambodia.

© Ministry of Labour and Vocational Training, Kingdom of Cambodia

Informing the evidence-base for minimum wage adjustment: Cambodia Garment and Footwear Sector Bulletin¹⁵

Published twice a year by the project, the **Cambodia Garment and Footwear Sector Bulletin** supported evidence-based decision-making by ILO’s tripartite constituents in Cambodia in the context of minimum wage negotiations in the garment sector.¹⁶ In total, eight issues of the ‘Cambodia Bulletin’ were published, reporting on mechanisms for minimum wage adjustment, and developments and trends in growth, prices, wages, exports, employment, trade policy, and living conditions of garment factory workers. LSGSC disseminated each edition of the ‘Cambodia Bulletin’ in print and electronic format to key stakeholders, with the various editions accessed almost **4,000** times via ILO’s website.

HIGHLIGHT



Indonesia: Strengthening social dialogue and supporting wage policy reform

Indonesia's minimum wage system is complex and decentralized, with more than 100 different statutory minimum wage rates, depending on province, municipality, and industry sector. In 2015, the government issued a Resolution (PP78), which generated some controversy, linking minimum wage increases to the consumer price index and to the growth of Gross Domestic Product (GDP). This formula of adjustment limited the role of social dialogue in the process.

Since then, LSGSC contributed to strengthening and expanding social dialogue on wage issues. In particular, LSGSC provided technical assistance to Indonesia's National Wage Council,¹⁷ with a focus on minimum wage monitoring, based on a participatory and evidence-based approach that tracks the evolution of various indicators at different levels of analysis, such as changes in the wages and its distribution, economic growth,

productivity, employment and enterprise creation.

LSGSC facilitated a programme that allowed representatives of the National Wage Council to exchange internationally with counterparts in Australia, Japan, and the Philippines. LSGSC also promoted social dialogue and evidence-based wage fixing approaches to the 2017 and 2018 annual national conferences of Indonesia's Wage Councils.

In 2017, following a meeting between the ILO and representatives of Indonesia's National Wage Council supported by LSGSC, the Ministry of Manpower (MoM) requested technical advice from the ILO on the reform of the country's minimum wage policy. LSGSC facilitated ILO's technical inputs, including by developing and promoting to MoM a policy paper setting out policy alternatives and scenarios for the simplification and harmonization of wage setting mechanisms in Indonesia, while strengthening social dialogue.

A Ministry official affirmed the relevance of LSGSC assistance in the current Indonesian context, stating that: "The Ministry is planning to improve its minimum wage policy and is looking for a new approach". The Government of Indonesia considered LSGSC's policy paper as part of its wage policy reform deliberations.

Contributing to ILO's knowledge base on the garment sector, LSGSC launched the **Indonesia Garment and Footwear Sector Bulletin**. The 'Indonesia Bulletin' presented key statistics and analyses on the characteristics of the garment sector in Indonesia, in terms of economic output, exports, employment, labour productivity, domestic and foreign investment, education and skills, geographic distribution, wage trends, minimum wages and compliance, gender pay gap, and working hours.¹⁸

HIGHLIGHT

Pakistan: Strengthening provincial minimum wage boards

LSGSC published several country-level research studies in Pakistan on minimum wage setting mechanisms in the formal and informal garment sector, wage and employment trends, gender pay gaps, home-based workers, and mechanisms to resolve pay and other disputes.¹⁹



Following up on this research, LSGSC conducted a programme of capacity building and technical assistance for Pakistan's provincial Minimum Wage Boards and other relevant stakeholders on participatory and evidence-based minimum wage setting. The project also supported the creation of a new inter-provincial knowledge sharing platform comprising of provincial Minimum Wage Boards and organized the first three meetings of the platform, which took place during 2018 in Karachi, Lahore, and Islamabad.

LSGSC research was used by provincial government officials in Pakistan to inform several important legal and regulatory reforms on minimum wages: LSGSC provided technical inputs that informed the implementation rules for several labour laws in Sindh province related to wage payment procedures, provisions on equal pay for equal work and related areas.

As result of LSGSC's assistance, in 2018 the Sindh Minimum Wages Board took into account evidence-based criteria for

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Now every federating unit including the provinces has realized that minimum wages should be fixed through social dialogue and this should happen around a set of indicators or markers.

Government Official, Sindh Province, Pakistan



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minimum wage adjustment, resulting in a higher increase in the provincial minimum wage than the federal level, and adopted a more participatory tripartite composition, with increased membership of workers' and employers' representatives.

LSGSC also contributed significantly to the extension of minimum wage coverage to home-based workers, the majority of whom are women, as well as workers in the largely informal glass bangle industry in the lower tiers of garment sector global supply chains in Sindh province, through the Home-Based Workers Act enacted in 2018.

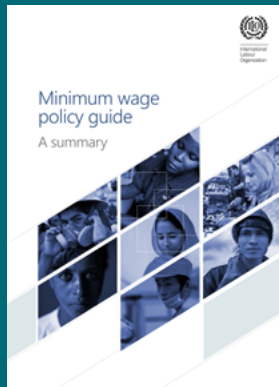
Minimum Wage Policy Guide

Building on International Labour Standards, the ILO's '**Minimum Wage Policy Guide**',²⁰ developed with the support of LSGSC, provides a global review of national laws and practices.

The Guide highlights how well-designed and effective minimum wages can contribute to achievement of the **Sustainable Development Goals (SDGs)**, highlights key principles of good practice, and provides examples on the pros and cons of different wage policy options. The Guide emphasizes that, **when it comes to minimum wage fixing, only social dialogue and collective bargaining can help**

strike the balance between the legitimate needs of both workers and enterprises.

LSGSC translated and applied the Guide in its country-level activities.



Global survey of purchasing practices of apparel buyers

The International Labour Conference, at its 105th Session in 2016, adopted a **Resolution concerning decent work in global supply chains** that, inter alia, asked the ILO to “take a proactive role in generating and making accessible reliable data on decent work in GSCs” and to “carry out research to better understand how supply chains work in practice and what their impact is on decent work and fundamental rights”.

LSGSC took action to contribute to fill this gap by carrying out a **Global survey on purchasing practices and working conditions in global supply chains**, in collaboration with the **Ethical Trading Initiative (ETI)**.²¹ Some 1,454 suppliers from 87 countries responded to the survey, which identified major business practices of apparel buyers and suppliers that may influence wages and working conditions at the factory-level, including: Contract clauses, technical specifications, order placement and lead times, prices and market power, and requests for social standards.

As an example, only 17 per cent of suppliers considered their orders to have enough lead time, something that in turn was found to have an inflationary effect on the number of overtime hours. Prices also influence working conditions: Nearly 40 per cent of interviewed suppliers reported to have been in the position during the previous year of accepting prices below their production costs, a phenomenon that was found to reduce wages by more than 10 per cent at the end of the chain. Meanwhile, poor transparency in business contracts leads to extra burden and extra costs – for instance in terms of sampling – that generally have to be borne by the suppliers.

Other global knowledge products on minimum wages in the garment sector published by LSGSC included a **global comparative study on wage fixing institutions** and their impacts in major garment producing countries, research notes on **minimum wages and working hours in the global garment industry**²² and a study on **piece rates** and their effects on wages and working conditions.²³



COLLECTIVE BARGAINING

Strengthening systems for effective collective bargaining

Collective bargaining is a fundamental right that is rooted in the ILO Constitution and reaffirmed as such in the 1998 ILO Declaration on Fundamental Principles and Rights at Work.²⁴ Through collective bargaining, employers and their organizations and trade unions can establish fair wages and working conditions. Collective bargaining also provides the basis for sound labour relations. The objective of collective bargaining is to arrive at a collective agreement that regulates terms and conditions of employment, and that addresses the relationship between the parties, thus ensuring harmonious and productive industries and workplaces. Enhancing the inclusiveness of collective bargaining and collective agreements, including in terms of women's voice, representation and leadership is a key means for reducing inequality and extending labour protection.

More information available at: www.ilo.org/collectivebargaining

Strengthening systems for collective bargaining, particularly in Cambodia, Indonesia, and Pakistan, was a key objective for LSGSC. The project resulted in the adoption of **11 new Collective Bargaining Agreements (CBAs)** in place at garment enterprises in Indonesia, a published compilation of **good practice case studies** of collective bargaining in Pakistan, support to **sector-level collective bargaining** negotiations in Cambodia, and improved capacities of social partners to negotiate effectively for collective agreements. At the global level, LSGSC contributed to improved collection, compilation and dissemination of **data on industrial relations and collective bargaining** via the ILO's **IRLex** and **IRData** platforms, and contributed to the development of a global **'IR Toolkit'**. Through these interventions, LSGSC promoted implementation of International Labour Standards (ILS) such as the Right to Organise and Collective Bargaining Convention, 1949 (No. 98) and the Collective Bargaining Convention, 1981 (No. 154).

HIGHLIGHTS



Cambodia: Supporting sector-level collective bargaining in the garment sector

At the request of Garment Manufacturers Association in Cambodia (GMAC) and trade union confederations, LSGSC provided facilitation, capacity building, and technical support to ongoing sector-level collective bargaining negotiations between GMAC and the Trade Union Negotiating Committee for the Garment Sector Collective Bargaining Agreement (TUS-CBA). The TUS-CBA brings together 18 major trade union federations and confederations representing workers in the garment sector in Cambodia. The objective of these negotiations is to establish a sector-level (multi-employer) collective bargaining agreement (CBA) in Cambodia's garment sector.

LSGSC assisted the negotiating parties to conclude a full round of negotiations. This resulted in a provisional draft agreement, which has provided a basis for further

negotiations. Inputs provided by LSGSC increased the probability of an effective and successful outcome. If successful, this will be **the first example of a sector-wide collective bargaining agreement in the garment sector in Asia**. Specific project inputs included facilitation of negotiation meetings, support to preparatory and progress review meetings, training workshops and support to tripartite social dialogue regarding establishment of a garment sector bargaining council.

“

There is a big change in social dialogue, there is more maturity. In addition, there have been improvements in working conditions - all these things have helped to improve industrial relations

Employer Representative,
Cambodia

”

Cambodia: Study Tour on Industrial Relations and Collective Bargaining

LSGSC organized jointly with Cambodia's Arbitration Council a **Tripartite Study Tour from Cambodia to South Africa on Industrial Relations and Collective Bargaining**. The Study Tour provided an opportunity for officials and representatives of the Ministry of Labour and Vocational Training (MoLVT), the Garment Manufacturers Association in Cambodia (GMAC) and trade unions representing workers in the garment sector to examine comparative international examples of the legal and institutional frameworks governing industrial relations in South Africa, with a focus on sector-level collective bargaining and the prevention and resolution of industrial disputes. Applying the learning outcomes of the Study Tour, the delegation identified key priorities for follow-up action to address current industrial relations challenges and opportunities in Cambodia.

Indonesia: Promoting collective bargaining in garment factories

In Indonesia, the project assisted the ILO's social partners to develop and implement **11 new Collective Bargaining Agreements**. An estimated total of more than **50,000 workers**, and their respective employers are expected to benefit from the new agreements. This was the direct outcome of implementation by LSGSC of an enterprise-level pilot programme on effective collective bargaining. Participants reported positive outcomes including smoother negotiations, and greater clarity on the laws that govern worker-employer relationships in the garment sector in Indonesia.

In order to scale-up and support institutionalization of a culture of sound industrial relations in Indonesia, LSGSC supported the Ministry of Manpower (MoM) to provide training on negotiation skills to more than **150 trainers** representing trade unions, the Indonesian Employers' Association (APINDO), and government officials. As one example of constituent follow-up, GARTEKS, an important garment

and textile trade union federation in Indonesia, conducted at least two training sessions on collective bargaining for its enterprise-level members, following-up on LSGSC interventions.

“

We gained a lot of knowledge on negotiation. Before, we union members were very rigid about our demands. Since the training, we understand more points of view.

Trade Union Representative,
Indonesia

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Research on decent work outcomes of collective bargaining in garment factories in Indonesia

LSGSC collaborated with Better Work Indonesia (BWI) to develop a research report on **Decent work outcomes of collective bargaining in garment factories in Indonesia**, based on preliminary analysis conducted with the WageIndicator Foundation.

HIGHLIGHT



Pakistan: Building capacity for collective bargaining and negotiation

More than **80 trade union officials** participated in LSGSC collective bargaining training in Pakistan.²⁵ In addition, the project organized three negotiation skills and collective bargaining workshops for tripartite and bipartite participants, in collaboration with the International Training Centre of the ILO (ITC-ILO).



LSGSC training workshop on Collective Bargaining and Negotiation Skills in Pakistan

Pakistan: Compilation of good practice case studies of collective bargaining

LSGSC published a research study on '**Good practices in collective bargaining: A compilation of case studies from Pakistan**'.²⁶

The report examines the process, content and outcomes of collective bargaining agreements, and identifies enabling factors and good practices.

“

Now workers and employers have skills to practice negotiation that can result in mutual gains and know what to do should a dispute arise.

”

Labour Official, Provincial Government, Pakistan





Pakistan: Strengthening networks of garment sector stakeholders

In Pakistan, the project supported two key stakeholder forums: The Garment Sector Stakeholders' Forum (GSSF) and the Pakistan Buyers' Forum (PBF).

The **Garment Sector Stakeholders' Forum (GSSF)** strengthens linkages between key stakeholders in the garment sector in Pakistan, and provides opportunities for information and best practice sharing, as well as for stakeholder consultation. Membership of the GSSF expanded during the project to include the provincial labour departments, trade associations, educational and training institutes and think tanks, as well as a number of international buyers and development partners.

The **Pakistan Buyers' Forum**²⁷ (PBF) is convened jointly by the ILO, the International Finance Corporation (IFC), the Dutch Embassy in Pakistan and the IDH - The Sustainable Trade Initiative. LSGSC acted

as secretariat to the PBF. The PBF offers a platform of dialogue, knowledge-sharing and cooperation to sector stakeholders, such as brands and retailers, government authorities, industry associations, and technical agencies. Through discussion on buyer codes of conduct, national law, and International Labour Standards, as well as good governance and international best practices and their implementation in Pakistan, the PBF contributes to achieving sustainable growth of the sector, improving competitiveness and compliance with international standards.

Improved collection, compilation and dissemination of industrial relations data

LSGSC supported the update and expansion of the ILO Industrial Relations Database²⁸ (**IRData**), a user-friendly knowledge generation and management tool that includes statistics on key elements of industrial relations, such as trade union density, collective bargaining coverage, and strikes and lockouts.

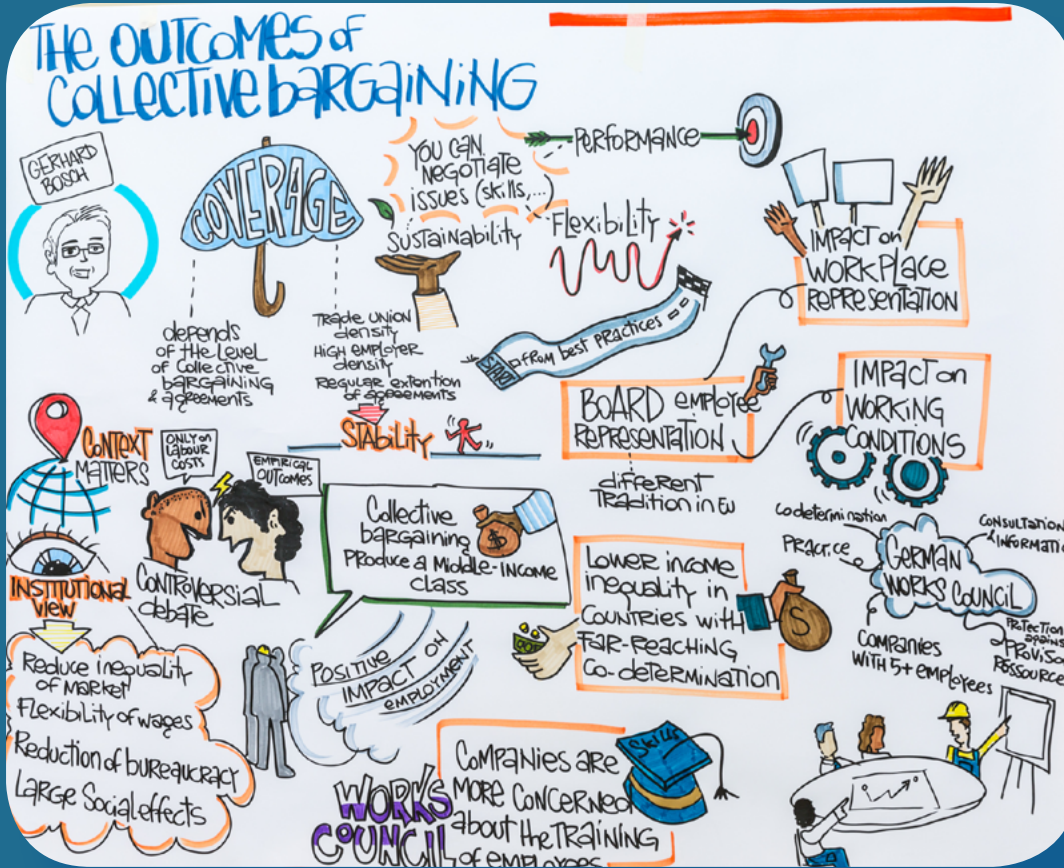
IRData has proven to be a valuable source of accurate statistics on industrial relations for ILO's constituents and other stakeholders.

Within LSGSC's target region, data were collected in **Cambodia**, while a feasibility study on the status of data collection in **Indonesia** was carried out in 2018. Beyond the project's immediate target countries, comparative industrial relations data collection was also undertaken in **Sri Lanka, Thailand** and **Viet Nam**.

Strengthened database on national laws and regulations concerning industrial relations

LSGSC contributed to strengthening and updating the ILO Legal Database on Industrial Relations²⁹ (**IRLex**), which provides a source for comparative information on national legal frameworks, including the administration of trade unions and employers' organizations, tripartite social dialogue, information and consultation procedures at the workplace, collective bargaining, and labour disputes and their resolution.

IRLex has already proven itself to be a useful tool in supporting governments and social partners engaged in labour law reforms, as well as a resource for academics and other legal practitioners seeking comparative legal information on a variety of industrial relations topics.



Industrial Relations Toolkit (IR Toolkit)

At the global level, with the support of LSCSC, the ILO partnered with its **International Training Centre**³⁰ to develop a coherent, modular, policy and capacity building resource package covering key industrial relations subjects, including collective bargaining, workplace cooperation, and grievance handling.

The **IR Toolkit** will serve to enforce guiding principles on sound industrial relations informed by International Labour Standards. The set of policy and capacity building tools will be used by ILO officials, programmes and projects across the ILO, as well as by ILO's tripartite constituents globally.

Global Labour University (GLU) Massive Open Online Courses

The Global Labour University (GLU) is an international network of universities, trade unions, civil society organizations and the ILO. Supported by LSGSC, GLU developed and implemented an Online Academy featuring several free-of-charge, publicly-accessible Massive Open Online Courses (MOOCs) delivered in a self-paced learning format via the 'iVersity' platform. In particular, LSGSC supported the design and delivery of specific MOOCs on Decent Work in Global Supply Chains, Fair Wage Strategies in a Global Economy, and International Labour Standards.

With the support of LSGSC, a combined total of more than **14,600** participants took part in these courses. The majority (69 per cent) of GLU alumni represent trade union members.

The Online Academy was presented at key international events including the International Labour Conference (ILC) and ILO's Governing Body (GB), global and national trade union congresses, and



GLU MOOC on "Decent Work in Global Supply Chains"

academic conferences. Several large-scale online discussions with high-level experts were held, including Facebook Live discussions on 'Fair Wage Strategies in a Global Economy', with a combined total outreach to more than **21,000** trade unionists and related target groups. Online course trailer videos were developed to further promote the courses. Institutional users of the Online Academy are freely able to use the course materials for their own initiatives and training programmes, fostering outreach and uptake.

A Local Partnership Programme was implemented to anchor the online MOOCs with locally-based trade unions and labour-related organizations and universities.

Globally, more than **50 partnerships** were established under this programme. Approximately **900** participants, including trade unionists, labour activists, researchers and related target groups have been reached through face-to-face classroom workshops delivered under the partnership programme.

Massive Online Open Courses available at:

www.global-labour-university.org





Regional sharing of information and experiences

In collaboration with the GIZ Social and Labour Standards in the Textile and Garment Sector in Asia (SLSG) project, LSGSC organized two regional workshops on wages in the garment sector, with an emphasis on minimum wages (in 2015), and on consultation, co-operation, and collective bargaining in the garment sector in Asia (in 2017).

These regional workshops provided the opportunity for the ILO's tripartite constituents and key stakeholders in the garment sector in Asia to follow-up on the Bali Declaration of the 16th Asia and the Pacific Regional Meeting that took place in December 2016 in Indonesia. The Bali Declarations calls on the ILO to build the capacity of constituents to effectively contribute to decent work for sustainable and inclusive development through enhanced social dialogue and collective bargaining.

These regional workshops also followed-up on the Points of Consensus of the Global Dialogue Forum on Wages and Working Hours in the Textiles, Clothing, Leather and Footwear Industries that took place in Geneva in September 2014, in particular with respect to the promotion of International Labour Standards related to freedom of association and collective bargaining, by sharing knowledge of good practices and challenges, as well as information provided by social partners, researchers and ILO experts.

Following up on these regional workshops, and in order to continue contributing to regional-level exchange of first-hand worker and employer experiences of enterprise-level collective bargaining, complemented and contextualized by ILO expert perspectives, LSGSC facilitated a panel discussion at the regional 'Multi-Stakeholder Dialogue for Change Conference on Scaling up Dialogue Approaches for Social Compliance' organized by GIZ in Cambodia in November 2018.³¹

LSGSC issued a series of nine **Asia-Pacific Garment and Footwear Sector Research Notes** providing analysis of trends in exports, employment, minimum wage compliance and **gender pay gaps** in the garment sector in Asia.³² In total, the project's comparative regional research notes were accessed **more than 3,000 times** via the ILO website.



Lessons learned in the course of the implementation of LSGSC that may inform the design of interventions to promote decent work in global supply chains, especially with respect to the garment sector, include:

Understanding and responding to stakeholder needs

LSGSC was in line with the recommendations of both the ILO and tripartite constituents, as articulated and validated at the global-level in high-level meetings, as well as at the country-level through stakeholder consultations and ILO research. LSGSC differentiated intervention strategies from country to country and between tripartite partners to fit differing institutional arrangements, roles, capacities and commitments.

LSGSC interventions likewise fitted with the ILO's global biennial Programme and Budget (P&B), and relevant Decent

Work Country Programmes (DWCPs). **The ILO's work on minimum wages filled a "niche"** largely unmet by other organizations working to strengthen labour standards in garment sector global supply chains.

Developing and disseminating knowledge to inform decision making

The **technical bulletins** produced by LSGSC, especially the 'Cambodia Bulletin', supported evidence-based decision-making by ILO's tripartite constituents by providing relevant data and analysis.

Conditions for successful replication of such approaches include: Producing relatively brief notes in accessible non-academic language; ensuring that research is tied to ongoing programmes of work; and publication by a source that is perceived by ILO's tripartite constituents as credible and objective. In the longer-term, time and investment may be needed to ensure that

local institutions have sufficient capacity to develop sound technical analysis.

Meanwhile, global knowledge products developed by LSGSC, such as the **Minimum Wage Policy Guide** were adapted by the project to a variety of country settings and achieved economies of scale for field-level implementation. This proved to be an effective approach that could be adapted in other contexts.

In Pakistan, LSGSC research on wages and home-based and informal sector workers and other complementary activities contributed to expanding minimum wage coverage in provincial-level regulations in Sindh province, notwithstanding that enforcement of statutory minimum wage laws remains a significant challenge in the country context.

Focused and intensive interventions to achieve impact

The Independent Final Evaluation of the LSGSC project highlighted significant project achievements in Cambodia in terms of supporting the introduction and operation of a more participatory and evidence-based minimum wage setting system for the garment sector at a national level. In order to achieve this outcome, LSGSC delivered a well-focused strategy over more than four years, with multiple training workshops and technical advisory sessions tailored to the needs of the various key stakeholders.

Before engaging on an intensive capacity building initiative, however, it is very important to ensure that stakeholder demand for the intervention is high and meets a critical need, as was the case with LSGSC's work on minimum wages in Cambodia.

Collaboration and coordination of efforts

LSGSC cooperation with other relevant development partners and stakeholder initiatives, including especially the GIZ-implemented Social and Labour Standards in the Textile and Clothing Sector in Asia (SLSG) regional project, helped LSGSC to seize relevant opportunities and leverage external capacities at both the country-level (for example, in Pakistan) as well as at the regional-level, especially in the context of regional experience-sharing workshops and panel discussions co-convened by LSGSC and GIZ.

At the same time, the ILO was effective in limiting duplication of LSGSC vis-à-vis other development cooperation projects and was effective in building on the accomplishments of previous projects in the same context.

Inclusive approaches to decent work deficits in global supply chains

LSGSC interventions in Pakistan were notable for addressing the concerns of the lower tiers of garment supply chains and culminated in extending minimum wage coverage and other legal protections to informal sector workers.

Designing for scale and sustainability

LSGSC yielded lessons learned in terms of the high value of achieving scale or at least scalability.

LSGSC interventions in Cambodia demonstrated that, in the right circumstances, changes in minimum wages setting practices can **affect the lives of hundreds of thousands of workers**. In Indonesia, LSGSC's programme of work to promote collective bargaining, which trained trainers effectively and which facilitated trainer follow-up work at the factory-level, is also instructive.

The pilot programme at the enterprise-level included many of the ingredients for both a successful and scalable intervention. However, sufficient time and investment are needed to embed ownership of approaches in national institutions in order to deliver **scalable and sustained impact**.

Working with key actors across the supply chain

Increasing the pace and sustainability of compliance improvements takes commitment from actors across global garment sector supply chains. This implies continued focus on impacting the approach of managers and unions within garment factories as well as with their provincial and national representatives and with international apparel brands regarding purchasing practices. Each of these actors plays an essential role in enabling improved compliance at the factory level. Stakeholder engagement that includes, but is not limited to, the ILO's national tripartite partners is vital. When it comes to addressing decent work deficits in global supply chains in

the garment sector, effective consultation and engagement must include broader interest groups, particularly in relation to the informal sector and women workers, where approaches to ensure increased voice, representation, and leadership will be an important part of any approach.

Strategic flexibility

Project strategy needs to be sufficiently flexible to adapt to changing circumstances. For example, in Indonesia, LSGSC had initially intended to provide technical assistance and advice related to reform of wages policies by working at the sub-national level within one or more pilot provinces. During implementation, federal government intentions to reform wages policy emerged, creating opportunities for the project to scale its technical advisory inputs to the national level. Meanwhile, in Pakistan, constitutional devolution of responsibility for labour law and policy to the provincial governments highlighted the need for LSGSC to emphasize engagement at the sub-national level.

Opportunities to promote collective bargaining

The garment sector in Asia is characterized predominantly by reliance on minimum wage setting, with relatively little collective bargaining. Knowledge and experience gained by LSGSC project can inform future efforts to promote and strengthen coordinated collective bargaining institutions in the region's garment sector. This includes the project's enterprise-level pilot programme to promote effective collective bargaining in garment factories in Indonesia; the compilation of good practices case studies of collective bargaining in Pakistan developed by the project; the project's support to sector-level collective bargaining in the garment sector in Cambodia; and the project's support to the development of global tools, such as the global industrial relations toolkit (IR Toolkit), that can be flexibly adapted for application in a range of contexts.

PATHWAYS FORWARD

Looking ahead, “Labour Standards in Global Supply Chains: A Programme of Action for Asia and the Garment Sector” has created opportunities for further work to inform and strengthen evidence-based and participatory wage policies and promote effective collective bargaining through institutionalised approaches. LSGSC research on the settlement of industrial disputes, piece-rate payment systems, decent work outcomes of collective bargaining, and the working conditions impacts of the purchasing practices of apparel brands, can be translated into evidence-based intervention strategies.

Good practices identified and effective approaches tried and tested by LSGSC in the project’s target countries can be sustained, replicated and scaled-up in these countries, and leveraged to inform interventions to promote decent work in global supply chains, including in the garment sector, in other countries and regions, as well as at the global level.

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A Programme of Action for Asia and
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