

# DRIVING DECENT WORK:

## HOW EFFECTIVE ARE SUPPLY CHAIN APPROACHES IN THE APPAREL SECTOR?

SECTOR REPORT  
June 2024



This research study was conducted in partnership with IDH, Rainforest Alliance and ISEAL.



IDH – The Sustainable Trade Initiative – is a social enterprise that works with public and private partners to transform markets and create value for people and planet. You can learn more at [www.idhsustainabletrade.com](http://www.idhsustainabletrade.com)

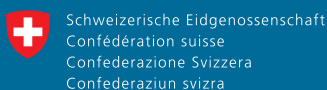


The Rainforest Alliance is an international non-profit organisation working at the intersection of business, agriculture, and forests to make responsible business the new normal. You can learn more at [www.rainforest-alliance.org](http://www.rainforest-alliance.org)



ISEAL is the global membership organisation for credible sustainability systems. With a focus on credible practices, we advance scalable and effective solutions that make a lasting impact. Through our work to drive collective efforts, we make markets a force for good. You can learn more at [www.isealalliance.org](http://www.isealalliance.org)

With support from the Swiss State  
Secretariat for Economic Affairs (SECO)



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs,  
Education and Research EAER  
State Secretariat for Economic Affairs SECO

## Authors

### Dafni Skalidou

Dafni Skalidou is a social researcher with extensive experience in sustainable value chains, impact evaluation, the effectiveness of sustainability programmes, and the labour dynamics of production. She is an independent consultant helping international organizations understand and improve their impact.

### Carlos Oya

Carlos Oya is a development economist with extensive experience in sustainable value chains, evidence synthesis, labour studies and political economy of development and economic transformation. He is Professor of Political Economy of Development at SOAS, University of London.

Reviewers: Vidya Rangan and Vi Nguyen

Report design: Catherine Perry

Date of publication: June 2024

**Suggested citation:** Skalidou, D. and Oya, C., 2024, *Driving decent work: how effective are supply chain approaches in the apparel sector?* Available at [www.evidensia.eco](http://www.evidensia.eco)

## Disclaimer and copyright

The report is in the public domain and is available under a Creative Commons Attribution License (CC BY-NC-SA Attribution-Non-Commercial-ShareAlike). We encourage the circulation of this report as widely as possible. Users are welcome to download, save or distribute the report electronically or in any other format, including in foreign language translation, without written permission. We do ask that anyone distributing this report credit Evidensia.

*Driving decent work: how effective are supply chain approaches in the apparel sector?* is licensed under the Creative Commons Attribution 4.0 International License. To view a copy of this license, visit <http://creativecommons.org/licenses/by/4.0/>.

© 2024 by ISEAL for Evidensia.

Any views expressed in this report are those of the authors. They do not necessarily represent the views of the authors' institutions or the financial sponsors of this report

For comments and feedback, please write to [evidensia@isealalliance.org](mailto:evidensia@isealalliance.org)

# Contents

<b>The case for a systematic evidence review on decent work</b>	<b>7</b>	Intrinsic subjective outcomes	53
Decent work in apparel	10	Compliance with ILO labour standards	54
Research questions	13		
<hr/>		<hr/>	
<b>Research scope and approach</b>	<b>14</b>	<b>Evidence maps for the apparel sector</b>	<b>55</b>
Pathways to social upgrading	15		
Supply chain sustainability approaches	18	<b>Key recommendations</b>	<b>60</b>
Theory of change	19	Recommendations for key stakeholders	61
Inclusion of evidence	23	General recommendations for all actors	61
Searching and screening: how was evidence found and selected?	25	Recommendations for VSS and private sector practitioners, global buyers and policy makers	61
<hr/>		Recommendations for civil society organizations, trade unions and workers' organizations	62
<b>Key characteristics of the evidence</b>	<b>27</b>	Recommendations for future research	62
Counterfactual evidence	28		
Non-counterfactual evidence	29	<hr/>	
Overall evidence	30	<b>Conclusions</b>	<b>63</b>
<hr/>			
<b>Results</b>	<b>34</b>	<b>Annexes</b>	<b>66</b>
Key interventions in the apparel sector	35	Annex A: Reports included in the systematic review	67
Key characteristics of the evidence	37	Annex B: Additional references	69
Wages and remuneration	40	Annex C: Summary of inclusion and exclusion criteria used to frame the review	70
Terms and conditions	43	Annex D: Quality assessment of the counterfactual evidence included in the review	71
Occupational Health and Safety	47		
Sexual harassment and child labour	49		
Workers' voice and representation	50		
		<hr/>	

## List of abbreviations

2SLS	Two-Stage Least Squares
BW	Better Work
CAP	Corrective Action Plans
DiD	Difference in Difference
EGM	Evidence Gap Map
GBA	Global Binding Agreement
GFA	Global Framework Agreement
GPN	Global Production Network
GVC	Global Value Chain
IFA	International Framework Agreements
IV	Instrumental Variable
ILO	International Labour Organization
JB	Joint Body
LAC	Latin America and the Caribbean
LMIC	Low- and Middle-Income Country
MS	Multi-stakeholder
OHS	Occupational Health and Safety
PC	Participation Committees
PSM	Propensity Score Matching
RCT	Randomised Controlled Trial
VSS	Voluntary Sustainability Standard
WC	Workers' Committee
WPC	Workers Participation Committees

## Glossary of key terms used

**Corporate codes of conduct:** This refers to a company's policy statements that define their ethical or sustainability standards or rules for sourcing and procurement. The way these statements are drafted can vary greatly. Corporate codes of conduct are completely voluntary and vary extensively in design and format. They can address any issue, such as workplace issues and workers' rights. Their implementation is driven by the company concerned (ITILO, 2024).

**Counterfactual:** Impact evaluations provide information about the observed changes or impacts produced by a programme. They establish the cause of the observed impacts by ruling out the possibility of any influencing factors other than the programme of interest. Key to an impact evaluation is the counterfactual, which assesses what would have happened if a person or unit of observation had not participated in the programme. Estimating the counterfactual requires identifying and comparing a statistically identical treatment group and comparison group to determine the cause of the programme's outcomes. The treatment and comparison groups must have identical average characteristics in the absence of the programme, the treatment should not affect the comparison group directly or indirectly, and the outcomes of units in the control group should change in the same way as outcomes in the treatment group.

**Decent work:** This involves opportunities for work that are productive, deliver a fair income, workplace security, and social

protection, as well as provide better prospects for personal development and social integration. It also means freedom to express concerns, power to organize and participate in important life decisions and the provision of equal opportunities and treatment for all women and men (ILO, 2024).

**Double squeeze:** Suppliers often face a double squeeze on their profits and sourcing practices to meet the rising demands of buyers (Anner, 2020). This double profit and sourcing squeeze can result in suppliers putting pressure on the working conditions of their workers, undermining wages, working hours, the health and safety of the environment, and increasing the risk of mistreatment and abuse. When this double squeeze is combined with informal labour arrangements and a lack of workers' protection in local labour markets, this can increase the vulnerability of workers.

**Global Framework Agreement (GFA):** This is an agreement between a multi-national company (typically a major buyer like Inditex) and a global union federation (such as IndustriALL) to ensure that the company's supply chain adheres to the same labour standards in every country in which it operates (Eurofound, 2024).

**Key (or essential) workers:** Key workers are needed for societies to function. They work in food systems, healthcare, retail, security, manual trades, cleaning and sanitation, transportation, or as technicians and clerks (ILO, 2023b).

**Non-counterfactual:** Research methods that do not rely on constructing comparison groups with controls for confounding factors produce non-counterfactual evidence. These include research designs where the outcomes of interest of “treatment” and “control” groups are not compared (e.g. ethnography, case studies and other qualitative research designs and methods), or, research designs that cannot ensure that the only difference between the comparison groups is programme exposure. This includes before-and-after comparisons or enrolled-and-non-enrolled comparisons, without accounting for confounding factors and selection bias.

**PRISMA flow diagram:** This depicts the flow of information through the different phases of a systematic review. It maps out the number of records identified, included and excluded from the review, and the reasons for these being excluded.

**Social upgrading:** This is the process of improving “the rights and entitlements of workers as social actors, which enhances the quality of their employment” (Barrientos et al 2011a: 324).

**Voluntary Sustainability Standards (VSS):** These are private, voluntary standards that require products on the market to meet specific economic, social and environmental sustainability criteria. The requirements of such standards can refer to product quality, production and processing methods, and transportation. VSS are mostly designed and marketed by non-governmental organizations (NGOs) or private firms. They are adopted by various actors along the value chain, from farmers to retailers. Sometimes, certifications and labels are used to identify products that have successfully implemented the requirements of a VSS (UNCTAD, 2024).



The background of the entire page is a close-up, vertical stack of folded blue denim fabric. The texture of the denim is clearly visible, showing the characteristic twill weave and the stitching along the folds. The lighting is even, highlighting the texture and the slight shadows between the layers of fabric.

# SECTION 1

---

## **The case for a systematic review on decent work**



# The case for systematic evidence

Recent shocks in supply chains have shed light on the vulnerabilities that many workers face in global supply chains when subject to fierce competitive pressures.

Working conditions in the apparel sector in Low- and Middle-Income Countries (LMICs) are often inadequate, falling short of the International Labour Organization's (ILO) definition of decent work: work that provides a fair income, security in the workplace, social protection for all, better prospects for personal development and social integration, freedom to express concerns, power to organize and participate in decision-making, and equal opportunities and treatment of all women and men (ILO, 2024).<sup>1</sup> Low wages, poor working conditions, systemic human rights abuses, and overall worker vulnerability are often reported in academic research and mass media. As such, achieving decent work in apparel remains a major challenge.

These conditions reflect weak structural and associational power of workers in Global Production Networks (GPNs) (Selwyn, 2013),<sup>2</sup> whereby national labour policies and institutions seem insufficient to tackle the urgent need to improve working conditions, especially for the most vulnerable workers.

Social upgrading in global supply chains refers to the process of improving "the rights and entitlements of workers as social actors, which enhances the quality of their employment" (Barrientos et al 2011a:324). This includes improving labour standards in globally interconnected production systems, which requires a concerted agenda at transnational level. Several supply chain sustainability interventions focus on delivering better outcomes for workers in global supply chains. These include third-party voluntary standards and certification, Global Framework Agreements (GFAs) between trade unions and large multinational companies, international normative frameworks, other forms of voluntary supply chain actions, and transnational non-governmental organization (NGO) movements.

These interventions have emerged as key alternatives for social upgrading in the apparel sector in LMICs, because of the weak national labour institutions in such contexts. However, their effectiveness is a subject of debate among researchers and industry practitioners, with many studies producing inconclusive evidence on their impact on decent work outcomes.

Decent work outcomes include wages and remuneration, working terms and conditions, core labour rights and worker voice and representation.

---

1. According to ILO, decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for all, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men (ILO, 2024)

2. Global Production Network (GPN) is a conceptual framework developed to analyze how global value chains interact with "a broad range of policies, institutions, and actions undertaken by various social, economic and political stakeholders" (Barrientos et al., 2011b:303). From a decent work perspective, the framework calls for examining not only the quantity of employment generated by GPNs, but also their quality. It considers issues such as "labour standards, social protection, wages, working conditions, and workers' voice" (idem: 305).



However, few efforts have been made so far to systematically review this body of literature, and to establish knowledge gaps and identify good practices. This calls for more reliable and systematic evidence on the outcomes of these supply chain sustainability approaches and interventions on workers. A better understanding of the factors driving social upgrading in these global supply chains is also needed.

In response to this, ISEAL, IDH, Rainforest Alliance and Evidensia commissioned a systematic review to better understand the most effective supply chain sustainability approaches and interventions for improving decent work outcomes in apparel production in LMICs, as well as grasping the key contextual, adoption and implementation dynamics affecting these interventions.

To this end, the systematic review identified and reviewed the body of relevant and credible literature to provide evidence on the effects of these approaches on a range of decent work outcomes for waged employees. This includes employees working in smallholder farms and large agribusiness companies.

The findings from the systematic review are shared in three reports. This report shares key insights and lessons on the effects of supply chain sustainability approaches on decent work outcomes in the apparel sector. There is a second report that focuses on key findings from the agriculture sector, and a third synthesis report that shares cross-sector insights and recommendations from both sectors.



# Decent work in apparel

The current dynamics of international political economy and local institutional contexts create power asymmetries in global supply chains, particularly in apparel, that ultimately affect labour rights and conditions (Gereffi and Lee, 2016, Anner, 2020).

New trade agreements and relations, such as the entry of China and Vietnam into the World Trade Organization (WTO), have significantly increased competition among supplying countries (Anner, 2020). On the other hand, the growing role of “impatient” finance capital, in permanent search of better investment returns for a given level of risk, is accentuating power asymmetries in the apparel supply chain. This results in a constant pressure to for lead firms to “grow share values or risk being replaced” (Anner, 2020:5). To remain competitive, lead firms constantly demand increasing margins from their global supply chains, resulting in a price and sourcing squeeze on their suppliers (Anner, 2020).

Recent technological improvements, reduction of transport costs, and improved logistics further contribute to the above dynamics, creating market concentration and increased competition. This can be observed in mergers

and acquisitions of retailers and brands. On the contrary, at the supplying level, we are observing domestic contexts of weak labour laws exacerbated by poor law enforcement in supplying countries, poor market information systems, lack of access to markets and credit, as well as a lack of infrastructure and investment. This results in fragmented and geographically dispersed production, and poorly protected and represented workers.

The global consolidation of buyers on the one hand, and the fragmentation and geographical dispersion of suppliers on the other, are contributing to a growth in power asymmetries. This involves intense competition, market volatility, as well as buyer advantage in setting prices and production contract terms. This power asymmetry is expressed through two mechanisms, which is particularly visible in the apparel sector: a price squeeze and a sourcing squeeze, where the dominant business model (associated with the term ‘fast fashion’) squeezes suppliers engaged in fierce global competition, who in their turn squeeze vulnerable workers at the bottom of the supply chain (Anner, 2020). The flexibility of sourcing coupled with tight competition among suppliers, forces the latter to accept tight sourcing conditions, with unexpected or last-minute changing orders that require a hyper-flexible production model, often at the expense of workers.<sup>3</sup>

---

3. Suppliers in the apparel sector are often subject to a double price/profit and sourcing squeeze (Anner, 2020), putting pressure on working conditions, undermining wages, working hours, the health and safety of the environment, and increasing the risk of mistreatment and abuse. When this double squeeze is combined with informal labour arrangements and lack of workers’ protection in local labour markets, workers’ vulnerability becomes even greater.

Given that power imbalances exist not only between lead firms and suppliers but also between suppliers and their workers, supplying firms transfer the double “squeeze” pressure onto their workers. This takes the form of low pay, increased work intensity (e.g. expectation that a worker will produce more in the same amount of time and with the same resources), excessive and forced overtime to deal with fluctuating orders, unsafe working spaces (as in the case of the Rana Plaza collapse),<sup>4</sup> and repression of workers’ rights and representation through union avoidance strategies and lack of legal protection.

Beyond these ‘double squeeze’ dynamics, the scarcity of decent work in the apparel sector in LMICs is driven by various factors:

- 1 The apparel industry is characterized by a two-tier system. This is dominated by lead buyers on the one hand, which control large shares of clothing and apparel sales in High-Income Country (HIC) markets. On the other hand, there are large numbers of manufacturers or suppliers that are mostly concentrated in Asia. They compete for slices of these expanding markets, which are increasingly driven by the imperatives of ‘fast fashion’.
- 2 The apparel industry is strongly gendered. Young women mostly constitute the bulk of the production workforce (sewers and stitchers) whereas men dominate the ranks of line supervision and middle/senior management of factories.
- 3 There is a ‘triple absence’ (Lerche et al. 2017) that affects labour relations in the more informal segments of the apparel industry and especially where subcontracting arrangements are used to fill gaps in times of high demand.

This ‘triple absence’ refers to (a) the absence of formally recognized labour relations and formally recognized employers. This is particularly due to the proliferation of complex subcontracting schemes; (b) the absence of the right to organize, found in different settings and industrial hubs where labour unions are explicitly kept out; (c) the absence of rights other than those directly concerning the labour relation, such as the right to paid leave, medical assistance and other basic benefits. The absence of these rights and their formal recognition vary across segments of the supply chain. Those at the bottom of the chain working in more informal ventures or as homeworkers suffer the worst (Mezzadri, 2016).

There is also variation across countries, whereby labour legislation and its enforcement as well as the relative strength of unions, act to attenuate some of the worst excesses in the industry, and create barriers to management labour control mechanisms (Anner 2015; Ashraf and Prentice 2019). The same firm operating in different countries may be characterized by quite different labour standards in their factories. This contradictory behaviour of buyers/brands around management of compliance and commercial imperatives also shapes how suppliers respond to incentives and potential sanctions (Amengual et al. 2020).

This background is important because many of the interventions by Voluntary Sustainability Standards (VSS), company codes, and other frameworks to improve working conditions for apparel workers,

---

4. On 24 April 2013, the Rana Plaza Tower, an eight-story commercial building located on the outskirts of Dhaka, Bangladesh, collapsed killing 1133 workers and leaving injured another 1800 (Kabeer et al., 2019).



attempt to tackle some of these structural problems, and drive the industry towards respect of at least the ILO's Fundamental Principles and Rights at Work.<sup>5</sup> Since the drivers of labour relations are structural in nature, and pertain to the complex interplay between buyers, different tiers of suppliers, governments, and labour organizations, there is understandably a limit to how much can be achieved through voluntary approaches.

The active engagement of the most powerful buyers and brands is likely to generate a more conducive space for long-lasting changes, as the Accord and Alliance (A&A)<sup>6</sup> has shown with respect to addressing basic safety standards in factories. It is possible that such initiatives may generate some social upgrading on intermediate

outcomes that are more directly affected by the interventions. For example, better health and safety practices at factory level, incorporation of grievance processes, or awareness of rights. However, some studies doubt their capacity to affect process rights, for which workers agency is crucial (Graz et al., 2022).

On aspects directly determined by the core business model of the apparel industry, notably wages, the scope for corporate codes of conduct to achieve meaningful change are questioned (LeBaron et al. 2022). Indeed, one difficult challenge is to reach out to all tiers of the supply chain, including the most informal and vulnerable ones, which are often outside the agreements between buyers, governments, and first-tier suppliers.



5. According to the ILO Declaration on Fundamental Principles and Rights at Work, these entail: Freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; the elimination of discrimination in respect of employment and occupation; and a safe and healthy working environment (ILO, 2024b)

6. The 'Accord on Fire and building safety in Bangladesh' and the 'Alliance for Bangladesh Worker safety', also known as Accord and Alliance (A&A) were implemented in Bangladesh after the Rana Plaza collapse.

# Research questions

Given these dynamics, the systematic review focuses on two main research questions, which complement each other:

## ? Research question 1

What are the effects of corporate sustainability and multi-stakeholder approaches on decent work outcomes? In particular, wages and remuneration, working terms and conditions, core labour rights, worker voice and representation, and other intrinsic and subjective outcomes?

We refer to this as the “effectiveness” question.

## ? Research question 2

How effective are corporate sustainability and multi-stakeholder approaches at adopting and implementing the decent work goals they set, across contexts and sectors?

We refer to this as the “adoption and implementation” question.

To some extent this question implicitly explores the contribution of contextual factors to the implementation, adoption and effectiveness of interventions. In that sense, we also explore a range of barriers and enablers that affect the effectiveness of interventions.





# SECTION 2

---

## Research scope and approach



# Pathways to social upgrading

This review focuses on understanding how positive impacts on wages and remuneration, working terms and conditions, working rights, worker voice and representation can be achieved. The review also explores other intrinsic subjective outcomes such as workers' empowerment, or job "satisfaction". Although not common, these decent work outcomes are reported in the literature and can highlight links to "extrinsic" outcomes, such as higher wages and better working conditions (Krumbiegel et al., 2017). We use Gereffi and Lee's (2016) theory on the different pathways to social upgrading in global value chains to conceptually frame the scope

of the review, as well as to make meaningful decisions about the types of interventions to include and exclude. These pathways are not mutually exclusive but are interlinked.

Key actors drive different approaches, and engage and interact at different levels across the different pathways (O'Rourke, 2006). The purpose is to identify the main trajectories for social upgrading, as well as the key driving actors and mechanisms that distinguish them from other pathways. This facilitates the formulation of clear inclusion and exclusion criteria for the review.



© Tom Pessy

## Six pathways to social upgrading in global value chains:

1 The **market-driven path**, where market demand for goods produced with high social standards forces supplying firms to improve labour conditions to increase their competitiveness.

2 The **public governance path**, where state actors (e.g. government, courts, labour inspectors), shape public regulation, enforce law, and resolve issues with collective action among stakeholders. This is particularly for trade unions and employers' representatives through standard tripartite collective bargaining.

These two pathways are characterized by public governance structures, as they are mainly implemented by public actors, such as governments and international organizations, as well as by bilateral or multilateral trade agreements. They involve formal rules and regulations set at local, regional, national, and international levels.

3 The **supplying firms (cluster-driven) path**, where supplying-based collective actions are undertaken to improve labour conditions. This is driven by trust and mutual dependence between closely knit supplying firms. Supplying actors provide training and information on quality and social standards in external markets. These actors include business associations, chambers of commerce, and cooperatives.

This pathway is driven by private governance structures in supplying firms. Economic transactions are regulated amongst supplying firms with their external partners. Their aim is to achieve collective efficiency in overcoming the constraints from small-sized firms, reducing compliance costs, and increasing compliance through collective monitoring and sanctions.

4 The **corporate sustainability path**, where global lead firms develop codes of conduct to avoid reputational damage and to ensure that future supply is sustained and uninterrupted. The effective implementation of such codes and their associated penalty and reward systems, result in supplying firms improving the treatment of their workers to access global markets.

This pathway is driven by private governance structures in lead or buying firms. Global value chains are regulated through private standards that dictate the types of products to be made, by whom and how.

5 The **multi-stakeholder path**, where multiple (private and non-private) stakeholders cooperate in standards setting, monitoring and sanctions, and capacity building through standardized codes and third-party accreditation.

6 The **labour-centred path**, where workers and trade unions are active agents in improving their social conditions. This happens through collective bargaining, different forms of resistance, and advocacy at the workplace at local, national, and global levels.



The last two pathways are characterized by social governance structures. Civil society actors, such as NGOs and labour unions, aim to regulate global value chains using codes of conduct that are themselves initiated by NGOs and multi-stakeholder initiatives - for example, from the Ethical Trade Initiative (ETI). These pathways can also include different forms of activism, such as boycotting, petitions, and protests, and may involve consumers in a different type of market-driven pathway.

This form of governance relies on the impact that these movements have on private firms or governments, which have direct power to enforce codes and regulations. For this reason, it often takes a multi-stakeholder form, in which public, private, and civil society actors pursue their common goals through joint action.

Our review focuses on the fourth and fifth of these pathways, which are more relevant to the approaches adopted by sustainability standards and similar systems to drive decent work. Within these two pathways, there are several supply chain sustainability approaches for social upgrading that involve different sets of interventions.

Interventions that are exclusively located within the market, government, supplier, or labour pathways are beyond the scope of this review. However, we recognize that the fourth and fifth of these pathways that we are including may also be influenced and shaped by the other three pathways. In these cases, contextual and background information is considered when assessing and analyzing the evidence.



© Remy Gieling



# Supply chain sustainability approaches

Supply chain sustainability approaches for social upgrading can differ greatly in their modes of intervention and their theory of change. They can also encompass different types of interventions that operate in parallel or complement each other.

To deal with this challenge, we identify the supply chain sustainability approaches that are of most interest to this review. These include corporate sustainability codes, supply chain investment programmes, VSS, third-party voluntary sustainability codes of conduct, sustainability

rating and performance tools, pre-competitive industry sustainability platforms, bans and boycotting, and framework agreements and initiatives. These approaches are broken down into five key intervention types: labour standards, price and contract interventions, premium-funded investments, market demand influence interventions, and the creation of alliances (Table 1). The different types of interventions are not mutually exclusive, but can be interlinked. In Table 1, we mark each intervention type that falls within a specific supply chain sustainability approach.

**Table 1. Overview of the key supply chain sustainability approaches and interventions included in the systematic review.**

PATHWAYS	CORPORATE SUSTAINABILITY PATH		MULTI-STAKEHOLDER PATH					
	APPROACHES ↓	Corporate Sustainability Codes	Supply chain investment programmes	Voluntary Sustainability Standards	Third party Voluntary Sustainability codes of conduct	Sustainability rating and performance tools	Pre-competitive industry/market-based sustainability platforms	Bans, boycotting, petitions, protests
INTERVENTIONS ↓								
Labour standards	X	X	X	X				X
Price, sourcing and contract-based interventions		X	X					
Premium-funded investments		X	X					
Market Demand Influence			X		X	X	X	
Creation of alliances				X		X		X

The interventions that fall within a specific supply chain sustainability approach are marked with an 'X'.

# Theory of Change

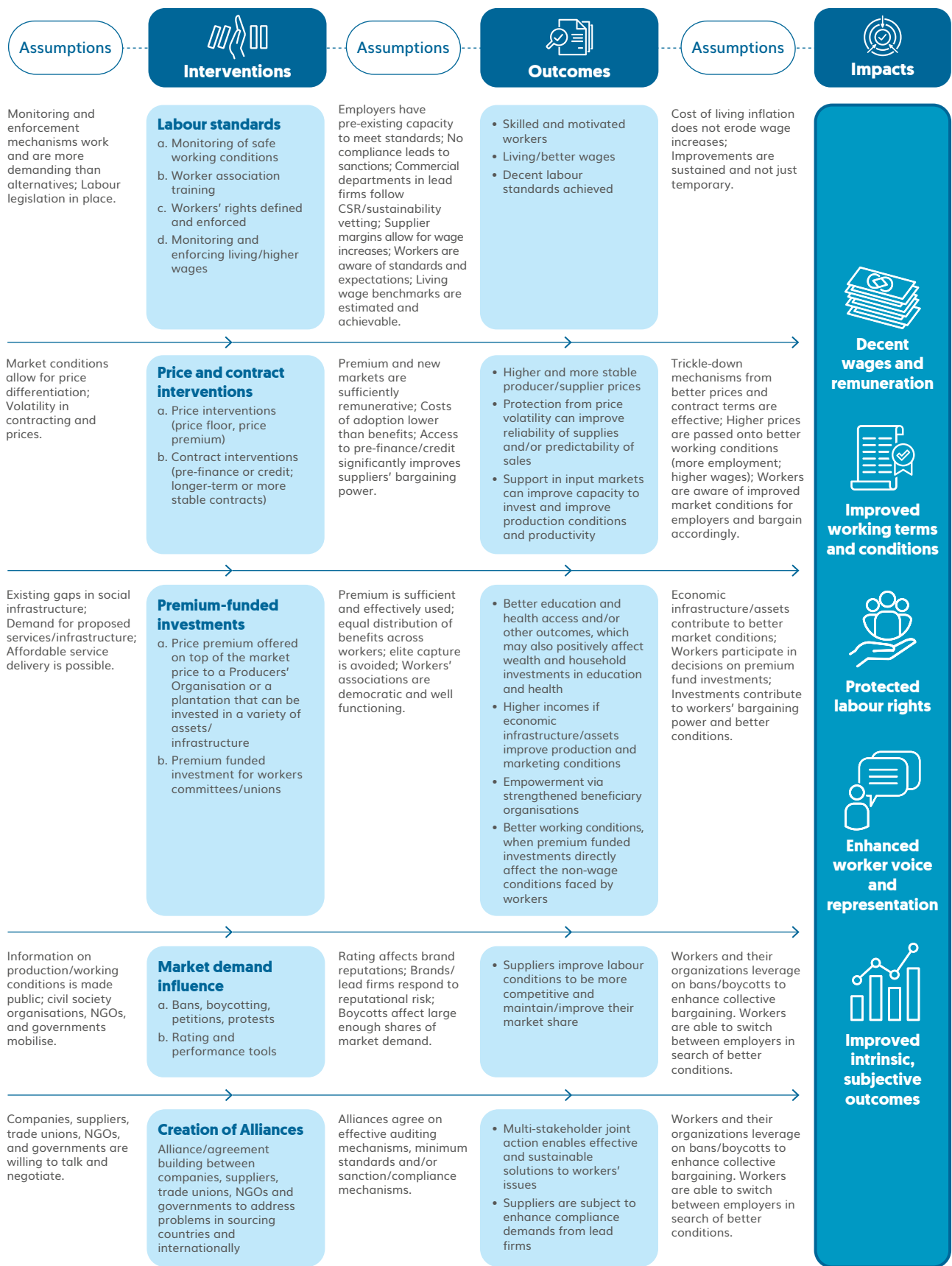
Based on this, we develop a theory of change (Figure 1) to analyze the different supply chain sustainability approaches and their expected outcomes on decent work, and to explore several potential causes leading to these outcome pathways. These different causal pathways include interventions that are designed to directly impact labour standards, such as monitoring safe working conditions, worker association training, and enforcement of minimum or living wages through binding compliance audits. Other potential causal

pathways also include interventions that may indirectly improve working conditions if their effects on buyers, producers or employers trickle down to workers, such as fair prices or premium-funded investments, and market influence mechanisms, like rating and performance tools.

To delve into this further, we illustrate how the different types of social upgrading interventions used by supply chain sustainability approaches may affect decent work outcomes (Figure 1).



**Figure 1. Theory of change**



Source: Adapted from the theory of change developed by Oya et al (2017).





**Labour standards** involve the establishment of clearly defined and verifiable standards. Once these are set, a key aspect of this intervention is the monitoring of safe working conditions, worker association training, the clear definition and enforcement of workers' rights, and the monitoring and enforcing of living or higher wages. These inputs are expected to result in skilled and motivated workers in the medium-term, living or better wages, safer working conditions, and enforced decent labour standards.

If these effects are sustained, they can positively impact all final decent work outcomes, from wages and remuneration to worker voice and representation, which includes working conditions and worker rights. For this to happen, the following assumptions need to be in place:

- The standards are generally achievable in specific settings given the conditions of production, monitoring and enforcement mechanisms work.
- The standards are more demanding than alternative interventions and are coupled with effective labour legislation.
- Employers have pre-existing capacity to meet the standards.
- Cases of no compliance lead to sanctions.
- Commercial departments in lead firms follow corporate social responsibility or sustainability vetting.
- Supplier margins allow for wage increases.

- Workers are aware of the standards and their expectations.
- Living wage benchmarks are estimated and achievable.
- The cost of living inflation does not erode wage increases.
- Improvements are sustained and are not only temporary fixes.



**Price and contract** interventions are composed of price interventions (e.g. price floor and price premium) and contract interventions (e.g. pre-finance or credit, and longer-term or more stable contracts). This combined package of interventions is expected to result in higher and more stable producer or supplier prices, which can have indirect 'trickle-down' effects on wages and working conditions.

In the absence of direct requirements for labour standards, the effects of better prices and profit margins can trickle down to create better working conditions. This is the key causal mechanism in this pathway. Protection from price volatility can also improve the reliability of supplies and/or the predictability of sales. This can lead to improvements in remuneration whilst minimizing work intensity and cases of excessive and forced overtime.

Finally, improved access to pre-finance or credit can strengthen the capacity of employers to invest and improve production conditions and productivity. This can lead to improved wages and working conditions for workers if the improvements in productivity are shared with workers.

The following assumptions need to hold for these interventions to be effective:

- Market conditions allow for price differentiation (e.g. commodities produced under social sustainability standards can indeed be sold at a higher price) and volatility in contracting and prices is an issue that needs to be addressed (i.e. market prices and contract conditions can fluctuate substantially, leaving producers exposed to uncertainty).
- Premium and new markets are sufficiently remunerative.
- The benefits outweigh the costs of adoption.
- Access to pre-finance or credit significantly improves suppliers' bargaining power.
- Trickle-down mechanisms from better prices and contract terms are effective.
- Higher prices translate into better working conditions for workers, including more employment and higher wages).
- Workers are aware of the improved market conditions for employers and can bargain their conditions of work accordingly.



### Market demand influence

interventions include bans, boycotting, petitions and protests, and rating and performance tools. The key mechanism here is that suppliers are forced to improve labour conditions to become more competitive and maintain or improve their market share.

For this to occur, the following is assumed:

- Information on production or working conditions is made public to enable civil society organizations, NGOs, and governments to rally together.

- Ratings affect the reputation of brands and lead firms, and they respond to reputational risk.
- Boycotts affect large enough shares of market demand.
- Workers and their organizations leverage the power of bans or boycotts to enhance collective bargaining.
- Workers are able to switch between employers in search of better working conditions.



### Creation of alliances

refers to agreements that are made between companies, suppliers, trade unions, NGOs, and governments to collectively address problems in sourcing countries and at an international level. These multi-stakeholder joint alliances can lead to effective and sustainable solutions to workers' issues, whilst suppliers become subject to enhanced compliance demands from lead firms.

The following assumptions need to hold for this to happen:


- Companies, suppliers, trade unions, NGOs, and governments are able and willing to talk and negotiate on key worker issues.
- Alliances agree on effective auditing mechanisms, minimum standards, and/or sanction or compliance mechanisms.
- Sourcing by lead firms is consistent with corporate social responsibility vetting emerging from audits, whilst national-level unions are strong enough to implement agreements or auditing requirements.
- The outcomes exceed worker expectations.


# Inclusion of evidence

We adopt the PICOS (Population or Problem, Intervention, Comparison, Outcome, Study Type/Design) framework to delimit the scope of the review.


The PICOS framework is commonly adopted in systematic reviews exploring the effectiveness of interventions to clearly formulate the eligibility criteria for the inclusion of relevant studies for the review. In other words, to help make standardized and consistent decisions about the types of studies to include and exclude from the systematic review, as well as the kinds of evidence to consider in the synthesis of key findings.


The inclusion and exclusion criteria for this review are as follows:


 **Population.** The focus is placed on workers (individuals or workers' collectives) employed in LMICs in the apparel sector. Evidence from HICs - even if the workers are of LMIC origin - or at the enterprise level (e.g. organizational, financial and productivity effects at the company level) was not considered.

 **Interventions.** The scope of this review includes interventions occurring within the corporate sustainability and multi-stakeholder pathways. Interventions that are exclusively located within the market, government, supplier, or labour paths are beyond the scope of this review, as well as studies reporting only on these interventions. The review identifies evidence related to corporate sustainability – such as company sustainability codes and supply chain investment programmes - and multi-stakeholder approaches - such as VSS,

third-party voluntary sustainability codes of conduct, sustainability rating and performance tools, pre-competitive industry or market-based sustainability platforms, bans, boycotting, petitions, protests, and framework agreements and initiatives.

 **Comparisons.** Any synthesis of impact evidence needs to consider the treatment of comparisons. Treatment and control groups from experimental and quasi-experimental studies provide the standard counterfactual evidence. We consider both “with and without” intervention comparisons, as well as “before and after” intervention comparisons, as long as the study design is adequate (see below).

 **Outcomes.** The focus is on decent work outcomes, particularly wages and remuneration, working terms and conditions, occupational health and safety, child labour, worker voice and representation, standards of living, and other intrinsic and subjective outcomes (e.g. job and life satisfaction).

 **Study type/design.** The ‘effectiveness’ question – or research question 1 - is informed by counterfactual evidence produced by rigorous impact evaluation studies using a combination of experimental and quasi-experimental designs and statistical analysis methods able to control for possible validity threats. These include Randomised Controlled Trials (RCTs), pipeline designs, panel data or before/after and with/ without comparisons. Either before/ after or with/without comparisons are also eligible, but only if these are coupled with strong methods of analysis.



These can be Instrumental Variables, Propensity Score Matching, Difference in Differences, Two-Stage Least Squares, or multivariate analysis (e.g. Ordinary Least Squares regression).

Studies using only tabulation to analyze their data (e.g. descriptive statistics using t-tests) can be included if their research design was able to control for confounding factors. To assess the quality of the counterfactual evidence, we adapted a scoring tool developed by Duvendack et al. (2011:37), which considers the strength of the research design in combination with the ability of the methods of analysis to control for selection bias and other confounding factors. Evidence produced by 'with/without' or 'before /after' comparison designs in combination with tabulation analysis (e.g. descriptive statistics and t-tests) is highly vulnerable to selection bias and other confounding factors and was not considered for research question 1. Nonetheless, these studies are included in the pool of non-counterfactual evidence used to address research question 2 (see below). The results of the scoring process are presented in the Annex.

The "adoption and implementation" question – or research question 2 - is informed by relevant factual and contextual data, as well as qualitative descriptions for the cases for which counterfactual evidence is identified.<sup>7</sup> A case is defined by the combination of supply chain sustainability approach, value chain, and country.

Reports that meet the inclusion criteria of the review but cannot be linked to any case for which we have identified counterfactual evidence are flagged as eligible, but are not used in the analysis and synthesis of the review. Analyzing and synthesizing this data would certainly add to our understanding of the effectiveness and implementation dynamics of supply chain sustainability approaches related to decent work outcomes. However, due to limited resources, the review only focuses on the non-counterfactual evidence that is relevant in the context of the counterfactual evidence. A matrix detailing the inclusion criteria that frame the review is provided in the Annex.



7. Snilstveit (2012) refers to such reviews as 'effectiveness plus with parallel review modules'. These reviews include additional sources of factual evidence linked to the 'effectiveness question', and therefore enable the review to address a broader range of questions. At the same time, however, they narrow the scope of the review to the interventions, contexts and sectors for which evidence has been identified in the 'effectiveness review'. This makes the review manageable, while providing the necessary contextual and implementation information to answer the 'effectiveness' question.

## Searching and screening: how was evidence found and selected?

The search is a critical step in a systematic review and is essential to determine the potential pool of sources to be included. Electronic searches for relevant literature were conducted between June and August 2023 with the support of two research assistants. Academic and non-academic databases were searched, as well as targeting the websites of public and private institutions that are engaged in supply chain sustainability approaches for improving work outcomes in the agriculture and apparel sectors. These include ILO, VSS-related organizations, and other development agencies.

Targeted or 'hand' searching is a necessity for finding non-academic sources, as they cannot be found through standard bibliographic databases. In the context of the types of interventions considered in this review, we expected a significant number of sources to be drawn from targeted searching. The ISEAL Community of sustainability systems was consulted to contribute any studies that might not be readily available on website or bibliographic databases to ensure all relevant studies were included at this stage.

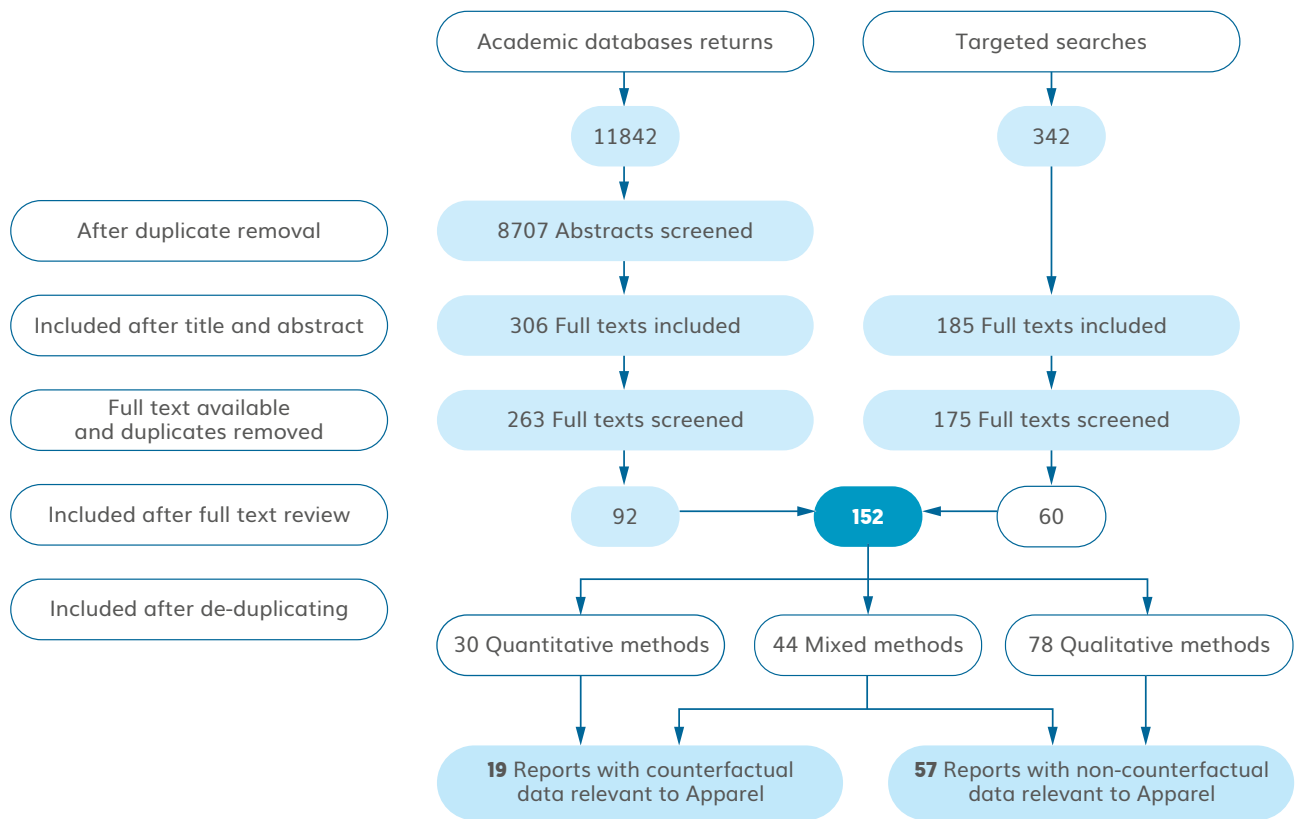
From an initial pool of over 12,000 reports, after the first stages of screening, we identified 438 reports that were screened at full text. From these reports, 152 met the inclusion criteria of the review. The reports were then coded according to the research methods used (e.g. quantitative, qualitative and mixed methods) and the type of evidence (e.g. counterfactual and non-counterfactual).

This resulted in 19 reports containing counterfactual evidence relevant to the apparel sector. These reports were used to address research question 1.

We also identified 57 reports containing factual, descriptive and contextual data, and form the pool of studies to be used to address research question 2. This process is graphically represented by the PRISMA diagram (Figure 2), which depicts the flow diagram of the screening process for including and excluding reports from the systematic review.

These two sets of reports and sources of evidence constitute a reasonably strong evidence base for a systematic review on the two research questions, especially given that the focus is on decent work outcomes, rather than on broader welfare indicators.

**Figure 2. PRISMA flow diagram of the screening process**







## SECTION 3

---

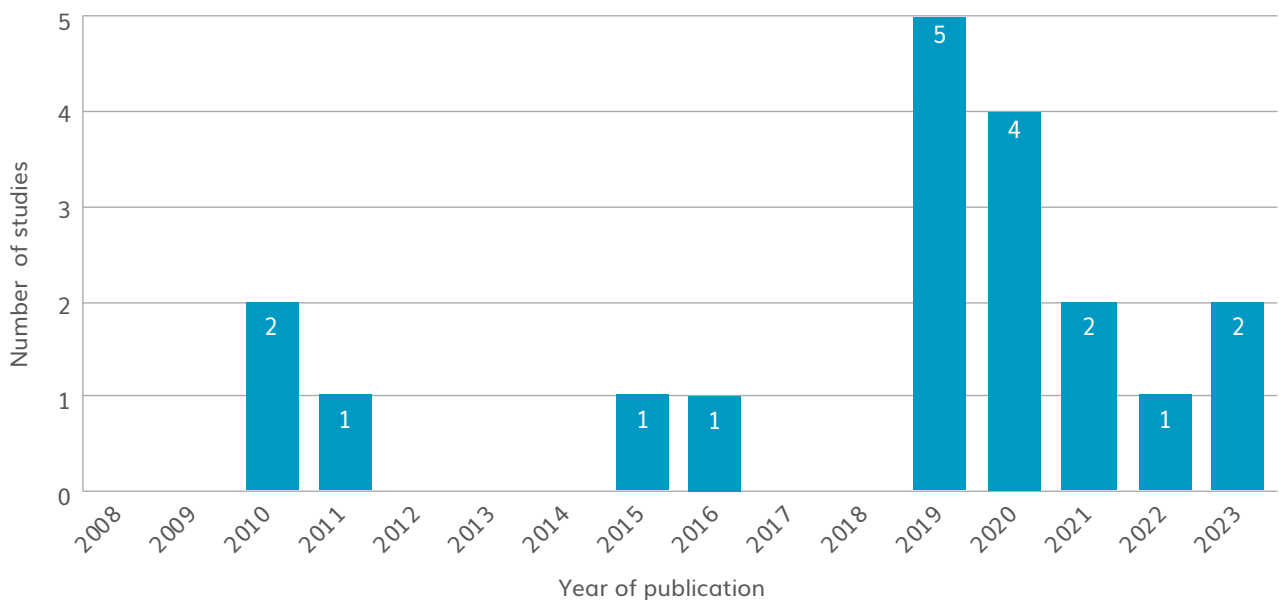
# Key characteristics of the evidence

# Counterfactual evidence

The searching and screening process resulted in the inclusion of 19 reports containing 23 unique datasets from the apparel sector. These studies inform the 'effectiveness' question (research question 1) for the

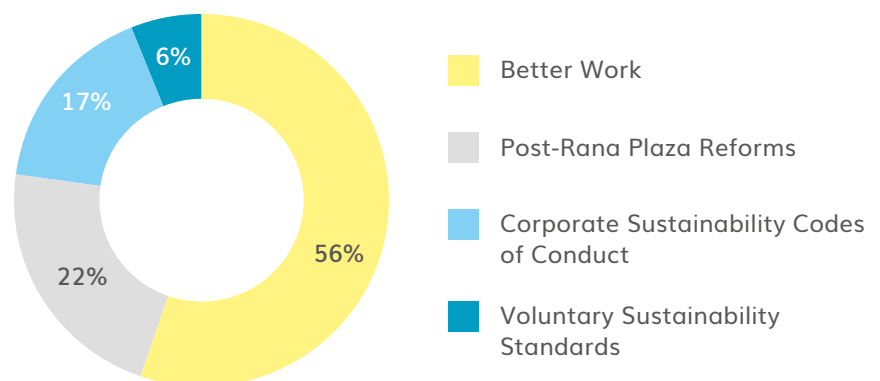
apparel sector. A list of the included studies is provided in Annex A. The publication year for studies on apparel ranges from 2010 to 2023, with most studies being published in 2019 and onwards.

**Figure 3. Number of included counterfactual studies on apparel by year of publication.**



Studies related to the apparel sector report mainly on Global or Regional Implementation Norms (GRIN), such as the Better Work Programme (10 studies), or post-Rana Plaza reforms implemented in Bangladesh (4 studies), also referred to as Accord and Alliance (A&A). Studies on corporate codes of conduct and VSS are limited in the apparel sector (Figure 4).

**Figure 4. Percentage of the included counterfactual evidence by supply chain sustainability approach and tool in the apparel sector.**





# Non-counterfactual evidence

From the 57 reports that meet the review inclusion criteria for the apparel sector but do not contain counterfactual evidence, 18 reports contain factual, descriptive, and contextual data that can be linked to cases where counterfactual evidence is identified. These 18 reports contain data that can help us better understand the effects observed in the apparel sector synthesis for research question 1 and are used to inform research question 2.

The remaining 39 reports contain data relevant to the apparel sector on combinations of approaches and countries for which no counterfactual evidence was found. These reports are not included in this review. Nevertheless, it is important to highlight that this body of literature has already been identified and coded in terms of methods, product, country, and approach. It can be used to expand and complement the findings of this review in the future.



© Thomas Rainero



# Overall evidence

The exercise of mapping the counterfactual and non-counterfactual studies by supply chain sustainability approach and country reveals which areas receive the most attention in the research literature. These evidence maps also show the areas that receive little or no research attention in terms of supply chain sustainability approaches and decent work outcomes (Tables 2-4).

These evidence gap maps provide systematic and visual representations of the availability of rigorous evidence on the effects of supply chain sustainability approaches and tools on decent work outcomes for a particular country within Asia, Africa, and the Americas.

Such maps allow us to quickly observe where evidence is lacking, but also to identify possible emerging patterns in terms of the effectiveness of the sustainability approaches and tools across value chains and specific geographical regions.

For example, there are several cases where numerous non-counterfactual studies exist, but there is no counterfactual evidence. In these cases, there is limited or little understanding of the effectiveness of supply chain interventions. This applies to sustainable sourcing codes for the apparel sector, particularly in the case of China (11 non-counterfactual studies, but no counterfactual evidence), India (6 non-counterfactual studies), Vietnam (6 non-counterfactual studies), and Bangladesh (4 non-counterfactual studies).

Finally, it is worth noting the limited or total absence of studies on certain approaches and tools. In the case of the corporate sustainability path (Table 1), we observe a limited number of studies on corporate codes of conduct. These studies often do not

specify which company or code of conduct is involved, or they group together the effects from different codes of conduct and supply chain approaches without differentiation (e.g. examining the effects of corporate sustainability codes of conduct and VSS together without disaggregation). Another challenge is the lack of studies reporting on Corporate Supply Chain Investment programmes, despite some of these initiatives being multi-million investments at the frontline of global supply chain sustainability.

Looking at the multi-stakeholder path (Table 1), we also identify some important evidence gaps, as we found scarce evidence on third-party voluntary sustainability codes of conduct, like ETI (Ethical Trading Initiative), and a complete lack of studies regarding sustainability rating and performance tools, pre-competitive industry or market-based sustainability platforms, bans and boycotting. Overall, we observe that a limited range of approaches or interventions are evaluated in the apparel sector, while promising ones like the Global Framework Agreements (GFAs) and Global Binding Agreements (GBAs) are either absent from the evidence base or are marginal, compared to evidence on the ILO's Better Work Programme.

These gaps in the evidence could be linked to data accessibility issues. For example, companies may be reluctant to share data on their sustainability programmes due to commercial sensitivity. On the other hand, when data collection systems for evaluation purposes are in place, this can lead to a proliferation of studies in this area, as in the case of the Better Work Programme.

In tables 2 – 4, we present the evidence gap maps for the effects of supply chain sustainability approaches and tools on decent work outcomes in the apparel sector by country for specific geographical regions (Asia, Africa, and Latin America). The coloured cells represent the existence of counterfactual evidence that are included in the review. Specific colours are used to indicate the supply chain sustainability approach being studied.

For example, if a cell is blue, this means that the counterfactual study was on VSS. Within these cells, the number of studies and the specific tool in the study is also shown in brackets (e.g. 'BW' is used to denote the Better Work Programme, 'A&A' for Accord and Alliance) for a specific country.

The existence of non-counterfactual studies for a specific country are also added in these coloured counterfactual study cells. These are the linked studies included to address research question 2. For example, a cell marked "1 counterfactual (BW), 2 non-counterfactual (A&A)" signifies the existence of one counterfactual study on the Better Work Programme and two non-counterfactual studies on Accord & Alliance for a specific country. In this case, all three studies are included in the review, with the counterfactual study used to address research question 1 and the two non-counterfactual studies to answer research question 2.

Non-coloured cells containing coloured text represent the existence of non-counterfactual studies that are not linked to any counterfactual evidence. These studies are not included in the synthesis of the review.



**Table 2. Evidence gap map showing the availability of rigorous evidence on the effects of supply chain sustainability approaches on decent work outcomes in different countries in Asia.**

<b>ASIA</b>	<b>Apparel</b>					
Bangladesh	4 counterfactual & 3 non-counterfactual (A&A)	1 counterfactual & 4 non-counterfactual (BW)	2 non-counterfactual (various) 2 non-counterfactual (unspecified)	1 non-counterfactual (GEAR)		
Cambodia	1 counterfactual & 2 non-counterfactual (ETI, FLA, BFC, AFI, H&M)	5 counterfactual & 4 non-counterfactual (BW)				
China	7 non-counterfactual (Unspecified); 3 non-counterfactual (Reebok); 1 non-counterfactual (CCC)	2 non-counterfactual (BW)				
India	1 non-counterfactual (Good Weave)	3 non-counterfactual (unspecified); 2 non-counterfactual (ETI); 1 non-counterfactual (ISO, SA8000, WRAP)	1 non-counterfactual (BW)	1 non-counterfactual (Gap)		
Indonesia	1 counterfactual (Unspecified);	1 counterfactual (BW) & 3 non-counterfactual (BW)				
Jordan	2 counterfactual (BW) & 1 non-counterfactual (BW)					
Malaysia	1 non-counterfactual (unspecified)					
Myanmar	1 non-counterfactual (unspecified)					
Philippines	1 non-counterfactual (BW)					
Sri Lanka	1 non-counterfactual (unspecified)					
Thailand	1 non-counterfactual (unspecified)					
Turkey	1 non-counterfactual (unspecified)					
Vietnam	2 counterfactual (BW) & 6 non-counterfactual (BW)	5 non-counterfactual (Unspecified) & 1 non-counterfactual (ETI)				
Legend	VSS	Better Work	Supply Chain Investment programme	Post Rana Plaza reforms (Accord & Alliance)	Sustainability Sourcing Code	Other global or regional implementation norms



**Table 3. Evidence gap map showing the availability of rigorous evidence on the effects of supply chain sustainability approaches on decent work outcomes in different countries in Africa.**

<b>AFRICA</b>	<b>Textile/ Garment</b>			
Kenya	1 non-counterfactual (BW)			
Lesotho	2 non-counterfactual (BW)	1 non-counterfactual (unspecified)		
Morocco	1 non-counterfactual (unspecified)			
South Africa	1 non-counterfactual (unspecified)			
Swaziland	1 non-counterfactual (unspecified)			
Legend	Better Work	Sustainability Sourcing Code		

**Table 4. Evidence gap map showing the availability of rigorous evidence on the effects of supply chain sustainability approaches on decent work outcomes in different countries in Latin America.**

<b>AMERICAS</b>	<b>Textile/ Garment</b>			
El Salvador	1 non-counterfactual (Unspecified)			
Guatemala	1 non-counterfactual (BW)			
Haiti	1 counterfactual (BW)			
Nicaragua	1 counterfactual (BW) & 1 non-counterfactual (BW)	1 non-counterfactual (FT)		
Brazil	2 counterfactual (various)	1 non-counterfactual (unspecified)		
Mexico	non-counterfactual _031 (Nike)			
Various aggregated	1 counterfactual (H&M) & 1 non-counterfactual (Nike)	1 non-counterfactual (LW)	1 counterfactual & 1 non-counterfactual (BW)	
Legend	Better Work	Sustainability Sourcing Code	VSS	Other global or regional implementation norms

A person with long dark hair is shown from the side, sitting and sewing a piece of light-colored fabric. They are using a needle and thread. The background is a workshop or classroom with several other people working at sewing machines. The entire image has a blue color overlay.

# SECTION 4

---

## Results

# Key interventions in the apparel sector

It is worth having a closer look at the main interventions that dominate the literature on the apparel sector. In particular, two multi-stakeholder programmes - The Better Work Programme, and the Accord and Alliance (A&A) - that were implemented after the tragic collapse of the Rana Plaza building.

The Better Work programme is a collaboration between the United Nations' ILO and the International Finance Corporation (IFC), a member of the World Bank Group. The programme grew out of the 1999 US-Cambodia bilateral trade agreement, in which quotas of access to the US market were conditioned upon significant improvements in working conditions, monitored and reported by the ILO (Oka, 2010). Since then, the programme has expanded to 13 different countries in Asia, Africa, and the Americas.

In a nutshell, Better Work assesses factories against ILO labour standards and national labour law, while providing factories with training and advisory services designed to improve the factory systems that determine compliance (Better Work, 2023; Babbitt et al., 2020). The programme also seeks to enhance gender equality, address sexual harassment,

and close the gender pay gap in the industry, through targeted factory initiatives (Djaya et al., 2019).

Besides directly engaging with factories, the programme works closely with governments to help them align national labour laws with the ILO's international labour standards and to build labour inspecting capacities to enforce compliance. Better Work also collaborates with employer and worker organizations and unions, and development partners, providing data and insights from the industry, and building capacity to strengthen workers' voices (Better Work, 2023). Another collaboration that stands out is the one with the Tufts Labor Lab (Tufts, 2023), which has resulted in a series of robust impact evaluation papers (using RCT, Pipeline, and DiD designs) exploiting multiple rounds of panel data collected by the programme.<sup>8</sup> This collaboration produces an important share of the Better Work studies included in this review.

The Accord for Fire and Building Safety (Accord) and the Alliance for Bangladesh Workers' Safety (Alliance), were the two main multi-stakeholder responses to the Rana Plaza tragedy. On the 24th of April 2013, the Rana Plaza Tower, an eight-story commercial building located on the outskirts of Dhaka, Bangladesh, collapsed killing 1133 workers and leaving injured another 1800 (Kabeer et al., 2019). The scale of the human tragedy associated with the disaster brought long-ignored issues of health and safety to the forefront of the agenda of key international stakeholders and triggered a series of actions.

---

8. Given the auditing and monitoring nature of the programme, Better Work collects and stores a significant amount of factory-level data on compliance with ILO standards and national law. In the case of Cambodia, for instance, ILO monitors conduct un-announced visits of all exporting garment factories (approximately 300) every 6–8 months (Oka, 2010).



Among them, the most prominent one was the adoption of the Accord, signed by “more than 200 international brands from 20 mainly European countries, two European-based international unions (UNI Global Union and IndustriAll Global Union), eight of their associated labour federations in Bangladesh along with four international NGOs as witness signatories” (Kabeer et al., 2019: 1365).

Kabeer et al (2019) and Anner (2021) argue that the range of actors involved and the legally binding nature of the agreement marked a new era in multi-stakeholder action in the sector. This is an example of a GBA - in this case focused on a particular aspect of decent work, such as workplace safety. The Alliance was a counterpart agreement, which was legally non-binding and had limited union participation, signed by 28 mainly US-based firms (Kabeer et al., 2019). Both agreements aimed at listing the suppliers of the signatory companies, inspecting for fire, electricity, and structural conditions of factory buildings, creating Corrective Action Plans that had to be implemented by suppliers within prescribed timeframes, and setting up Health and Safety Committees, while providing worker safety and empowerment training. Factory compliance reports were made public on Accord and Alliance websites.

Given the partial overlap of factories being inspected by both initiatives (50 percent of factories inspected by Alliance were also inspected by Accord according to Kabeer et al., 2019), many studies examine the effects of these two agreements together, as if it were a single initiative. For this reason, we also refer to these agreements together, as Accord and Alliance or A&A.

Considering the above, it becomes clear that the main focus of the Better Work programme is on complying with core ILO labour standards and national labour law, so any extracted effects must be interpreted under this lens. For A&A, on the other hand, the main purpose was to enhance OHS, and other outcomes that can be indirectly linked to health and safety, so this should also be taken into account in the interpretation of the results.

Multi-actor global binding agreements like the Accord build on the experience of GFAs, which “are negotiated agreements among trade unions and multinational enterprises in which corporations commit to respect workers’ rights and to promote decent work within their subsidiaries and along their global supply chains” (Anner 2021:625). One example is the GFA between Inditex (Zara) and IndustriAll, the federation of trade unions that includes the apparel sector as one of the key targets. Under this GFA, Inditex and IndustriAll commit to monitor a set of core ILO labour standards, with unannounced audits conducted by the local unions to report on any violations of the GFA (IndustriAll and Inditex, 2014). A lead firm like Inditex may order from over 6,000 factories globally, hence the outreach of the GFA is vast.

The extent to which there is a binding link between social audits and commercial orders between buyers and suppliers varies across GFAs, but in the case of Inditex-IndustriAll a binding agreement exists if violations of core labour standards are found repeatedly. Global binding agreements like Accord in Bangladesh go beyond GFAs in the sense that they are signed by multiple corporations (not just one lead firm) and by multiple labour unions and advocacy organizations, and incorporate arbitration rules for binding sanctions on buyers (Anner, 2021:626).

# Key characteristics of the evidence

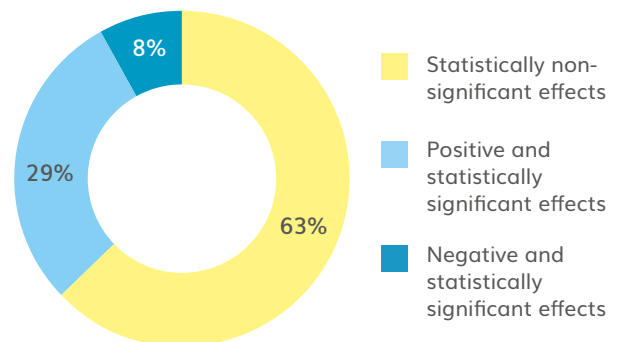
This section highlights the main findings from the synthesis of quantitative counterfactual evidence on the effectiveness of the supply chain sustainability approaches of interest.

There are different ways of looking at the evidence on effectiveness from impact evaluations in systematic reviews. A simple initial approach is to compare any positive and negative effects, or the evidence of something happening. However, some effects are not statistically different from zero. In other words, these are null effects - neither positive nor negative - suggesting that there is no impact.

We classify the effects of an intervention into three different categories of evidence: statistically non-significant (no effect), positive and significant, and negative and significant. The final consideration is whether reported effects are found in all relevant contexts or whether some contexts (e.g. countries, interventions) have very few or no reported effects in the literature (e.g. where there is no available evidence). The latter scenario is one of 'absence of evidence'. This section aims to provide a broad overview of the reported effects and the direction of these effects.<sup>9</sup>

We were able to extract 317 effects across 8 major outcome categories for the apparel sector. In Figure 5, positive and negative statistically significant effects are represented, suggesting a causal relation between the intervention and the outcome.

**Figure 5. Percentage of effects extracted by statistical significance and direction of change.**



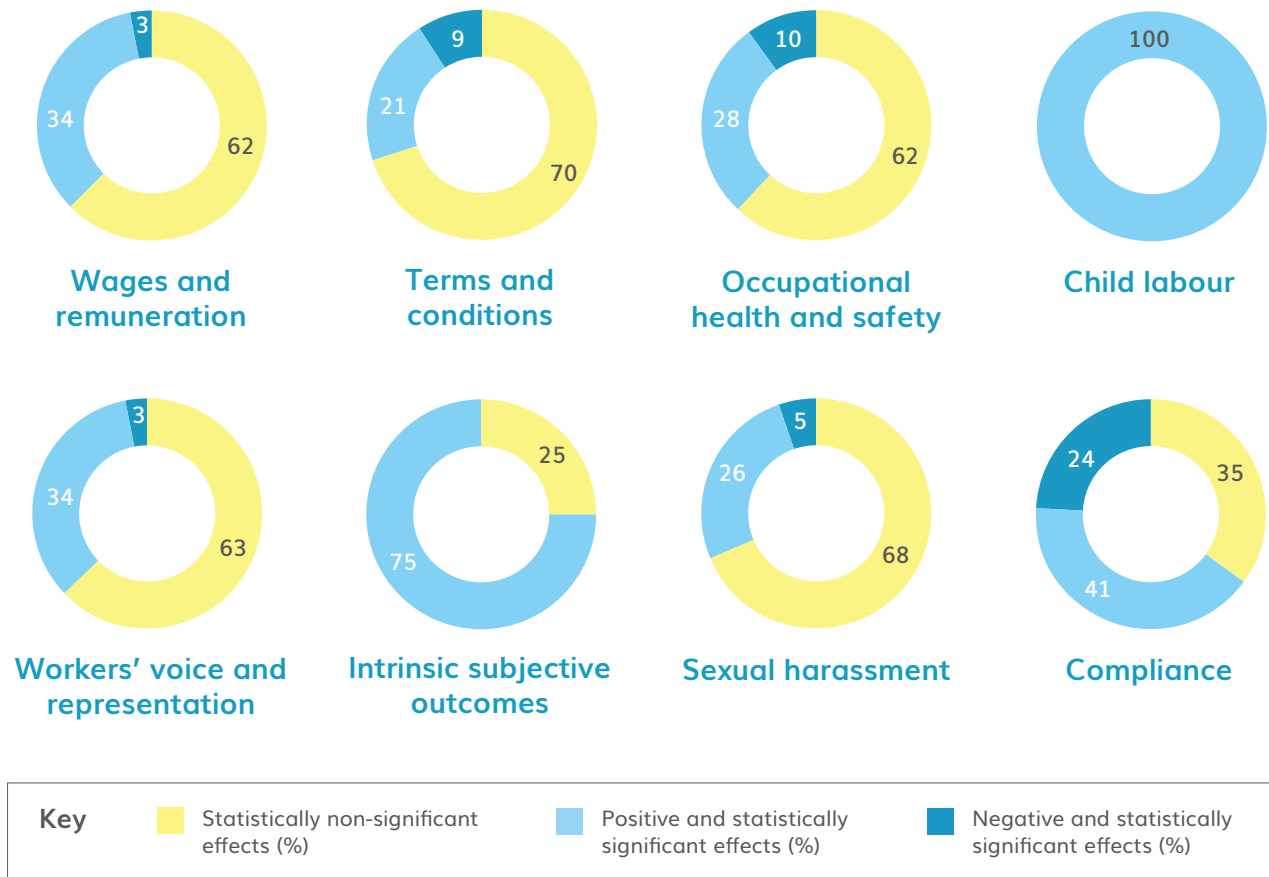
Statistically non-significant effects suggest a random relationship between the intervention and the outcome. In other words, the observed effect - whether positive or negative - cannot be attributed to the intervention.

We make the following observations based on the summary of effects presented in Figure 6. First, we were able to extract an important number of effects (317 extracted effects) out of 19 reports. This reflects two features: a) the characteristics of factory employment make multiple outcomes worth investigating, especially in contexts where labour relations are somewhat more formalized, and b) given the media exposure of work conditions in apparel in recent decades, there has been attention to a wider range of decent work outcomes. Researchers have expanded the evidence base beyond the core standards. This means there is a degree of granularity in the reporting of counterfactual studies in the apparel sector, including a variety of measures and variations for the same outcome.

9. The term "effect" refers to an estimate from a statistical model, such as a regression.

**Figure 6. Percentage of effects extracted per decent work category.**

This figure provides an overview of the percentage of effects extracted from the literature on the impact of supply chain sustainability approaches on eight main decent work outcomes based on their statistical significance and direction of change.



Second, the overall picture is mixed, although the proportion of negative effects is low (8 percent), suggesting reported interventions are unlikely to do harm. The proportion of positive effects is 29 percent, which is almost a third of the total extracted effects.

Third, the number and proportion of no-effects (statistically non-significant) is remarkably high and is almost two thirds of the total effects (63 percent). This is despite the statistical power generally not posing a problem for most counterfactual studies in apparel - a result of the large sample sizes.

The studies often involve over 1000 individuals or 100 factories. Some studies are even larger, as is the case of Bossavie et al. (2020) using observations from between 100,000 and 300,000 individuals to examine the effect of post-Rana Plaza reforms. Another example is the case of Distelhorst and Shin (2023) using observations from 1800 factories to explore the effects of the sustainability initiative of a large multinational garment retailer. Large studies mean that statistically non-significant results are unlikely to be driven by a lack of statistical power.



We can therefore deduce that the reported interventions have relatively marginal impact on decent work outcomes, even when this is positive. The difference they make to working conditions is often statistically negligible.

Fourth, a very substantial share of reported effects falls under the category of terms and conditions (43 percent). This is not entirely surprising given that some of the most important objectives of the leading intervention (Better Work Programme) consist of improvements in industrial relations and specifically on the terms and conditions of work. These include excessive work hours, job insecurity, and management-employee relations (e.g. abusive behaviour by managers).

Fifth, occupational health and safety (OHS) also features prominently (22 percent of extracted effects), while the evidence base on wages is more limited compared to other decent work outcome categories. This pattern also reflects the focus of the dominant

programmes in this review, which explore compliance with minimum wages rather than wage improvements over comparators. Terms and conditions, together with OHS, account for 65 percent of reported effects, while wages and remuneration only represent 9 percent of the extracted effects.

Finally, child labour receives very limited attention (1 percent), while sexual harassment is a more important topic in terms of total reported effects (6 percent). The feminization of the labour force in the apparel industry of LMICs has led to frequent calls to tackle what is sometimes reported as 'frequent forms of sexual harassment and abuse'. Therefore, counterfactual studies also try to engage with this issue, even if it is known to be very hard to properly account for this in quantitative surveys.

In summary, we observe stronger attention and more granularity on effects for terms and conditions and OHS. Overall, no-effects dominate with 29 percent of positive effects.



© Markus Winkler

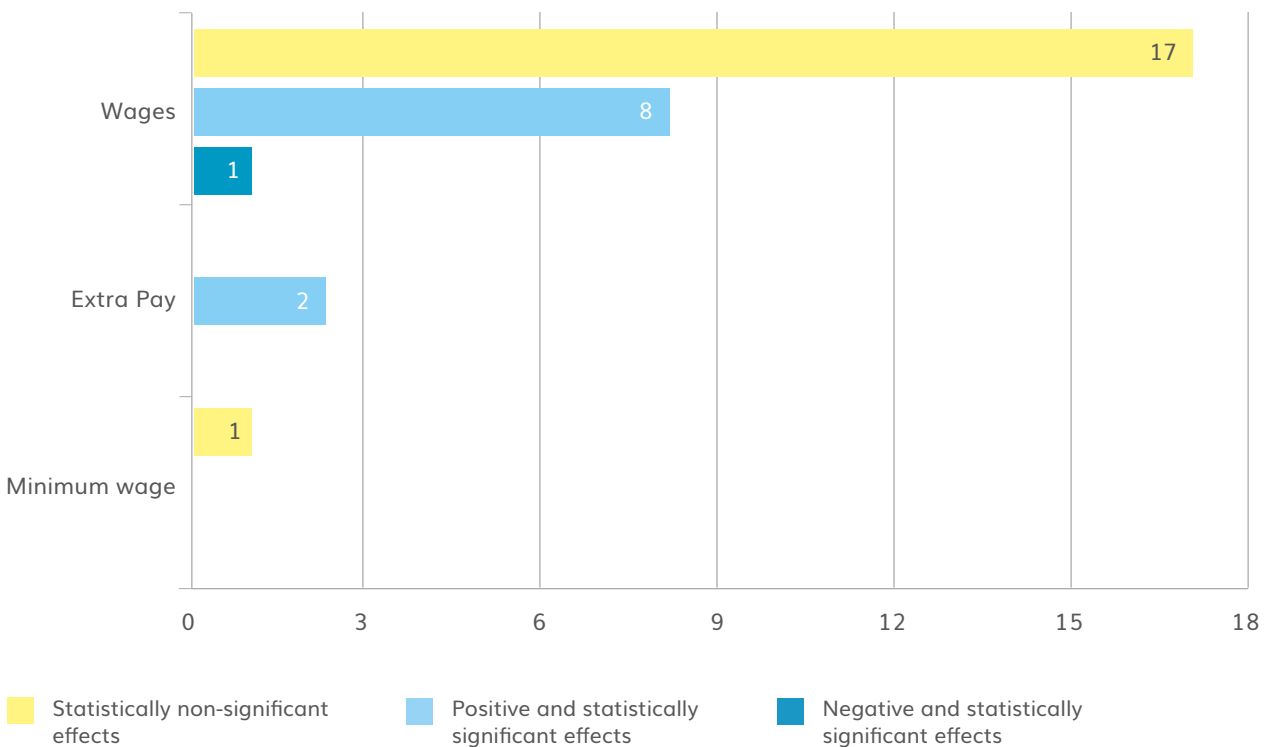
## Wages and remuneration

Low wages and remuneration are perhaps one of the core issues in decent work when workers are asked about what matters most to them. Earning a decent living wage and seeing remuneration grow with the increase in the cost of living and having career progression opportunities, are key to workers' welfare and satisfaction. Although the studies screened for the apparel sector did report on wages and remuneration, the number of reported effects is relatively limited in comparison to other dimensions of decent work presented in this review.

Overall, there is a dominant share of no effects (almost two thirds of total effects), but a slightly

more positive picture than other apparel effects. There was only one negative effect and a reasonable number of positives (35 percent) (Figure 7). The proportion of no effects signals a limited impact on wages associated with the main interventions reviewed, namely Better Work and A&A. One interpretation is that the leading intervention in this set of studies - Better Work - does not focus on achieving higher wages compared to sector or comparators but is primarily aimed at compliance with ILO standards and ensuring that minimum wages and other pay-related rights are being respected. Respecting minimum wages may not sufficiently lift wages to what is considered a decent or living wage level.

**Figure 7. Number of effects on wages and remuneration by statistical significance and direction of change.**



The other question is whether there are other pathways to higher wages that could be expected through the implementation of such interventions. The effects are hard to interpret unless we consider the indirect effect of other decent work outcomes on better wages. For example, do improvements in workers' representation and terms and conditions of work contribute to higher wages? This is plausible, other things being equal. But wages are mostly driven by supply chain dynamics - the different forms of "squeeze" noted earlier - and the national labour market context (e.g. incidence of underemployment and unemployment, which reduce workers' bargaining power and capacity for collective action).

The counterfactual data we have extracted suggests that there are cases in which public scrutiny is effective in raising wages, as is the case of post-Rana Plaza collective agreements, even if these are focused on workplace safety rather than wages. Comparing workers from factories affiliated with any post-Rana Plaza collective agreement to those with none, Jerrentrup (2021:16) finds that the former group earns "somewhat higher wages while working fewer monthly hours than the latter group". The author found overtime rates and average hourly wages, as well as the monthly base salary and gross factory income to be higher in this category. This is despite workers working three hours less in a month compared to factories with no collective agreements (Jerrentrup 2021). These findings are echoed by non-counterfactual studies where increases in worker take-home pay are reported, due to the enforcement of minimum wage pay, as is the case of the Better Work Programme in Jordan, Indonesia and Vietnam (ILO, 2016).

These are encouraging findings, even though wages remain below living wage levels and overtime remains a common practice. Nonetheless, there are several points that should also be taken into consideration.

First, programmes like Better Work will impact wages only in the presence of previous minimum wage violations. For already compliant factories, there are no significant wage effects, which is similar to VSS being more effective in settings with weak minimum pay legislation.

Second, national minimum wages are often far below living costs, and therefore the national minimum wage may still be a poverty wage. For example, Gregoratti and Miller (2011:94) report that the suggested minimum wage in Cambodia at the time when the study was done should have been "increased to US\$ 82 per month from the national minimum rate of US\$50 as of March 2009." That is a considerable increase of 64 percent. The authors further highlight that "the average pay of US\$ 72 (inclusive of overtime, housing allowance and seniority bonus) was below what the workers perceived as an adequate 'living wage', which means that even with overtime and benefits, workers are still not able to sustain themselves and their families. International Framework Agreements (IFAs) or other multi-stakeholder initiatives in the sector are unlikely to be able to address demands for minimum wage increases single-handedly. Yet they are supposed to ensure "that wages paid for a standard working week shall meet, at a minimum, at least the legal or industry benchmark standards, whichever is higher. In any event, wages should always be enough to meet the basic needs of workers and their families and to provide some discretionary income" (Gregoratti and Miller, 2011:94).

Third, corruption and weak institutions can undermine the effectiveness of standards that focus on ensuring minimum wages. Amengual and Chirot (2016:1068) describe how the Better Work Programme was unable to enforce minimum wage payments for factories in Indonesia, as employers used corrupt means to receive illegal, but official exceptions, to pay the required wage.

The study describes suppliers going “under the table” to get agreements “to make it easy” and avoid the “very strict” formal renegotiation process [regarding minimum wage payments]”, while “district labour officials often condoned these illegal agreements, either to extract bribes or to avoid the risk of antagonizing footloose factories with strict enforcement”.

The following statement from an inspector is characteristic of this trend: “We should enforce the law, but we also understand that the vision of the district is to attract investors”. The authors highlight that the lack of clarity and support from public institutions, particularly at the ministerial level, was a key factor and clearly undermined the ability of the Better Work Programme in demanding compliance regarding minimum wage payments.

Fourth, increases in wages are often offset by local inflation or pressure to produce more in the same amount of time. Investigating the impact of the A&A agreements in Bangladesh, Kabeer et al. (2020:1378) quote a worker complaining about inflation, as wage increases were accompanied by rent hikes: “if our salary is raised by two Takas, our rent is increased by four Takas”. Rising wages were also followed by pressure to work harder, as managers

demanded “higher productivity to compensate for higher wages” (Kabeer et al., 2020:1378). Despite receiving a higher wage, workers still had to deal with disproportionate rises in the costs of living and increasing work intensity, suggesting that focusing only on wages may not be enough to assess the real impact on income.

Accounting for gender and vulnerability is also important as it can provide more nuanced interpretations of the reported effects. For instance, Djaya et al. (2019), examining the effects of Better Work across five countries, found that in most countries, the programme had a positive impact in reducing gender wage gaps. Interestingly, changes were most evident for women with children and with lower levels of formal education relative to all the other women. This implies that improved compliance with minimum wages is most beneficial for workers in relatively more vulnerable positions.

Positive effects on reducing the gender gap pay are also reported by qualitative studies, mainly for Nicaragua, Vietnam and Haiti, with improvements being visible from the first Better Work compliance assessment and intensifying as factories maintain their access to the programme’s services over several years (ILO, 2016).





## Terms and conditions

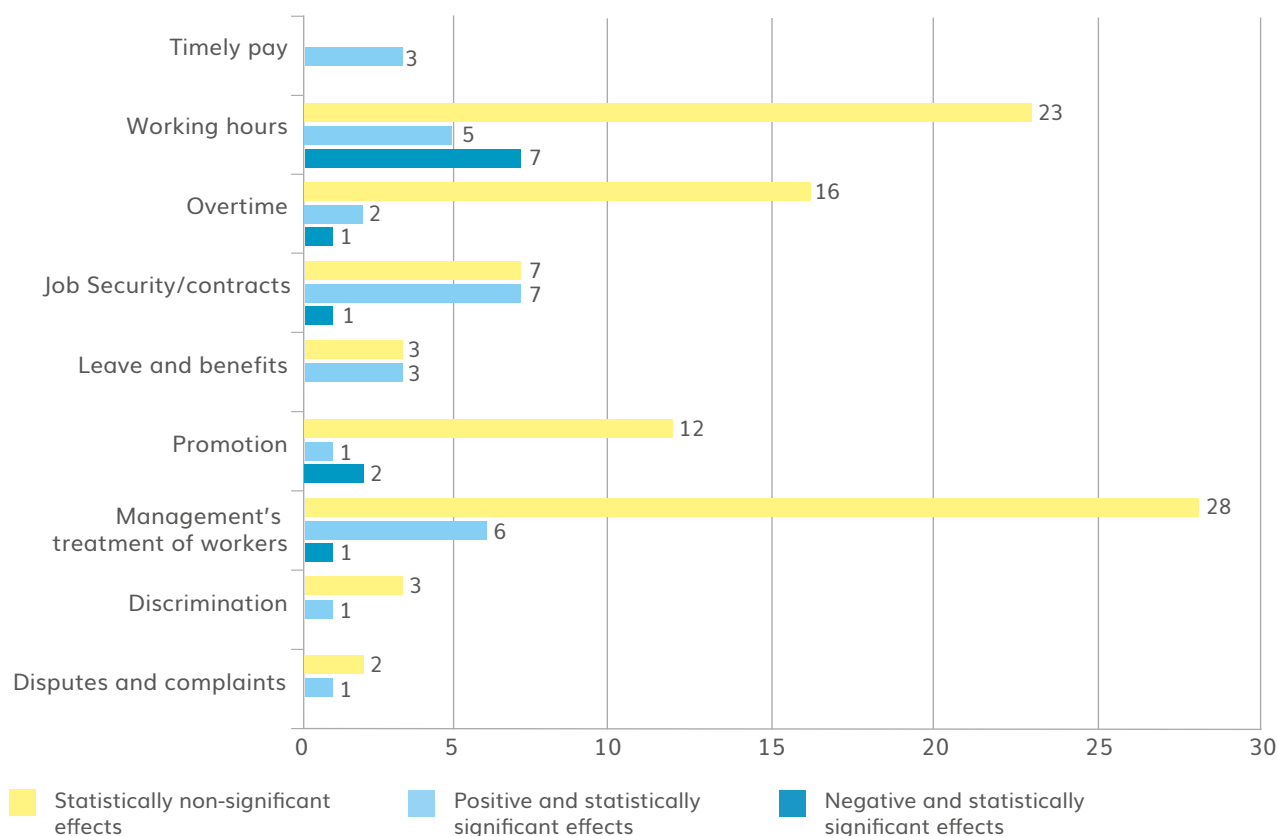
Terms and conditions of work are the dominant category by volume of effects by a good margin. It is also a rather heterogeneous category that includes various aspects, from job security to working hours and treatment by managers.

This has received much attention in counterfactual studies, because the Better Work Programme dominates this sample of studies. As noted previously, this intervention seeks to address some of the problems inherent to the business models of apparel supply chains, where manufacturers are subject to a double squeeze in terms of price/margins and the need for flexibility (e.g. shifting orders). The double squeeze, compounded by largely unregulated settings in many LMICs, often leads to a harsh

working environment, excessive hours, lack of job security, and absence of protection and benefits. Therefore, different aspects of terms and conditions are seen as central to the Better Work theory of change.

Better Work's aim to improve the working environment while contributing to making participating firms more competitive, in a kind of win-win approach. This is done through a combination of training geared towards human resources departments, and compliance audits. These audits compel suppliers to improve on a range of outcomes in order to pass the audits. Therefore, the evidence on this category of outcomes is quite central to the actions of Better Work.

**Figure 8. Number of effects on terms and conditions by statistical significance and direction of change**



Overall, the reported effects suggest a substantial dominance of non-significant effects, or a limited impact on the outcomes of interest (Figure 8). There is a very large proportion of no effects distributed across all categories of this block, especially on the management treatment of workers, promotion, working hours, and overtime. This is likely disappointing given that more harmonious industrial relations and better working hours are significant aims of the Better Work Programme.

However, it is reassuring that negative effects are mostly reported in the case of excess working hours. These are more challenging to tackle given the high-pressure work environment and productivity imperatives of globally integrated apparel firms. The structural nature of excessive working hours in the sector is widely documented (e.g. Anner, 2018; Reinecke and Donaghey, 2021; Rahman, 2018; ILO, 2020b). Overtime violations are a standard practice in the apparel industry with normalized 10-hour working days (Reinecke and Donaghey, 2021), and working weeks that can average 68 hours but also reach 80-90 hours during peak production periods (Rahman, 2018). Short-term orders and last-minute changes to orders appear to be at the root of the problem (Anner, 2018).

Interviews with Better Work Enterprise Advisers reveal the structural dynamics that lead to normalizing 16-hour workdays: "A buyer will say, 'ship this tomorrow', and everyone has to do overtime. Another problem is that the buyer will make last-minute changes to the order. So, the manager may have planned properly, but now planning goes out the window and they try to make adjustments." (Anner, 2018:88).

Situations like the one described above indicate the double standards that dominate the sector. While buyers are demanding the formation of worker participation committees - which among other things, are tasked with addressing overtime violations - the sourcing practices of these same buyers "make addressing overtime violations extremely difficult, if not impossible" (Anner, 2018:88). This is in fact part of the 'double squeeze' to which suppliers are structurally exposed to. It

is also important to note that overtime violations affect male and female workers in different ways. While women struggle to combine overtime with household responsibilities, men feel more pressure to accept overtime "for fear of being terminated" (ILO, 2020b).

Qualitative studies report some reduction in excessive overtime (for example in Better Work factories in Vietnam). However the ability of factories to sustain these improvements is under question as evidence suggests that positive effects tend to disappear in the long run (ILO, 2016).

There are some dynamics that are important to highlight here. First, a reduction in working hours may lead to an increase in work intensity. The following quote is characteristic of how workers may experience restrictions in overtime: "They want to reduce the number of working hours while expecting us to deliver the same production targets. We have to complete 10-12 hours of work within 8 hours; previously we produced around 120 pieces per hour, whereas now it is 150- 200 pieces per hour. There is a lot more work pressure." (Afros, 2022:39).

Second, in contexts of increased international scrutiny with a particular focus on wages, working hours may be a shortcut for reducing production costs. This is because it allows employers to maintain a higher compensation, but then demand (paid or unpaid) overtime to complete the orders. For instance, Bossavie et al. (2020), examining the effect of post-Rana Plaza reforms, report an increase in hours of work across data collection rounds and genders. The increase was more prominent in male workers, compared to the control group which consisted of synthetic control industries.

Women's hours decreased in the short run, but ultimately also increased three years after the incident. The authors conclude that the welfare consequences of international scrutiny may differ in the short term compared to the medium-term. They argue that international scrutiny may have increased the uncertainty that suppliers face about the future, as firms perceive an increased likelihood of order cancellation in the case of unfavourable audit results.

This can produce contradictory effects in terms of worker welfare. While wages are maintained to comply with labour standards, employers prioritize flexibility, such as the ability to quickly scale up or down the size of their production capacity, using (paid or unpaid) overtime and/or skipping formal contracting of workers.

Third, in many cases overtime is needed to cover workers' living costs, and therefore overtime restrictions may be counterproductive and cause frustration among workers. Kabeer et al. (2020:1378) describe how workers in Bangladesh use overtime to "improve their living standard, support their families or save for the future", while lower-paid workers may depend on overtime to make ends meet. Therefore, overtime may be a necessity and it should not be restricted before ensuring that workers can sustain themselves and their dependents without it. Nonetheless, achieving a living wage should be the ultimate goal of any intervention, as after all, "workers do not want to do overtime, they want the income from it" (Afros, 2022:41).

It is worth noting that counterfactual negative effects in this area may also be a result of comparing between different intervention components. For instance, a major source of negative effects is a study by Khan (2021) exploring the effects of worker-management Participation Committees (PC) established as part of the Better Work Programme in Jordan, Vietnam, and Indonesia. The study explores the links between criteria which determine the quality of PC with effects on different outcomes. These criteria include: a) adequate union representation; b) democratic process in election of Performance Improvement Consultative Committees worker's representatives; c) fair representation of female workers in proportion to factory's female workforce, and d) management support for PC activities (Khan, 2021: 25-26).

In this case, a negative effect indicates a negative association between the quality of these PC and their effect on the terms and conditions of work. In the case of Vietnam, it is reported that when PC are combined with union representation, fair elections,

or gender representation, effects on working hours are negative. On the contrary, when PC are combined with management support, the effects on working hours are positive. This means that rather than a negative effect of the programme - in this case Better Work - what is reported is a negative association of the outcome with the concrete quality of PC (in the sense of performing worse than the average or other components).

The picture is somewhat more positive on job security through contracts, which is quite an important feature given excess flexibility and insecurity in the apparel sector. Amengual and Chirot (2016:1064) argue that fixed-term (temporal) contracts are widely used by the industry for "flexibility in hiring and firing, to avoid severance pay, and as a union avoidance tactic". Evidence from three different interventions and contexts, A&A (Kabbeer et al., 2019), Better Work (Robertson, 2011), and private codes of conduct (Bartley and Egels-Zandén, 2015), point to positive change in terms of contracting, albeit with some nuances.

For example, Bartley and Egels-Zandén (2015) find positive effects of codes of conduct implemented in Indonesian factories on written contracts, but only for permanent workers. Positive effects are also reported for the Better Work Programme, with qualitative evidence suggesting that "the longer factories participate in the programme, the less often they misuse probationary contracts" and the less likely they are to threaten workers with dismissal (ILO, 2016). Nevertheless, cases of Better Work factories misusing probationary contracts and local unions being disappointed at the lack of active support from the Better Work Programme are also reported (Amengual and Chirot, 2016).

Overall, given the relatively high number of extracted effects under this category, it is somewhat disappointing to see very few reported effects on leave and benefits, a key aspect of terms and conditions. These tend to be poor in apparel and they are generally easier to achieve with targeted interventions, than achieving higher wages, for example. The existence of paid leave is an indication of formalization and greater job security. This is another important outcome, for

which more evidence is needed. The image we obtain from the few qualitative studies reporting on this topic from Bangladeshi factories is mixed, with ILO (2022) suggesting significant improvements for mothers in terms of paid maternity leave and right to breastfeed once back at work. Afros (2022) reports persisting difficulties in obtaining paid sick leave.

Another area with very limited evidence is the category of 'disputes and complaints', which should be significant given the incidence of labour conflict in the sector. The limited qualitative data we have extracted on this topic suggests that the A&A agreements in Bangladesh contributed to establishing new mechanisms for registering workers' complaints, greater awareness on the part of workers, and greater willingness to speak up (Kabeer et al., 2020).

An aspect from which we would expect better performance is the treatment of workers by management. Verbal, and even physical, abuse is reported to be widespread and systemic, resulting from time pressures to meet production targets that suppliers are subjected to. Verbal abuse, which can take the form of shouting, using vulgar language to make workers meet production demands, or "discipline them for work-related mistakes or misbehaviour", is often cited as a major concern for workers (Afros, 2022:34). Abusive behaviour is reported as starting from the top by management and trickling down to workers. This is how a worker described the chain of abuse:

*"This is how the verbal abuse system works: above this man is the in-charge, above him is the production manager, then the assistant general manager and then the general manager. The abuse starts at the top and gets passed down to each lower level... And I know if my job was at risk, I would also put pressure on those below me."*

(Kabeer et al., 2020: 1385).

Improving management's treatment of workers is therefore at the heart of the theory of change of programmes like Better Work. It can lead to more satisfaction among workers, more commitment to the factory, and also contribute to higher efficiency and productivity. Most effects that are extracted in this category are not statistically significant (28 out of 35), while the qualitative data we have obtained is limited and mixed.

Kabeer et al (2020) suggest that the A&A agreements in Bangladesh did not result in significant improvements in this area. They actually argue that the levels of abuse had increased after the Rana Plaza collapse, as suppliers' fear of losing buyers resulted in workload intensification. This is described as followed by an interviewed worker:

*"No one can be absent or late for work, no one can pause in their work, no one can leave their work station at any time... these regulations did not exist before, they have become stricter now. If we cannot meet the production target, then there is no end to their scolding."*

(Kabeer et al., 2020: 1385).

Qualitative studies on Better Work factories are more positive, reporting that exposure to the programme resulted in reduced verbal abuse regardless of "variations in production peaks, wage incentives and supply chain pressures" in garment factories in Jordan, Haiti, Indonesia and Vietnam (ILO, 2020a:16). The report also concludes that these effects increase as factories participate in the programme for longer. Training is reported to be key in achieving these improvements (ILO, 2020a; ILO, 2022).



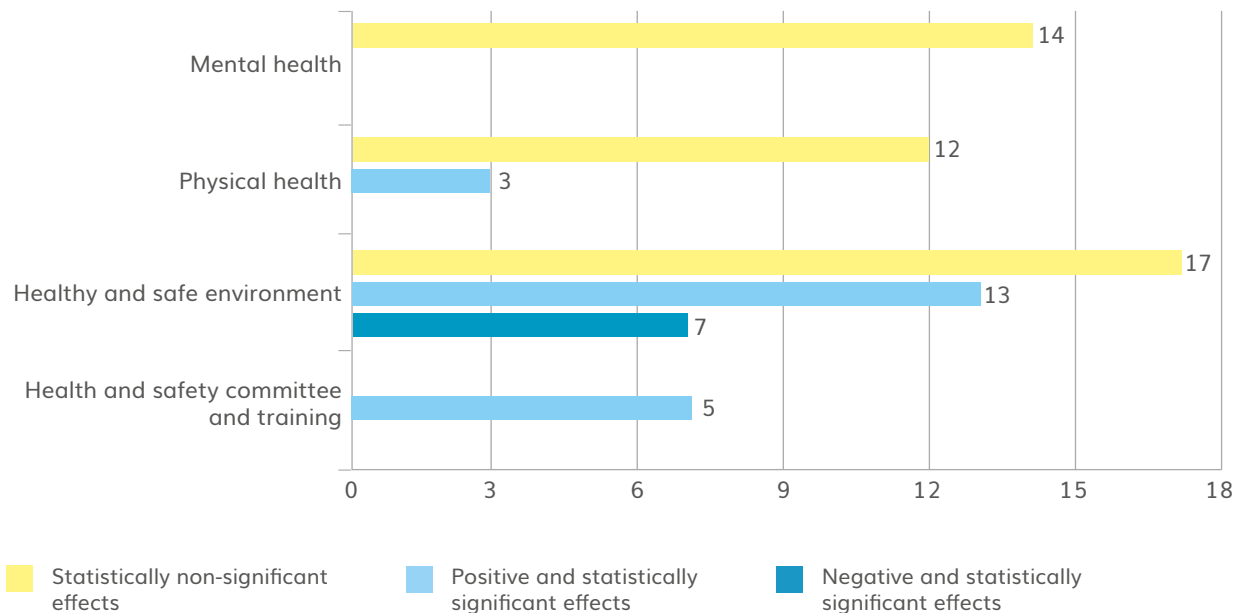
## Occupational health and safety

One of the core focus areas of interventions like A&A and part of the Better Work Programme is to tackle the poor record of OHS in the apparel industry. The Rana Plaza disaster constituted a turning point in the sector and in fact led to the creation of initiatives such as A&A. It is not surprising that OHS effects account for more than 20 percent of total reported effects in the included counterfactual studies. It is the second most important area in terms of frequency of reported effects, after the terms and conditions of work. Both compliance audits and training in human resources and production departments have been implemented to improve basic OHS outcomes in factories. Training with workers

also includes a substantial focus on OHS issues. This is not simply a management duty, but overall includes workers' responsibilities.

In relative terms, the story emerging from the review of quantitative effects is roughly in line with the aggregate picture for the sector. There is a large share of no effects, very few negatives, and about 28 percent of positive effects (Figure 9). These are broadly comparable to the pattern observed for the category of wages and remuneration. The large share of no effects implies evidence of limited impact, or that the interventions do not make a sufficient difference to the key outcomes.

**Figure 9. Number of effects on occupational health and safety by statistical significance and direction of change**



These averages mask some variation. These are largely on the no effects on directly measured health (physical and mental health status) and a better record when it comes to perception of "healthy environment" or

input-linked effects like Health and Safety Committees and training. This means that the interventions (mostly Better Work) do relatively well in terms of improving the factory environment for health and safety.

For example, compliance requirements do succeed in improving the availability of fire exits, ventilation, light, noise, medical assistance and first aid, and written protocols for machine operations. Qualitative evidence from Bangladesh also suggests that the A&A agreements have contributed to increasing workers' awareness on what constitutes a healthy and safe environment, while workers are also reported feeling sufficiently empowered to refuse working in unsafe environments (Kabeer et al., 2020).

These can be regarded as more immediate outcomes directly stemming from the programme interventions, especially compliance audits. It is clearly easier to make sure a factory has proper fire exits than to achieve an overall better health status among workers, given that worker health is not affected only by factory or workplace conditions.

Some differences are found across countries with Bangladesh reporting only positive and significant effects in A&A interventions. Qualitative evidence from the same country is also mainly positive. However, criticisms are also reported about the safety requirements being designed without consideration of the local context and production dynamics (e.g. use of foreign inspectors, and requirements to use imported building materials) (Mausumi and Rahman, 2018).

This contrasts with several Better Work interventions in Vietnam where the reported effects are negative. In this case, effects are extracted from the Khan (2021) study which tests different qualities of PC. Therefore, these effects should not be interpreted as a direct negative effect of the Better Work Programme, but rather as specific qualities of PC affecting other qualities. The pattern is the same as with working hours, with the combination of PC and supportive management having positive effects on the health and safety of the working environment. However, combinations of PC and union representation, fair elections, and female representation have negative effects on the same outcome.

Controversies with PC and their roles in nominating representatives to Health and Safety Committees are also reported. Bair et al. (2020) report lack of transparency in their constitution and management interference in the election process, introducing doubts about the ability of such committees to safeguard the interests of workers.

Overall, qualitative evidence suggests important improvements in terms of organising the working space to be healthier and safer (e.g. Better Work factories in Lesotho; ILO, 2016), but also underline the fact that certain health and safety problems persist, despite the use of codes of conduct (e.g. 'excessive heat' and 'dust') (Gregoratti and Miller, 2011).

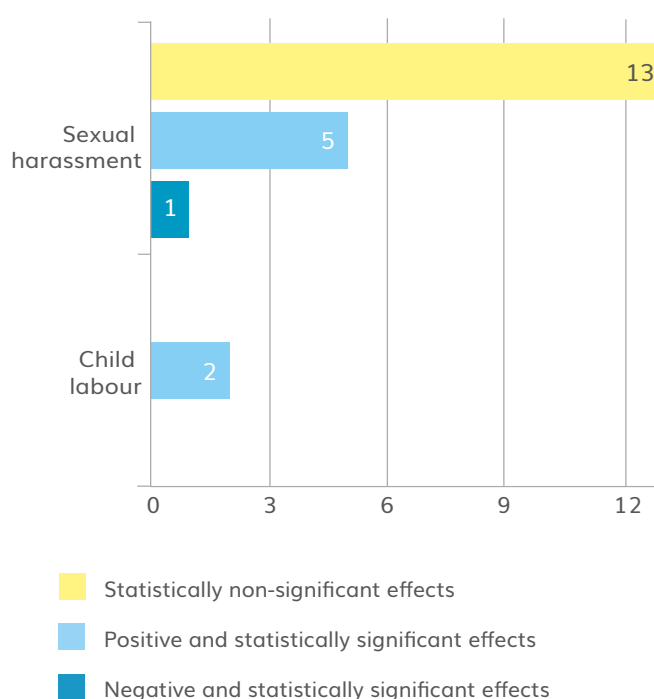
## Sexual harassment and child labour

The category of sexual harassment is mostly made up of no effects. This indicates the low or lack of effectiveness of programmes such as Better Work or A&A (Figure 10). This is despite training at human resources departments and among workers in Better Work Programmes addressing issues of abuse and sexual harassment. Equally puzzling is the large number of no-effects in the case of verbal and physical abuse. There are some instances of positive effects on sexual harassment (five effects), mainly in Vietnam and Cambodia, with studies such as Djaya et al. (2019) concluding that Better Work has been effective in helping women voice their concerns about sexual harassment, as well as verbal and physical abuse.

Similar results are reported by qualitative studies for Better Work factories in Jordan and Vietnam (ILO, 2016). It is important to note here that when the outcome measured is a voiced concern, this can have two interpretations: a) an increase in voiced concerns may imply more incidents for which workers need to voice their concern, which would be a negative outcome. However, b) in cases where the same amount of troubling incidents occur but workers are more empowered to actually voice their concern, this could be a positive outcome (Djaya et al., 2019). In fact, an increase of voiced concerns is observed in the first Better Work compliance assessment, followed by a decrease in the months after the second assessment (ILO, 2016). The higher incidence of concern with sexual harassment during the second cycle could indicate an increased feeling of empowerment and willingness to report sexual harassment. This is supported by qualitative studies, suggesting increased workers' awareness on sexual harassment (ILO, 2023).

It should be noted that there can be important differences between how women and men voice concerns, also depending on worker education levels. According to ILO (2020b), women are less likely to voice concerns about sexual harassment

**Figure 10. Number of effects on sexual harassment and child labour by statistical significance and direction of change.**



compared to their male colleagues. Among women, lower-educated women with infants are “more likely to be exposed to sexual harassment from their manager or direct supervisor relative to highly educated women.” (ILO, 2020b:4), and also more likely to report sexual harassment. Additionally, the reporting system for sexual harassment is often deemed inadequate, suggesting the need to “prioritize trainings to combat sexual harassment, to establish grievance reporting procedures, and to improve voice and representation generally” (ILO, 2020b:ii).

There are limited studies on child labour, with only two positive effects extracted in total and no qualitative evidence. This is less of an issue in apparel settings, and especially in factories that are subject to basic compliance checks, as these are likely to be different from the informal sweatshops that sometimes indirectly serve supply chains.

## Workers' voice and representation

One of the key challenges in the apparel industry is the weakness of collective bargaining and collective action among workers, especially in LMICs. This is related to weak associational power, meaning low unionization or weak union capacity. It is another important area within the Better Work Programme, which considers unions or worker committees as important vehicles for improvements in labour relations and a mechanism for the strengthening of tripartite frameworks in supply chains. Without strong unions, management abuses can go unchecked and improvements in working conditions may be harder to achieve.

The synthesis offers mixed results. On the one hand, the pattern is better than the average for the sector, with regards to the proportion of no effects. There is certainly a positive picture for union representation in participation committees,

and awareness of rights. Positive effects are reported in these areas for the A&A agreements in Bangladesh (Kabeer et al., 2019), the Better Work Programme in Cambodia and Vietnam (Robertson, 2011; Oka, 2010; Hollweg, 2019), and VSS in Brazil and Kenya (Graz et al., 2022). Such findings, however, contrast with hardly any significant effects in collective bargaining, which is often associated with better terms and conditions, and wages.

Apparel factories are known for their resistance to unions and collective bargaining. In cases like Bangladesh, trade union presence within the factories is reported to be "negligible", with unionized workers "likely to be sacked" (Kabeer et al., 2020:1383). Counterfactual evidence suggests that both A&A and Better Work have contributed to greater acceptance on the part of management of union presence.



© Cristian Rojas



This may arise from the impact of training and awareness efforts, combined with the effect of “compliance” whereby buyers pay particular attention to union representation as part of their conduct codes.

Most importantly, however, alliances between federal unions and powerful buyers, such as Inditex, H&M, or Adidas are reported to play a crucial role in compliance as it gives unions leverage to pressurize the factories. The following quote reported by Kabeer et al. (2020,1383) reflects this: “These unions have the telephone number of every single buyer and employer. If there is a problem and the federation inform the buyers, that factory will not get any orders”.

Examples of “pressure-driven enforcement” are also reported by Oka (2010a), who describes how union federations and NGOs in Cambodia effectively pressured buyers to act against suppliers in cases of anti-union discrimination and contract violations. In one case that involved Adidas, the supplier was warned that “ unless the factory converted all fixed-term contracts to non-determined ones in 1 month, it would cancel its orders”, resulting in the conversion of “the majority of fixed-term contracts into non-determined ones” (Oka, 2010a:71).

Cases of suppliers making a ‘U-turn’ on issues of unfair dismissals or contract violations after complaints were expressed through the union-buyer link under A&A or GFAs are also reported (Kabeer et al. 2020, Norpoth et al. 2020, Gregoratti and Miller, 2011). Such cases reaffirm that unions have leverage to force suppliers into compliance, once effective communication and cooperation is established between unions and the final buyers.

Such achievements are important and can be seen as a more direct outcome of Better Work, A&A, and GFA interventions. There are some differences between worker committees and unions, whereby union presence could be preferable to worker committees, especially in cases where management succeeds in controlling the agenda and work of the latter. Unions in Bangladesh,

for instance, are reported to be more effective in addressing unfair dismissals compared to workers’ PC. This is because once “workers were dismissed, they had no access to workers’ PC members since they were barred from crossing the factory gates. Trade unions, on the other hand, had offices outside the factories and provided a safe space for workers’ complaints” (Kabeer et al., 2020:1383).

The relative insignificance of effects on collective bargaining is more disappointing. Buyers are more interested in the fact that unions are present, and that workers are represented rather than about the frameworks governing key decisions over wages and working conditions. This is the aim of collective bargaining. Company managers may prefer more individualized arrangements and involve unions in addressing labour disputes. Conflicts of interest between stakeholder groups involved in collective bargaining, or even within the same stakeholder group, especially between different lead firms, can also hinder the effectiveness of multi-stakeholder interventions (Jerrentrup, 2021). A sustainability manager complained about how these challenges could result in collective agreements that are progressing too slowly and not achieving transformative change:

“The member brands are very heterogeneous, they come with different experience, business models, expectations and commitment to sustainability, which leads to resource-intensive discussion and slows down the progress of collective agreements. I think what quite often happens with [multi-stakeholder] interventions is that the pace of change flows down to the least progressive organisation's appetite. Because the [multi-stakeholder] interventions have to keep all of their members happy, they end up finding this middle ground compromise on the lowest common denominator.”

(Jerrentrup, 2021:13)

The lack of effects on collective bargaining may also reflect the relative weakness of unions and worker committees on this front. It is of course a disappointing result from the point of view of workers' wellbeing and empowerment, as workers do value and benefit from a collective bargaining process when there is one.

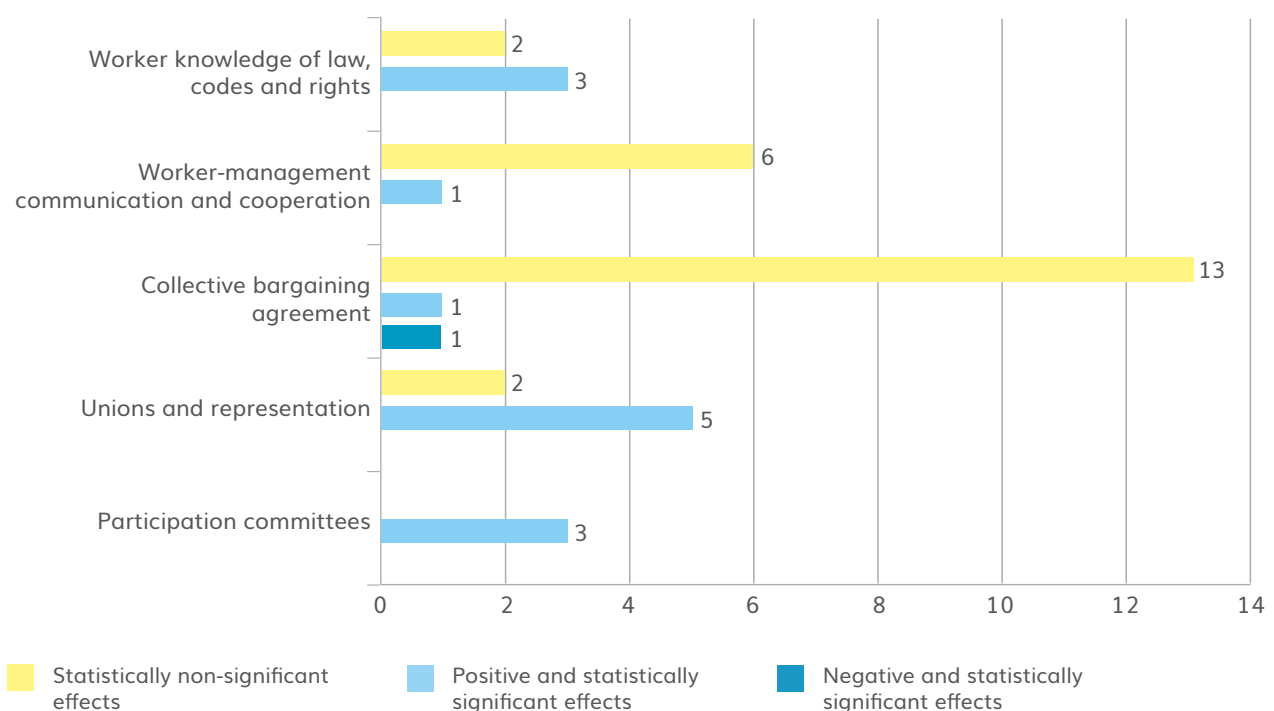
Most of the positive effects - especially on worker awareness of rights and participation committees - come from studies reporting on A&A rather than Better Work. This is despite Better Work increasingly emphasizing the strength of labour institutions as a means of improving working conditions in factories. Qualitative studies suggest that PC, a requirement for Better Work factories, are generally valued by workers, even though their power is limited and are often regarded as being "too close" to management (Kabeer et al., 2020, Afros, 2022). More controversial and cost-sensitive issues like wages or overtime, are usually beyond the issues that PC can raise. This should not be surprising

as they are "not designed to assist workers in achieving goals that go above and beyond the law" (Anner, 2018: 86). It is worth highlighting, however, that having female workers in these committees is reported to contribute to reduction of sexual harassment or empowering female workers to control household finances (Afros, 2022; Anner, 2017).

Finally, "worker-management cooperation and communication" outcomes also suggest non-significant effects, implying that attempts to substantially improve this aspect have not been very effective.

In summary, reported interventions tend to be broadly effective in improving union and worker representation in factories, workers' awareness of rights, but generally do not make much difference to the presence of collective bargaining or to improvement in worker-management cooperation and communication.

**Figure 11. Number of effects on workers' voice and representation by statistical significance and direction of change**

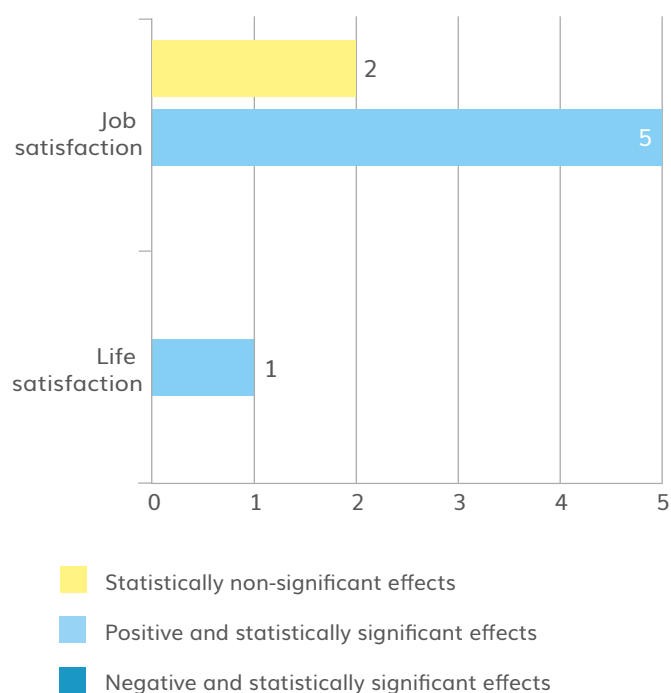


## Intrinsic subjective outcomes

The synthesis includes limited evidence on intrinsic subjective outcomes of which job satisfaction is the most important one. This is surprising given that Better Work often has job satisfaction as one of their key outcomes of interest. Job satisfaction is normally seen as an endpoint outcome, dependent on the achievement of various other outcomes related to higher wages, improvements in terms and conditions, better occupational health and safety, and enhanced worker representation. Taken together, these improvements ought to be reflected in better jobs and improved perceptions of these jobs, leading to greater job satisfaction.

Despite the very limited evidence, we see that most of the reported effects are positive and significant, with Vietnam and Bangladesh being the countries with a more positive outlook (Kabeer et al., 2020; Hollweg, 2019). This is echoed by the qualitative evidence we found on this topic, which suggests that overall, workers in Better Work factories reported being “less concerned” about issues such as low pay or overtime (ILO, 2016).

**Figure 12. Number of effects on intrinsic subjective outcomes by statistical significance and direction of change.**



## Compliance with ILO labour standards

Finally, some studies report on “compliance”, which is rather a mixed bag of outcomes. What is being measured here is whether the audit found that the factory complied with certain minimum standards. For instance, during Better Work audits, ILO auditors assess over 300 items in a checklist drawn from national law and international labour standards. (Oka, 2010b). These standards fall into different categories, such as contracts, wages, hours, leave, welfare, labour relations and fundamental rights (Oka, 2010b).

When a factory is deemed non-compliant with a certain item, “monitors make a standardised suggestion for improvement” (Oka, 2010b:65). The presence of a suggestion is seen as being equivalent to a case of non-compliance. Whereas the absence of a suggestion is seen as a case of compliance. In other words, fewer suggestions or non-compliance items suggest better working conditions (Oka, 2010b).

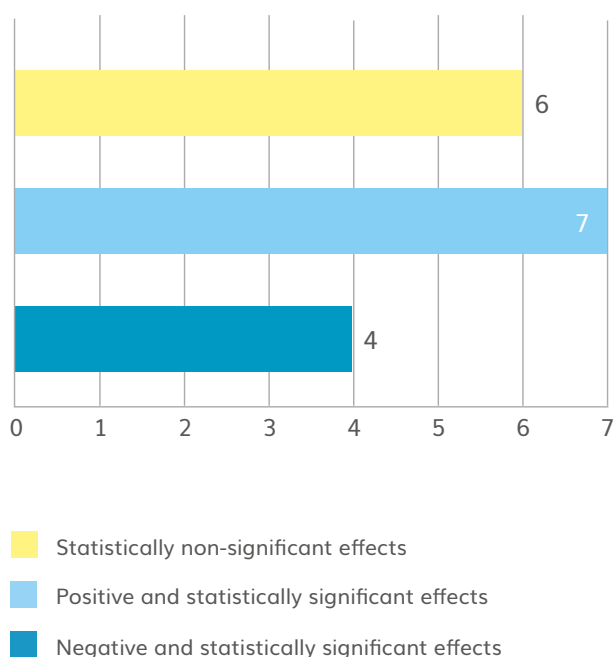
The reporting also includes factories with reported violations of compliance requirements. The question is how many violations can trigger a non-compliance tag in the supply chain. Studies reporting positive effects on compliance mainly refer to the absence of violations of key norms. The interpretation of “compliance” outcomes is therefore not straightforward. The effects are usually not disaggregated by category, but are seen as a single effect – namely the capacity of a factory to comply with minimum standards as laid down by the ILO.

Overall, we extracted 17 effects related to factory compliance from four studies (Figure 13), all of them related to the Better Work Programme. Significant positive results overcome the non-significant ones by one effect in this category. Analyzing data from Better Work Jordan, Robertson (2019a) finds

that making compliance assessments publicly available increased compliance, particularly in relation to fundamental worker rights.

In a similar study focused on Cambodian factories, the same author concludes that the most significant changes occurred in those areas where factories had the lowest prior compliance, and that transparency measures were not effective with low-compliance factories, where compliance fell (Robertson, 2019b). Finally, Oka (2010b), concludes, that the presence of at least one particularly reputation-conscious buyer is significant in increasing compliance amongst Cambodian garment factories, reaffirming that buyers have important leverage in improving decent work outcomes.

**Figure 13. Number of effects on compliance with ILO standards by statistical significance and direction of change.**



An example of a checklist is provided by Robertson (2019:14).



A blue-tinted photograph showing various pieces of fabric and evidence markers. In the foreground, there is a large, circular piece of fabric with a distinct woven pattern. To its right, there are several smaller, crumpled pieces of fabric. In the background, there are more fabric samples, including a dark, textured material and a lighter, possibly knitted fabric. The overall scene suggests a forensic or laboratory setting for textile analysis.

## **SECTION 5**

---

# **Evidence maps for the apparel sector**

# Evidence maps

This section presents the counterfactual evidence maps for the apparel sector.

We have developed a picture of the statistical significance and direction of change (positive or negative) of the effects extracted from the included studies, and how these are distributed across continents or countries, and decent work outcomes.

The outcome-focused evidence maps (Tables 5-6) allow us to quickly identify evidence gaps but also possible patterns in terms of sustainability approaches and tools, countries and specific outcomes. Each cell represents one extracted effect.

Coloured cells represent the effects extracted for a specific combination of category outcomes and country. Different colours are used to denote the statistical significance and direction of change. In addition, there is text to briefly describe the outcome measured.

Empty cells suggest absence of evidence, or that no effects were extracted for a specific combination of outcome category and country. We observe that reported effects can be nuanced, often differentiating effects by gender, quality of interventions (e.g. PC combined with different qualities), and also specific worker characteristics (e.g. being a mother), providing a picture of the diversity of the implementation and context dynamics.

**Table 5. Evidence map showing the availability of rigorous evidence on the effects of supply chain sustainability approaches on wages and remuneration, and terms and conditions by country and sustainability tool.**

	Wages and remuneration			Terms and conditions							
Bangladesh	Wages - Basic Salary (A&A)	Wages (A&A)		Working Hours (A&A)	Working Hours (A&A)	Leave & benefits (A&A)	Leave & Benefits - all (A&A)	Leave & Benefits-female (A&A)	Leave & Benefits-male (A&A)		
	Wages - Female (A&A)	Wages - Female (A&A)	Wages - Male (A&A)	Job security -all (A&A)	Job Security - female (A&A)	Job Security - male A&A)	Job Security (A&A)	Job security (A&A)	Job Security (A&A)	Job Security (A&A)	
	Overtime (A&A)	Bonus (A&A)		Overtime (A&A)	Overtime (A&A)	Overtime (A&A)	Working Hours (A&A)	Working Hours (A&A)	Working Hours (A&A)		
				Timely payments (A&A)	Promotions (A&A)	Mistreatment/ Abuse (A&A)	Mistreatment/ Abuse (A&A)	Mistreatment/ Abuse (A&A)	Mistreatment/ Abuse (A&A)	Disputes (A&A)	
Cambodia	Wages (BW)	Wages - Weekly Pay (BW)	Wages - Weekly Pay (BW)	Working Hours (Better Work)	Working Hours (Better Work)	Working Hours (Better Work)	Leave & Benefits (Better Work)	Leave & Benefits (Better Work)			
	Wages (BW)			Overtime (Better Work)	Job Security (Better Work)	Job security (Better Work)	Compliance (BW)	Compliance (ETI)	Compliance (BW)	Compliance (low compliance factories) (BW)	
				Timely payments (Better Work)	Mistreatment/ Abuse (Better Work)	Disputes (Better Work)	Disputes (Better Work)	Discrimination (Better Work)			
Indonesia	Wages - All (BW)	Wages - Female (BW)	Wages - Mother (BW)	Working Hours - All (Better Work)	Working Hours - Female (Better Work)	Working Hours - Mother (Better Work)	Working Hours (BW PC* Union Rep)	Working Hours (BW PC*Fair Elections )	Working Hours (BW PC*Gender Rep)	Working Hours (BW PC* Management support)	
	Min wage (Unspecified Codes)			Overtime - All (Better Work)	Overtime - Female (Better Work)	Overtime - Mother (Better Work)	Promotions - All (Better Work)	Promotions - Female (Better Work)	Promotions - Mother (Better Work)	Timely payments (Unspecified Codes)	
LEGEND	Statistically non-significant effects		Positive and statistically significant effects	Negative and statistically significant effects			BW: Better Work		PC: Participation Committee	A&A: Accord and Alliance	

**Table 5 (continued). Evidence map showing the availability of rigorous evidence on the effects of supply chain sustainability approaches on wages and remuneration, and terms and conditions by country and sustainability tool.**

	Wages and remuneration			Terms and conditions							
Indonesia (continued)				Job security (Unspecified Codes)	Job security (Unspecified Codes)	Job security (Unspecified Codes)	Job security (Unspecified Codes)	Compliance (BW PC* Union Rep )	Compliance (BW PC*Fair Elections )	Compliance (BW PC*Gender Rep)	Compliance (BW PC*Management support)
				Verbal Abuse - All (Better Work)	Verbal Abuse - Female (Better Work)	Verbal Abuse - Mother (Better Work)	Physical Abuse - All (Better Work)	Physical Abuse - Female (Better Work)	Physical Abuse - Mother (Better Work)	Discrimination (Unspecified Codes)	Discrimination (Unspecified Codes)
Jordan	Wages - All (BW)	Wages - Female (BW)		Working Hours - All (BW)	Working Hours - Female (BW)	Working Hours (BW PC* Union Rep )	Working Hours (BW PC*Fair Elections )	Working Hours (BW PC*Gender Rep)	Working Hours (BW PC*Management support)		
				Overtime - All (BW)	Overtime - Female (BW)	Promotions - All (BW)	Promotions - Female (BW)				
				Verbal Abuse - All (BW)	Verbal Abuse - Female (BW)	Physical Abuse - All (BW)	Physical Abuse - Female (BW)				
				Compliance (BW)	Compliance (BW PC* Union Rep )	Compliance (BW PC* Fair Elections )	Compliance (BW PC*Gender Rep)	Compliance (BW PC* Management support)			
Vietnam	Wages - All (BW)	Wages - Female (BW)	Wages - Mother (BW)	Working Hours - All (BW)	Working Hours - Female (BW)	Working Hours - Mother (BW)	Working Hours (BW)	Working Hours (BW PC* Union Rep )	Working Hours (BW PC*Fair Elections )	Working Hours (BW PC*Gender Rep)	Working Hours (BW PC*Management support)
				Overtime - All (BW)	Overtime - Female (BW)	Overtime - Mother (BW)	Overtime (BW)	Promotions - All (BW)	Promotions - Female (BW)	Promotions - Mother (BW)	
				Job security (BWork)	Compliance (BW PC* Union Rep )	Compliance (BW PC* Fair Elections )	Compliance (BW PC*Gender Rep)	Compliance (BW PC*Management support)			
				Verbal Abuse - All (BW)	Verbal Abuse - Female (BW)	Verbal Abuse - Mother (BW)	Physical Abuse - All (BW)	Physical Abuse - Female (BW)	Physical Abuse - Mother (BW)	Discrimination (BW)	
Haiti	Wages - All (BW)	Wages - Female (BW)	Wages - Mother (BW)	Working Hours - All (BW)	Working Hours - Female (BW)	Working Hours - Mother (BW)	Overtime - All (BW)	Overtime - Female(BW)	Overtime - Mother(BW)	Physical Abuse - All (BW)	
				Promotions - All (BW)	Promotions - Female (BW)	Promotions - Mother (BW)	Verbal Abuse - All (BW)	Verbal Abuse - Female (BW)	Verbal Abuse - Mother (BW)	Physical Abuse - Female (BW)	Physical Abuse - Mother (BW)
Nicaragua	Wages - All (BW)	Wages - Female (BW)	Wages - Mother (BW)	Working Hours - All (BW)	Working Hours - Female (BW)	Working Hours - Mother (BW)	Overtime - All (BW)	Overtime - Female (BW)	Overtime - Mother (BW)	Physical Abuse - All (BW)	
				Promotions - All (BW)	Promotions - Female (BW)	Promotions - Mother (BW)	Verbal Abuse - Mother (BW)	Verbal Abuse - Female (BW)	Verbal Abuse - Mother (BW)	Physical Abuse - Female (BW)	Physical Abuse - Female (BW)
Various	Wages (H&M - Workplace Dialogue Program)	Wages (H&M - Wage management system)		Mistreatment/ Abuse (BW)	Mistreatment/ Abuse (BW)						
<b>LEGEND</b>	Statistically non-significant effects		Positive and statistically significant effects		Negative and statistically significant effects		BW: Better Work		PC: Participation Committee		A&A: Accord and Alliance

**Table 6. Evidence map showing the availability of rigorous evidence on the effects of supply chain sustainability approaches on OHS, workers' voice and representation, intrinsic subjective outcomes and sexual harassment by country and sustainability tool.**

	Occupational health and safety				Workers' voice and representation				Intrinsic subjective outcomes		Sexual harassment	
	H&S structures (A&A)	H&S structures (A&A)	H&S structures (A&A)		Workers' Committees (A&A)	Workers' Committees (A&A)	Workers' Committees (A&A)		Job satisfaction (A&A)	Job satisfaction (A&A)	Health & Safe Env (BW)	
Bangladesh	Health & Safe Env (A&A)	Health & Safe Env (A&A)	Health & Safe Env (A&A)		Worker - Management co-operation (A&A)				Job satisfaction (A&A)			
					Worker knowledge of law, codes & rights (A&A)	Worker knowledge of law, codes & rights (A&A)	Worker knowledge of law, codes & rights (A&A)					
					Collective Bargaining Agreement (A&A)	Worker knowledge of law, codes & rights (A&A)						
Cambodia	Sexual harassment (BW)	Health & Safe Env (BW)	Health & Safe Env (BW)	Health & Safe Env (BW)	Collective Bargaining Agreement (BW)	Worker knowledge of law, codes & rights (BW)			Job satisfaction (BW)	Job satisfaction (BW)	Sexual harassment (BW)	
	Health & Safe Env (BW)	Health & Safe Env (BW)	Health & Safe Env (BW)	Health & Safe Env (BW)	Unions & Representation (BW)	Unions & Representation (BW)	Unions & Representation (BW)		Life satisfaction (BW)		Sexual harassment (BW)	
	Health & Safe Env (BW)				Unions & Representation (BW)	Unions & Representation (BW)					Sexual harassment (BW)	
Indonesia	Health & Safe Env (BW PC* Union Rep )	Health & Safe Env (BW PC*Fair Elections )	Health & Safe Env (BW PC*Gender Rep)	Health & Safe Env (BW PC*Management support)	Collective Bargaining Agreement (Unspecified Codes)						Sexual Harassment - All (BW)	
	Health & Safe Env (BW PC* Union Rep )	Health & Safe Env (BW PC*Fair Elections )	Health & Safe Env (BW PC*Gender Rep)	Health & Safe Env (BW PC*Management support)	Collective Bargaining Agreement (BW PC* Union Rep )	Collective Bargaining Agreement (BW PC*Fair Elections )	Collective Bargaining Agreement (BW PC*Gender Rep)	Collective Bargaining Agreement (BW PC*Management support)			Sexual Harassment - Female (BW)	
	Physical health - All (BW)	Physical Health - Female (BW)	Physical Health - Mother (BW)								Sexual Harassment - Mother (BW)	
	Mental health - All (BW)	Mental Health - Female (BW)	Mental Health - Mother (BW)									
Jordan	Health & Safe Env (BW PC* Union Rep )	Health & Safe Env (BW PC*Fair Elections )	Health & Safe Env (BW PC*Gender Rep)	Health & Safe Env (BW PC*Management support)	Collective Bargaining Agreement (BW PC* Union Rep )	Collective Bargaining Agreement (BW PC*Fair Elections )	Collective Bargaining Agreement (BW PC*Gender Rep)	Collective Bargaining Agreement (BW PC*Management support)			Sexual Harassment - All (BW)	
LEGEND	Statistically non-significant effects		Positive and statistically significant effects		Negative and statistically significant effects		BW: Better Work		PC: Participation Committee		A&A: Accord and Alliance	



**Table 6 (continued). Evidence map showing the availability of rigorous evidence on the effects of supply chain sustainability approaches on OHS, workers' voice and representation, intrinsic subjective outcomes and sexual harassment by country and sustainability tool.**

	Occupational health and safety				Workers' voice and representation				Intrinsic subjective outcomes		Sexual harassment	
Jordan (continued)	Health & Safe Env (BW PC* Union Rep )	Health & Safe Env (BW PC*Fair Elections )	Health & Safe Env (BW PC*Gender Rep)	Health & Safe Env (BW PC*Management support)							Sexual Harassment - Female (BW)	
	Physical health - All (BW)	Physical Health - Female(BW)	Mental health - All (BW)	Mental Health - Female (BW)								
Vietnam	Health & Safe Env (BW PC* Union Rep )	Health & Safe Env (BW PC*Fair Elections )	Health & Safe Env (BW PC*Gender Rep)	Health & Safe Env (BW PC*Management support)	Collective Bargaining Agreement (BW PC* Union Rep )	Collective Bargaining Agreement (BW PC*Fair Elections )	Collective Bargaining Agreement (BW PC*Gender Rep)	Collective Bargaining Agreement (BW PC*Management support)	Job satisfaction (BW)	Job satisfaction (BW)	Sexual Harassment - All (BW)	
	Health & Safe Env (BW PC* Union Rep )	Health & Safe Env (BW PC*Fair Elections )	Health & Safe Env (BW PC*Gender Rep)	Health & Safe Env (BW PC*Management support)	CF_041.1 (Better Work) Union & Representation						Sexual Harassment - Female (BW)	
	Physical health - All (BW)	Physical Health - Female(BW)	Physical Health - Mother(BW)								Sexual Harassment - Mother (BW)	
	Mental health - All (BW)	Mental Health - Female (BW)	Mental Health - Mother (BW)									
Haiti	Physical health - All (BW)	Physical Health - Female (BW)	Physical Health - Mother (BW)								Sexual Harassment - All (BW)	Sexual Harassment - Female (BW)
	Mental health - All (BW)	Mental Health - Female (BW)	Mental Health - Mother (BW)								Sexual Harassment - Mother (BW)	
Nicaragua	Physical health - All (BW)	Physical Health - Female (BW)	Physical Health - Mother (BW)								Sexual Harassment - All (BW)	Sexual Harassment - Female (BW)
	Mental health - All (BW)	Mental Health - Female (BW)	Mental Health - Mother (BW)								Sexual Harassment - Mother (BW)	
Various					Worker - Management Cooperation (Various)	Worker - Management Cooperation (Various)	Worker - Management Cooperation (Various)	Worker - Management Cooperation (Various)				
					Unions & Representation (Various)	Unions & Representation (Various)	Unions & Representation (Various)	Unions & Representation (Various)				
LEGEND	Statistically non-significant effects	Positive and statistically significant effects		Negative and statistically significant effects		BW: Better Work		PC: Participation Committee		A&A: Accord and Alliance		

# SECTION 6

---

## Key recommendations

# Recommendations for key stakeholders

A key aim of this review was to draw from available evidence and offer insights to inform future research and practice in this field. We offer a range of recommendations based on this work.

## General recommendations for all actors

- ✓ Seek multi-stakeholder alliances that include the most powerful players (global buyers) and international union federations, so that a more effective dialogue on standards and compliance mechanisms are built in with contributions from the different sides of the table.
- ✓ Consider the main drivers of harsh working conditions in a given industry (e.g. the double profit and order squeeze in apparel) to better understand the potential impact of micro-level factory interventions versus broader global agreements involving brands (buyers) and unions.
- ✓ Promotion of GFAs and GBAs through the involvement of IndustriAll may contribute to empower local trade unions and drive more effective collective bargaining and independent auditing with binding compliance.

## Recommendations for VSS and private sector practitioners, global buyers and policy makers

### Overall recommendations:

- ✓ **Particularly for global buyers:** Have an all-encompassing view of the supply chain, by considering monitoring and enforcement of labour standards across subcontractors. Alternatively, avoid subcontracting by first-tier suppliers if labour standards cannot be monitored or enforced.
- ✓ Improve or enhance the sanctioning mechanisms in situations of non-compliance (e.g. linking non-compliance with orders from buyers).

### Wages and remuneration

- ✓ Working towards commitments to living wage pledges, going beyond the basic minimum wage enforcement. This will require initial work to benchmark living wages in specific contexts.

### Terms and conditions of work

- ✓ Implementers should be cautious with overtime restrictions, as they can be counterproductive if workers' earnings without overtime cannot cover basic living costs.

- ✓ Improvements in management-worker relations may require more than training, given limited effects. The harsh culture associated with the double squeeze faced by suppliers is a major driver. Therefore, concerted action with buyers is needed to improve these relations in factories.

### Workers' voice and representation:

- ✓ Involving unions in interventions aiming to improve compliance should be a priority as evidence shows that they have an important leverage to force employers into compliance. They are more effective than Worker Participation Committees, which can be easily manipulated by the factory management.

## Recommendations for civil society organizations, trade unions and workers' organizations

### Overall recommendations:

- ✓ Put pressure on governments to enact enforceable supply chain legislation that is conducive to decent work in both buying and producing countries.

### Terms and conditions of work

- ✓ Collective bargaining is essential for more radical improvements in terms and conditions, whether this is job security excessive hours, or benefits. Promoting collective bargaining through existing workers' organisations is critical for this outcome.

## Recommendations for future research

There is value in developing common guidelines on commissioning and conducting theory-based impact evaluations in relation to decent work outcomes, as these could be useful to:

- ✓ Develop a common conceptual framework that could be adapted to different approaches, value chains, and geographical regions.
- ✓ Better coordinate research resources to fill gaps of evidence.
- ✓ Improve the quality of the evidence (research design and methods of analysis).
- ✓ Go beyond black-box evaluations and

focus on implementation dynamics and the conditions that need to be in place for an approach/tool to be effective, i.e. strive for mixed-methods realist evaluations, which include a component of process evaluation.

- ✓ Create common methodological standards, like capturing the intensity of the exposure (e.g. time exposed to the intervention); unpacking the relative effectiveness of different arms of an intervention; accounting for variation in the population in terms of vulnerability and marginalisation (e.g. migrant workers, female workers, etc.); researching sensitive issues such as child labour, sexual harassment and other forms of abuse in the workplace.





# SECTION 6

---

## Conclusion

# Concluding thoughts

This report presents the key findings of the synthesis of counterfactual and non-counterfactual evidence on the impact of supply chain sustainability approaches on decent work outcomes for the apparel sector.

At this point it is worth remembering that the findings presented here reflect the state of the literature, and how reality is represented in the studies included in this review. This is not necessarily how reality is.

What we have produced is an analysis of the body of evidence available today on corporate and multi-stakeholder initiatives aiming at improving decent work outcomes in the apparel sector. What we can and cannot say about what we have learnt from this study needs to be interpreted through this lens.

Our main takeaways from reviewing this body of literature are the following:

- There are many statistically non-significant outcomes or in other words, no impact. Given the large sample size of most apparel studies, we conclude that statistically non-significant effects are likely to be driven by a lack of intervention effectiveness and not by a lack of statistical power.
- There is an over-concentration of effects in some areas and a limited or complete lack of effects in other areas. This is likely to be driven by the theories of change of the specific interventions and what their focus is, but also by what can be (easily) measured by researchers.

- Overall, apparel studies have robust research designs in terms of randomization (RCTs, pipeline designs), and make good use of theories of change, intensity and exposure of interventions. Nevertheless, the focus remains on establishing counterfactual causation rather than revealing causal mechanisms in depth.
- Studies exploring the effects on decent work outcomes provide sufficient clarity regarding what an approach or tool is and how it is supposed to create change (e.g. its theory of change). However, we also find that they lack ambition, measuring outcomes closer to inputs (e.g. compliance with minimum standards), and fail to explore long-term impacts (e.g. income, standards of living, wages).
- Two interventions dominate the apparel literature – the Better Work Programme (mainly focusing on Cambodia, Vietnam and Indonesia) and the post-Rana Plaza agreements, namely A&A (Bangladesh). This concentration of studies is likely to be driven by the availability and easy access to large panel data observations in the case of Better Work, and the determination to avoid another Rana Plaza disaster in the case of A&A in Bangladesh.

Regarding the nature of effects and effectiveness of these interventions, we note the following:

- Better Work appears to be effective in achieving compliance with minimum ILO or national labour standards, at least in some contexts (Asia).
- A&A in Bangladesh appears to perform better overall. However, effects are extracted from only three studies (four reports, but two are linked).



- Context is highly influential, and we see great variation of effects between countries, such as between Cambodia and Vietnam, and Haiti and Nicaragua.
- There is limited evidence on the effects of supply chain sustainability approaches driven exclusively by the private sector (private codes of conduct). The few included studies report on unspecified codes, or report various codes/countries without disaggregation. There are also no studies on influential initiatives, such as GFAs/GBAs, which go beyond factory safety and include a wider range of core labour standards.
- There are large evidence gaps of counterfactual evidence for China and India. There is an important number of non-counterfactual studies, and an impressive lack of evidence - both counterfactual and non-counterfactual - on Central America "maquiladoras". These are incredibly important players in the international trade of apparel products, which is a critical omission.

Overall, the evidence suggests that there is limited positive impact of a wide range of sustainability approaches and interventions. This leads to two main reflections.

First, decent work encompasses a wide range of outcomes that are challenging to tackle simultaneously. The reality of current economic and labour market dynamics is that not all good things go together. It may be possible to tackle some decent work outcomes, such as workers' representation or occupational health and safety more easily than wages, job security, and other terms and conditions of employment. Trade-offs are unavoidable. Voluntary standards systems, the private sector, governments, unions and other civil society organizations may contribute to some improvements in decent work outcomes,

but only to a limited extent if interventions are not far-reaching enough.

Second, labour regimes are inherently exploitative and produce job insecurity and low remuneration for workers. This is an outcome of deeply entrenched global and local market dynamics, which, through competition, lack of protections, and weak collective action, powerfully shape how workers are treated. A reality check is needed, as this review suggests. Supply chain sustainability approaches can drive change on some aspects of working conditions, but not at a systemic level.

They cannot, however, drive radical change and a systemic and bold move towards decent work in all its dimensions of pay, security and representation. Perhaps better decent work outcomes might be achieved with improved implementation of interventions, more coordination, and less selection bias.

Nonetheless, the nature of labour regimes, as described in this report, together with the weakness of institutional and legal frameworks for workers in LMICs, are the product of forces that micro-level interventions are unlikely to fundamentally alter. Therefore, sustainability approaches to decent work in apparel need to reflect on what kinds of changes can be driven through these types of interventions.

Systems approaches are more likely to yield long-lasting effects. An example would be multi-stakeholder binding agreements including enforceable legislation in buying and producing countries borne out of lobbying, and collective action with workers at the centre. However, the pathway towards these kinds of agreements remains slow and bumpy.



# SECTION 7

---

## Annexes



# Annex A:

## Reports included in the systematic review

### Counterfactual reports included for research question 1

Antolin, A., L. Babbitt, D. Brown, and H. Wen, 'Is Social Compliance Win-Win for Workers and Firms?' Better Work Discussion paper 39, Geneva: International Labour Office, 2020.

Babbitt, L., 'Supervisory Skills Training Impact Evaluation', Better Work Discussion paper 22, Geneva: International Labour Office, 2016.

Babbitt, L., D. Brown, A. Antolin, 'Sexual Harassment: Causes and Remediation Evidence from Better Factories Cambodia', Better Work Discussion paper 38, Geneva: International Labour Office, 2020.

Bartley, T. and N. Egels-Zandén, 'Responsibility and neglect in global production networks: the uneven significance of codes of conduct in Indonesian factories', *Global Networks*, 15(s1), 2015, pp.S21-S44

Bossavie, L., Y. Cho, and R. Heath, 'The effects of international scrutiny on manufacturing workers: Evidence from the Rana Plaza collapse in Bangladesh', IZA Discussion Papers, No. 13782, Bonn, Institute of Labor Economics (IZA), 2020.

Distelhorst, G. and J.E. Shin, 'Assessing the social impact of corporations: Evidence from management control interventions in the supply chain to increase worker wages', *Journal of Accounting Research*, 2023.

Djaya, D., D. Brown, and L. Lupo, 'An Impact Evaluation of Better Work from a Gender Perspective: Analyzing Worker Surveys from Haiti, Nicaragua, Indonesia, Vietnam and Jordan', Better Work Discussion paper 30, Geneva: International Labour Office, 2019.

Graz, J.C., J. Sobrino Piazza, and A. Walter, 'Labour Standards in Global Production Networks: Assessing Transnational Private Regulation and Workers' Capacity to Act', *Development and Change*, 53(4), 2022, pp.912-937.

Graz, J.C., P.R. Lemos, and A. Galvão, 'Do Labour Standards Improve Employment Relationships in Global Production Networks? A Cross-sector Study in Brazil', *Global Labour Journal*, 14(2), 2023.

Hollweg, C.H., 'Firm Compliance and Public Disclosure in Vietnam', Better Work Discussion paper 31, Geneva: International Labour Office, 2019.

Jerrentrup, P., 'The impact of collective arrangements on garment workers' wages and work hours', Better Work Discussion paper 42, Geneva: International Labour Office, 2021.

Kabeer, N., L. Haq, M. Sulaiman, 'Multi-stakeholder initiatives in Bangladesh after Rana Plaza: Global norms and workers' perspectives', Working Paper Series, No. 19-193, London, London School of Economics and Political Science (LSE), Department of International Development, 2019.

Kabeer, N., L. Huq, and M. Sulaiman, 'Paradigm shift or business as usual? Workers' views on multi-stakeholder initiatives in Bangladesh'. *Development and Change*, 51(5), 2020, pp.1360-1398

Khan, M., 'Worker voice and labor standards: study of participation committees in supply chains', Better Work Discussion paper 41, Geneva: International Labour Office, 2021.

Oka, C., 'Accounting for the gaps in labour standard compliance: The role of reputation-conscious buyers in the Cambodian garment industry', *The European Journal of Development Research*, 22, 2010, pp.59-78

Oka, C., 'Labor standard compliance and the role of buyers: The case of the Cambodian garment sector', Doctoral dissertation, London, London School of Economics and Political Science, 2010.

Robertson, R., 'Apparel wages before and after: Better Factories Cambodia', Discussion Paper 3, Geneva: International Labour Office, 2011.

Robertson, R., 'Working Conditions, Transparency, and Compliance in Global Value Chains: Evidence from Better Work Jordan', IZA Discussion Papers, No. 12794, Bonn, Institute of Labor Economics (IZA), 2019a.

Robertson, R., 'Lights On: Transparency and Compliance Evidence from Cambodia', Better Work Discussion paper 29, Geneva: International Labour Office, 2019b.

## Non-counterfactual reports included for research question 2

Afros, A., 'Workers' Voice within and beyond Participation Committees A Case Study of Two Bangladeshi Garment Factories', Geneva: International Labour Office, 2022.

Amengual, M., and L. Chirot, 'Reinforcing the state: Transnational and state labor regulation in Indonesia', *ILR review*, 69(5), 2016, pp.1056-1080.

Anner, M., 'Wildcat strikes and Better Work bipartite committees in Vietnam: Toward an elect, represent, protect and empower framework', Geneva: International Labour Office, 2017.

Anner, M., 'CSR participation committees, wildcat strikes and the sourcing squeeze in global supply chains', *British Journal of Industrial Relations*, 56(1), 2018, pp. 75-98.

Bair, J., M. Anner, J. Blasi, 'The political economy of private and public regulation in post-Rana Plaza Bangladesh', *ILR Review*, 73(4), 2020, pp. 969-994.

Gregoratti, C., D. Miller, 'International framework agreements for workers' rights? Insights from River Rich Cambodia', *Global Labour Journal*, 2(2), 2011, pp. 84-105.

ILO, 'Progress and Potential: How Better Work is improving garment workers' lives and boosting factory competitiveness', Geneva: International Labour Office, 2016.

ILO, 'Harnessing Compliance to Improve Well-being and Productivity: The Impact of Better Factories Cambodia', Geneva: International Labour Office, 2020a.

ILO, 'Gender and Care Responsibilities: Examining the differences for garment workers in Better Factories Cambodia'. Geneva: International Labour Office, 2020b.

ILO, 'Mothers@Work A qualitative assessment', Geneva: International Labour Office, 2022.

ILO, 'Sexual harassment prevention in the global garment industry: An Assessment of Better Work Initiatives in Indonesia, Jordan, Nicaragua, and Vietnam', Geneva: International Labour Office, 2023.

Mausumi, N., and M. Rahman, 'Impact of stakeholder initiatives: Bangladesh garment industry', *SCMS Journal of Indian Management*, 15(2), 2018, pp. 31-41.

Norpoth, J., C. Neset, and M. Kaltenborn, 'Implementation of the H&M Global Framework Agreement in Cambodia: Producing Outcomes for Industrial Democracy despite a Challenging Context?', *International Journal of Comparative Labour Law and Industrial Relations*, 36(2), 2020, pp. 1-23.

Pike, K., 'Impacts on the Shop Floor: An Evaluation of the Better Work – Gap Inc. program on Workplace Cooperation', Geneva: International Labour Office, 2020.

Pike, K., B. English, 'Better Work Beyond the Workplace A Comparative Study of Gender Dynamics in Bangladesh, Cambodia, Kenya, Lesotho, and Vietnam', Geneva: International Labour Office, 2020.

Rahman, S. S, 'Accountability in Global Fashion Industry Supply Chains: An Investigation of Post Rana Plaza Regulatory Initiatives in Bangladesh', Doctoral thesis, Manchester, The University of Manchester, 2018.

Reinecke, J., and J. Donaghey, 'Political CSR at the coalface—The roles and contradictions of multinational corporations in developing workplace dialogue', *Journal of Management Studies*, 58(2), 2021, pp. 457-486

# Annex B:

## Additional references

- Alamgir, F., and S.B. Banerjee, 'Contested compliance regimes in global production networks: Insights from the Bangladesh garment industry.', *Human Relations* 72, (2), 2019, pp. 272-297.
- Amengual, M., G. Distelhorst, and D. Tobin, 'Global purchasing as labor regulation: The missing middle', *ILR Review*, 73(4), 2020, pp.817-840.
- Anner, M. 'Labor Control Regimes and Worker Resistance in Global Supply Chains', *Labor History*, 56 (3), 2015, pp.292-307.
- Anner, M., 'Squeezing workers' rights in global supply chains: Purchasing practices in the Bangladesh garment export sector in comparative perspective', *Review of international political economy*, 27(2), 2020, pp.320-347.
- Anner, M., 'Three labour governance mechanisms for addressing decent work deficits in global value chains', *International Labour Review* 160 (4), 2021, pp. 611-629.
- Ashraf, H. and R. Prentice, 'Beyond factory safety: Labor unions, militant protest, and the accelerated ambitions of Bangladesh's export garment industry', *Dialectical Anthropology*, 43(1), 2019, pp.93-107.
- Barrientos, S., G. Gereffi, and A. Rossi, 'Economic and social upgrading in global production networks: A new paradigm for a changing world', *International Labour Review*, 150(3-4), 2011, pp.319-340.
- Better Work, 'The Programme', 2023. Available at: <https://betterwork.org/programme/#> (Accessed 8 December 2023).
- Duvendack M, R. Palmer-Jones, J.G. Copestake, L. Hooper, Y. Loke, and N. Rao, 'What is the evidence of the impact of microfinance on the well-being of poor people? London: EPPI-Centre, Social Science Research Unit, Institute of Education, University of London, 2011.
- Gereffi, G. and J. Lee, 'Economic and social upgrading in global value chains and industrial clusters: Why governance matters', *Journal of Business Ethics*, 133(1), 2016, pp.25-38.
- Graz, J.C., J. Sobrino Piazza, and A. Walter, 'Labour Standards in Global Production Networks: Assessing Transnational Private Regulation and Workers' Capacity to Act', *Development and Change*, 53(4), 2022, pp.912-937.
- Hammer, N. and R. Plugor, 'Disconnecting labour? The labour process in the UK fast fashion value chain', *Work, Employment and Society*, 33(6), 2019, pp.913-928.
- ILO, 'Decent Work', 2024a. Available at: <https://www.ilo.org/global/topics/decent-work/lang--en/index.htm> (Accessed 24 March 2024).
- ILO, 'ILO Declaration on Fundamental Principles and Rights at Work', 2024b. Available at: <https://www.ilo.org/declaration/lang--en/index.htm> (Accessed 24 March 2024)
- Khandker, S. R., G. B Koolwal, and H.A. Samad, 'Handbook on impact evaluation: quantitative methods and practices.', World Bank Publications, 2009.
- Krumbiegel K, M. Maertens, M. Wollni, 'The role of fairtrade certification for wages and job satisfaction of plantation workers', *World Development*, 102, 2018, pp. 195-212.
- LeBaron, G., R. Edwards, T. Hunt, C. Sempéré, and P. Kyritsis, 'The ineffectiveness of CSR: Understanding garment company commitments to living wages in global supply chains', *New Political Economy*, 27(1), 2022, pp.99-115.
- Lerche, J. A., D.O. Mezzadri, P. Chang, H. Ngai, A. Lu, R. Liu, R. Srivastava, 'The Triple Absence of Labour Rights: Triangular Labour Relations and Informalisation in the Construction and Garment Sectors in Delhi and Shanghai', Working Paper 32/17, London, Centre for Development Policy and Research, SOAS, 2017.
- Mezzadri A. 'The Sweatshop Regime: Labouring Bodies, Exploitation and Garments Made in India', Cambridge, Cambridge University Press, 2016.
- O'Rourke, D., 'Multi-stakeholder regulation: privatizing or socializing global labor standards?', *World development*, 34(5), 2006, pp.899-918.
- Snilstveit, B., 'Systematic reviews: from 'bare bones' reviews to policy relevance' *Journal of development effectiveness*, 4(3), 2012, pp.388-408.
- Selwyn, B., 'Social upgrading and labour in global production networks: A critique and an alternative conception', *Competition & Change*, 17(1), 2013, pp.75-90.
- TUFTS, 'Better Work Impact Evaluation', 2023. Available at <https://sites.tufts.edu/laborlab/projects/bw-impact-evaluation/> (accessed 8 December 2023).

# Annex C:

## Summary of inclusion and exclusion criteria used to frame the review

Table A1. Summary of inclusion and exclusion criteria

Parameter	Inclusion criteria	Exclusion criteria
Location	Low and middle income countries	High income countries
Language	English, French, Spanish	Any other language
Timeframe	2000 onwards	Before 2000
Population	Studies that provide evidence at the worker level (individual workers or workers' collectives)	Studies that report ONLY at the company level (e.g. organisational, financial and productivity effects at the company level).
Intervention	Studies that report on supply chain sustainability interventions occurring within the corporate sustainability and MS pathways involving private or social governance, such as Company Sustainability Codes; Supply chain investment programmes; Voluntary Sustainability Standards; Sustainability Rating and Performance Tools; Pre-competitive industry/ market-based sustainability platforms; Bans, boycotting, petitions, protests; Framework Agreements & Initiatives	Studies that report other pathways to social upgrading and types of governance
Outcome	Studies that report on endpoint decent work outcomes, namely wages and remuneration; working terms and conditions; human rights; worker voice and representation; and other intrinsic and subjective outcomes	Studies that do not report on any endpoint decent work outcome
Study Type	<p>For RESEARCH QUESTION1: Quantitative evidence produced by rigorous impact evaluation studies using experimental and quasi-experimental designs.</p> <p>Qualitative evidence (factual and counterfactual) produced by studies meeting the quality criteria set by Oya et al (2017).</p> <p>For RESEARCH QUESTION2: Factual data and institutional information relevant to the context, adoption and implementation of the studies included for RESEARCH QUESTION1.</p>	<p>For RESEARCH QUESTION1: Studies providing quantitative evidence with no counterfactual component, unless they contain relevant factual evidence for RESEARCH QUESTION2.</p> <p>For RESEARCH QUESTION2: Factual data and institutional information NOT relevant to the context, adoption and implementation of the studies included for RESEARCH QUESTION1.</p>



# Annex D:

## Quality assessment of the counterfactual evidence included in the review

Table A2. Summary of included studies with counterfactual evidence by scores: number of reports in each category

Score=ln(design )+ ln(analysis)	Not Methods of Analysis	IV,PSM, 2SLS/ LIML, DID	Multivariate	Tabulation
Research Design	Scores	1	2	3
RCT	1			1
Pipeline	2			
Panel or before/after & with/without	3	5	4	
Either before/after or with/without	4	14	17	4
<b>LEGEND</b>	Low score (≤1,3862)	Medium-low score (≤1,7917)	Medium-high score (≤2,0794)	High score (=2.4849) (excluded)

Source: Adapted from Duvendack et al (2011:37). Scored according to self-reported research design and methods of analysis.

