

EFFECTS OF DECENT WORK CHECK SURVEYS IN INDONESIAN GARMENT FACTORIES

Jan Paul Grollé, Nadia Pralitasari

Gajimu Garment Program, April 2022



WageIndicator Foundation - www.wageindicator.org

WageIndicator started in 2000 to contribute to a more transparent labour market by publishing easily accessible information online. It collects, compares and shares labour market information through online and face-to-face surveys and desk research. It publishes the collected information on national websites, thereby serving as an online library for wage information, labour law, and career advice, both for workers/employees and employers.

The WageIndicator websites and related communication activities reach out to millions of people each month.

WageIndicator Foundation was established in 2003. By 2022 the foundation has offices in Amsterdam (HQ), Bratislava, Buenos Aires, Cairo, Cape Town, Düsseldorf, Jakarta, Islamabad, Maputo, Pune, Sarajevo and Venice. The foundation has a core team of 20 persons and some 100 associates - specialists in wages, labour law, industrial relations, data science, data collection, statistics - from all over the world. The IT team is independent. On a yearly basis, WageIndicator Foundation offers 100 internships to students from different universities. FLAME University in Pune, India, plays a key role in the intern program.

The authors:

Jan Paul Grollé is affiliated with the WageIndicator Foundation.

Nadia Pralitasari, Project coordinator for Indonesia, WageIndicator Foundation.

Corresponding address: office@wageindicator.org

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Bibliographical information

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WageIndicator Foundation, Address: P O Box 15966, 1001NL Amsterdam, The Netherlands
Email office@wageindicator.org.

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1. Introducing the Decent Work Check survey

Decent Work is the type of work for which all of us aspire. It is done under conditions where people are gainfully employed (and there exist adequate income and employment opportunities); social protection system (labour protection and social security) is fully developed and accessible to all; social dialogue and tripartism are promoted and encouraged; and rights at work, as specified in ILO Declaration on Fundamental principles and Rights at Work and Core ILO Conventions, are practised, promoted and respected.

WageIndicator Foundation has been working, since late 2007, to raise awareness on workplace rights through a unique tool, i.e., Decent Work Check. The Decent Work Check considers different work aspects, which are deemed important in attaining “decent work”. The work makes the rather abstract Conventions and legal texts tangible and measurable in practice.

The Decent Work Check employs a double comparison system. It first compares national laws with international labour standards and gives a score to the national regulations (happy or sad face). If national regulations in a country are not consistent with ILO conventions, it receives a sad face and its score decreases (and vice versa). It then allows workers to compare their on-ground situation with national regulations. Workers can compare their own score with national score and see whether their working conditions are consistent with national and international labour standards. The Check is based on de jure labour provisions, as found in the labour legislation.

Decent Work Check is useful both for employees and employers. It gives them knowledge, which is the first step towards any improvement. It informs employees of their rights at the workplace while simultaneously enlightening employers about their obligations. Decent

Work Check is also useful for researchers, labour rights organisations conducting surveys on the situation of rights at work and the general public wanting to know more about the world of work. WageIndicator teams, around the world, have found out that workers, small employers and even labour inspectors are not, sometimes, fully aware of the labour law. When you are informed - being a worker, self-employed, employee, employer, policy maker, labour inspector - there is a greater possibility that you ask for your rights (as a worker), you comply with rules (as an employer) and you strive to enforce these (as a labour inspector).

The work is relevant to the challenges posed to the future of work, especially the effective enforcement of legislation in financially constrained states, rise of precarious employment and measuring the impact of regulatory regimes.

Currently, there are more than 115 countries for which a Decent Work Check is available here. During 2022, the team aims to include at least 10 more countries, thus taking the number of countries with a Decent Work Check to 125!

2. Comparing compliance before and after 2020

We compared compliance of 55 factories before the pandemic in 2020 with the same factories' compliance after the pandemic. The assessment is based on factory surveys asking workers if their factory complies with the Indonesian labour law on 8 work condition topics:

- Employment security
- Fair treatment
- Health & safety
- Right to organise
- Social security

- Wages
- Women rights
- Working hours

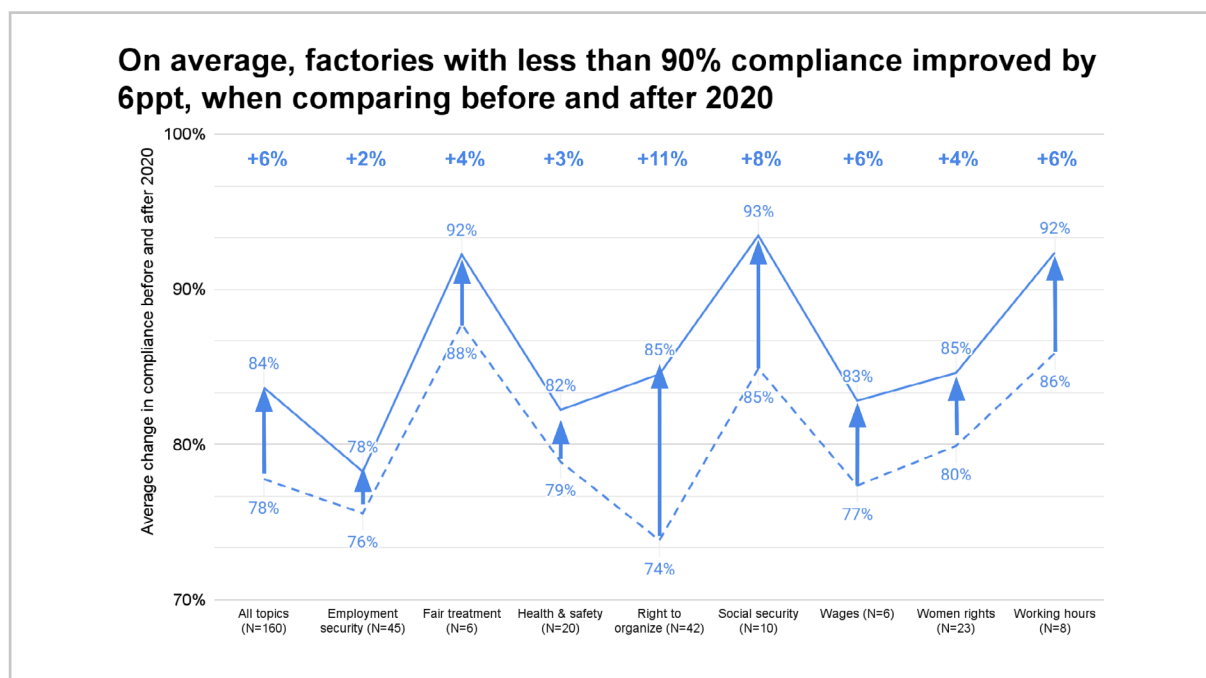
A total of 47 questions are asked, to cover these 8 topics. To qualify, Decent Work Check surveys require a minimum of 30 workers per factory to respond. The compliance is then measured as the percentage of responding workers confirming the presence of a particular legally required working condition. Compliance on one of the 8 topics is calculated as the average of all answered questions on conditions which are part of that topic. Finally, general compliance is also calculated as the average across all topics.

Most factories already complied on many topics. Across the 55 factories and their 440 topics, 280 topics were in compliance according to at least 90% of responding workers. On these topics, there was little change within the last percentages to improve.

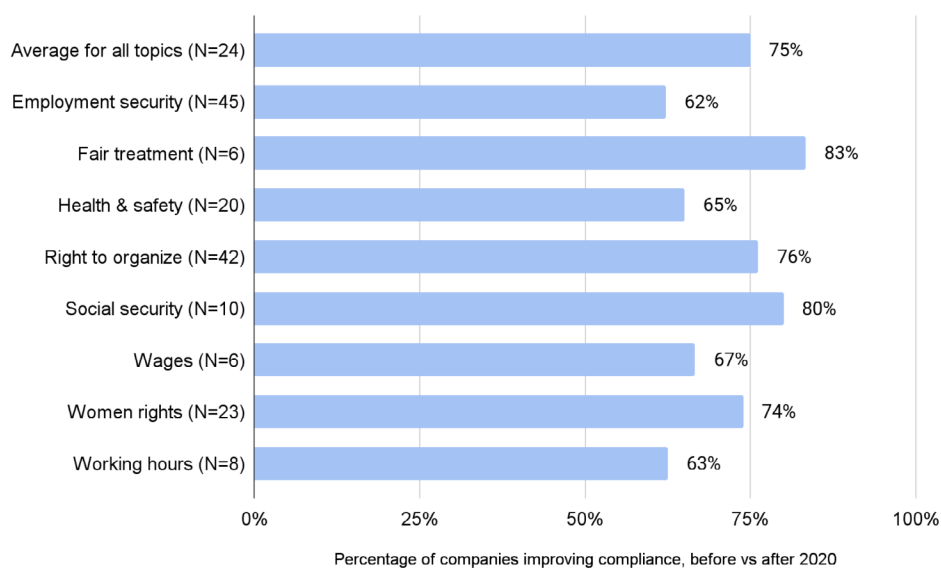
When we looked at all 160 topics with below 90% compliance, the average compliance was 78% before the pandemic and 84% after, an increase of 6 percentage points.

For the 8 topics, compliance differed widely. The most problematic topics were **Employment security** (45 factories sub-90%), **Right to organise** (42), and **Women rights** (23). For 45 factories starting with compliance on **Employment security** below 90%, the average was 76% before the pandemic and 78% after. This increase of 2 percentage points is the lowest for all topics. In contrast, the 42 factories starting with sub-90% compliance on **Right to organise**, the average was 74% before the pandemic and 85% after, an increase of 11%! **Women rights** improved from 77% to 83%, an increase of 6 percentage points. The other topics saw increases between 3% and 8%.

Next to average increases, we also looked at how many of the less compliant factories improved. Out of 24 factories starting below 90% average compliance (across all 8 topics), 75% improved. For all 8 topics, the percentages of factories improving ranged from 62% to 83%.



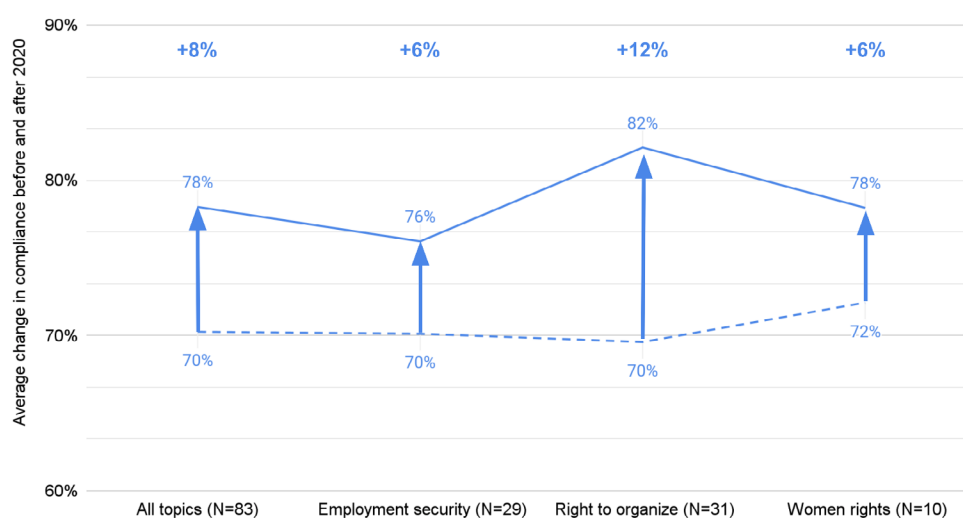
Of all factories starting below 90% compliance, 75% improved



We also looked at factories with lower compliance rates, below 80%. While there is more room for improvement, it can also be harder to improve compliance where circumstances seem to be unfavourable. Across the 55 factories and their 440 topics, 83 topics started below 80% compliance.

Their average compliance increased from 70% before the pandemic to 78% after, an increase of 8 percentage points. Again, the most problematic topics were *Employment security* (29 factories sub-90%), *Right to organise* (31), and *Women rights* (10). The average improvements were clear however: 6, 12, and 6 percentage points respectively.

Problem areas, starting below 80%, saw clear improvements



3. Interpretation

The increases in compliance suggest that the Decent Work Check surveys and the following bipartite dialogues based on the data, influence factories' compliance with Indonesia's labour law; most notably in factories where more than 20% of the surveyed workers respond that their factory does not comply.

We cannot be too sure about this influence, as long as we can't compare with a control group. The pandemic and the introduction of the omnibus law may have had their own effects. One may assume that the relatively modest increase in ***Employment security*** has been affected by the economic crisis and lowered protection by law. Conversely, the large improvement in ***Right to organise*** may have been driven by the need to resist a deterioration in work standards. However, it seems hard to imagine that all garment factories in Indonesia will have seen increases in compliance with the labour law comparable to the factories participating in the Decent Work Check surveys.

As part of this project and the support by the Laudes Foundation for it, a robust evaluation effort in 2022 will try to shed more light on the size and nature of the impact resulting from Decent Work Checks.

REFERENCES

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