

TOOL 7: ASSESSMENT OF WORKING CONDITIONS

Overview

At a glance

Employment-related challenges in developing countries stem not only from the lack of employment opportunities (quantity), but also from the poor quality of employment. With the rise of global supply chains, the issue of poor working conditions in developing countries has become even more pressing.⁸ In response to these challenges, the international community has redoubled its efforts to tackle the issue of working conditions, especially in lower tiers of supply chains (see Box 4.15). Assessments of working conditions represent a useful tool in this regard, providing a diagnosis of people's quality of employment (in general or in a specific sector) and can serve to review the enforcement of social and labour standards. Such assessments are therefore an important prerequisite for effective interventions and policies seeking to improve the quality of employment at the local level.

Box 4.15: Spotlight on global efforts to improve working conditions

The United Nations (UN) Guiding Principles, adopted in 2011, outline the responsibilities of the public and private sectors in terms of adhering to labour standards and human rights, notably with regards to supply chains and overseas business operations.⁹ So far, 24 UN member States have translated the framework into National Action Plans, including 18 European countries. More recently, the European Union (EU) and several countries such as United Kingdom, France or the Netherlands passed mandatory due diligence legislation.¹⁰

Improving working conditions in upstream supply chains has also become an increasingly important aspect of development assistance. For instance, Germany focuses on decent work in textile supply chains.¹¹ The EU has set up the Generalised Scheme of Preferences (EU GSP +) to facilitate access to the common market for developing countries based on labour provisions.¹²

The International Labour Organization (ILO) has also expanded its focus on decent work in the context of global supply chains, notably on textile, agro-food, electronics and mining as well as trade policy.¹³

⁸ There were more than 450 million jobs linked to global supply chains. [ILO \(2015\), World employment and social outlook: Trends 2015](#).

⁹ [UN OHCHR, Business and human rights](#).

¹⁰ UK Modern Slavery Act (2015), French Loi de Vigilance (2017), Dutch Child Labour Law (2019), EU legislation on conflict-minerals (2017) or non-financial reporting (2014), US Dodd Frank Act (2010), G20 Hamburg Leaders Declaration (2017).

¹¹ [BMZ Website, Mehr Fairness in globalen Liefer- und Wertschöpfungsketten](#).

¹² [EU Generalised Scheme of Preferences+](#).

¹³ See for example [ILO \(2016\), Decent work in global supply chains](#); [ILO \(2017\), Follow-up to the resolution concerning decent work in global supply chains: Roadmap for the programme of action](#); [Trade for Decent Work Project](#); etc.

Key information it can provide

The assessment of working conditions provides information on people's quality of employment and countries'/businesses' level of (non-)compliance with social and labour standards. The analysis can therefore be a useful entry point for a broad range of interventions including economic/trade policy, private sector development, labour market programmes, etc. Typical information covered by assessments of working conditions includes:

- **General working conditions:** This can include looking at general dimensions of employment quality and decent work, including working time, wages/earnings, stability and security of work, safe work environment, equal treatment and opportunity, access to social security benefits, social dialogue, etc. ¹⁴
- **Sectoral analysis:** The assessment can provide a profound understanding of the labour-related challenges and the enforcement of social and labour standards relevant for a specific sector, either at international, national or local level.
- **Supply chain dynamics:** Analysis can also focus on the supply chain to explore key decent work challenges and/or strategies to mitigate such negative impacts on workers from one tier to another (e.g. short lead time in the garment sector often results in excessive working hours at supplier level).
- **Labour legislation:** An analysis of a country's decent work profile (e.g. ratification of International Labour Standards, complaints on labour issues, private/public sector scandals) is useful when defining areas of interventions.

In general, assessments can be used for understanding working conditions at different levels, including country-level (e.g. general working conditions in Bolivia, respect of labour rights in Bangladesh), global sector/value chain (e.g. situation of workers' rights in coffee sector or chemical supply chains), or the local level (e.g. risk of child labour in the Democratic Republic of Congo's artisanal mining sector, wage structures of female workers in the textile sector in Tamil Nadu, India).

¹⁴ See [ILO \(2013\)](#) for an overview of decent work dimensions.

Data source(s)

Data should be collected from a variety of sources, with sufficient time allocated for direct interaction with workers. When analysing sectors or value chains, the focus should be on workers in lower tiers of the supply chain (e.g. production of raw materials or manufacturing of goods/services). Desk research, qualitative research (interviews, focus groups and on-site visits), and worker surveys (though less frequently) are common approaches to get a full picture of a specific sector/value chain in question.

- Secondary sources
 - National laws and legislation related to social and labour standards (e.g. occupational safety and health (OSH), child labour and forced labour, freedom of association, living wages, etc.)
 - Ratification status of international labour standards
 - National and international statistics (trade, OSH, child labour incidents, informal employment, etc.)
 - Existing literature/country studies focusing on working conditions
- Primary sources
 - Qualitative methods: focus group discussions; key informant interviews (e.g. workers, managers, business associations, labour inspection services, civil society, local communities); observation/on-site visits (incl. factory audits)
 - Quantitative methods: surveys of workers (at the firm/farm level)

Context requirements (feasibility)

In principle, assessing working conditions can be done in all countries and sectors. There are some prerequisites, however, that determine to what extent such analysis is feasible.

- **Type of intervention should be clear:** For an in-depth assessment to be possible, the broad scope of intervention (e.g. in terms of sector/VC focus, geographic scope, etc.) should have been determined prior to conducting the assessment.
- **Ability to conduct primary data collection:** Identifying and interviewing the relevant stakeholders (and especially workers) can be difficult, especially since some of the topics of interest can be sensitive. Upstream supply chains are often characterized by informal work, sub-contracting or home-based work. At factory level, cultural/hierarchical issues or lack of trust can come into play further hampering a direct exchange with workers. Companies may also restrict access to production sites making it difficult to understand the actual enforcement of labour and social standards in a specific context.

- **Ongoing intervention:** While a generic analysis (particularly the desk review) can potentially be done relatively quickly, access to relevant stakeholders (especially workers) may be challenging and therefore more realistic when there are already pre-existing relationships with key stakeholders (e.g. associations, firms/producers). In-depth assessments of working conditions may therefore be more feasible in the context of an existing programme.

Advantages and limitations

Advantages	Limitations
<ul style="list-style-type: none"> • Can be flexibly applied to all countries and all sectors • Can provide detailed understanding of decent work challenges in a specific sector/value chain or geographical area • Provides data/information on the enforcement of labour and social standards • Can improve supply chain transparency leading to action at lead firm level • Results can be used for different interventions at country level 	<ul style="list-style-type: none"> • Limited focus on quantity of employment; does not yield information on employment creation • Largely qualitative assessment, as quantitative data collection often only more realistic at a later stage • Access to information (e.g. on real conditions, actual enforcement of standards) can be very challenging, e.g. due to difficulty to identify stakeholders, difficult access to production sites (particularly in informal setting or complex value chains), cultural/political/business related barriers, lack of transparency of (global) supply chains, etc. • Precise measurement of certain dimensions of working conditions can be difficult

Box 4.16: Better Work Ethiopia

Better Work is a programme jointly implemented by ILO and International Finance Corporation (IFC), the World Bank's private-sector arm. The key objective of the programme is to improve working conditions in global garment supply chains. Active in nine countries in different regions, the programme works with suppliers, lead firms, governments and unions to improve workers' rights in the textile and garment sector. In Ethiopia, Better Work focuses on greater incomes and compensation, enhanced safety, equality, voice and representation. Overall, interventions focus on compliance with international labour standards. At factory level, the focus is on working conditions and strengthening of union rights. In more detail, workplace injury prevention, better protection for workers and fair compensation are being targeted. Better Work also cooperates closely with factory owners, global brands and retailers to ensure that interventions foster productivity and competitiveness.

Source: [ILO and IFC, Better Work Programme - Ethiopia](#)

How to

Defining the scope / prioritizing learning objectives

The adequate scope of the assessment can vary depending on the expected focus of the intervention and the learning objectives for the assessment. Prior to launching an assessment, the following variables should be defined:

- (i) **Geographic and sectoral scope:** It must be clarified whether the assessment should have broad coverage (e.g. respect labour rights in country X) or whether it should be highly focused (e.g. working conditions in sector X in districts Y and Z, working conditions in specific production sites).
- (ii) **Type of information:** Depending on questions to be answered, the assessment may look only at very specific information (e.g. wages, occupational safety) or try to collect information on a broad range of issues (e.g. labour legislation, different dimensions of working conditions along the value chain, etc.).
- (iii) **Extent of data collection:** While it is possible to approach the topic from a more desk-research perspective (e.g. to understand labour legislation), obtaining a detailed picture of the actual situation and enforcement of rights and standards requires interacting with workers on the ground. Most assessments therefore prioritise primary (qualitative and potentially also quantitative) data collection in order to get first-hand information on potential issues. When using quantitative data, it should also be clear to what extent the information should be representative of the target group (e.g. coffee farmers in region X).

Steps/tasks to implement the instrument

The key steps to implement a typical assessment are:

1. **Inception phase:** To begin with, reviewing primary and secondary sources is needed. The analysis can focus on the legislative framework (e.g. national or sub-national level, generic or sector-specific, etc.), reviewing of statistical data, analysis of labour standards and/or further sources such as press articles or court rulings. As needed, it may also include background information on a specific sector or value chain. Based on the desk research, the intended scope and workplan of the assessment can be refined.

2. **Design and piloting of data collection instrument(s):** In case the scope of the analysis allows for collecting data, findings from the desk research can be combined with on-site visits, interviews/focus groups and possibly a survey of workers. This step would include the development of guidelines for semi-structured interviews or focus group discussions, as well as the design of survey questionnaires (e.g. workers survey) as needed.
3. **Data collection:** Primary data collection provides useful insights into the actual situation on the ground and helps define targeted interventions. However, getting in touch with workers and the underlying supply chain structures may be challenging and time-consuming.
4. **Analysis and draft report:** The findings need to be summarized in a report. Depending on the type of information reviewed and data collection method, the report may include both qualitative and quantitative analysis.
5. **Validation and final report:** A validation meeting with key counterparts and stakeholders helps validate key report findings and make adjustments as needed, while supporting dissemination and buy-in. Feedback can then be used to finalise the assessment report.

Level of Effort

The level of effort (LoE) and time needed for assessments of working conditions depend crucially on the scope and depth of the analysis as well as data collection methods and geographic focus. The estimated minimum level of effort is summarized in the table below:

Steps	Details	Estimated LoE (minimum)
Inception phase	The level of detail for the desk study depends on the depth of reviewing primary sources (e.g. laws) and the number of reports and data sources to be reviewed.	5-15 days
Design of instruments	The level of effort will largely depend on the number of instruments to be developed, the number of different stakeholder groups interviewed (e.g. workers, managers, government representatives, etc.) and whether a quantitative survey is planned (development and piloting of questionnaires, sampling).	5-10 days
Data collection	The time needed will depend strongly on the geographic and sectoral scope, the depth of data collection planned and the type of survey administration (e.g. face to face, phone, etc.). Preparing the field work and collecting the data will likely represent the most labour-intensive part of the assessment.	10-20 days
Analysis & draft report	The level of effort required for data analysis depends on the variety of data sources used for the assessment. If the data are available in an electronic format, the analysis can proceed at a quicker pace.	5-10 days
Validation & final report	The extent of this phase mainly depends on the magnitude of consultation and validation of the results with different stakeholders and institutions, prior to consolidating the findings.	5 days
Total		30-60 days

Skills requirements

Depending on the depth and extent of data collection and analysis, one would typically seek out a team comprised of a senior expert with demonstrated experience in labour rights in global supply chains with a good understanding of the sector in question together with a local expert with strong knowledge of the local context as well as experience in data collection.

Lead staff/consultant(s)	Local staff/consultant
<ul style="list-style-type: none"> • Master or PhD in Social Sciences, Economics, Business, Development Studies or a related field • Significant work experience in the area of social and labour standards, global supply chains, business and human rights • Good understanding of the international normative framework on business and human rights (e.g. ILO core labour standards, OECD Guidelines, UN Guiding Principles, voluntary standards such as SA8000, ISO, GRI, etc.) as well as the specific knowledge of the sector in question • Demonstrated expertise in data collection and analysis (especially qualitative, quantitative is a plus) • Sensitivity and communication skills • Prior work experience in the country/region • Language skills (as needed, e.g. English, French, local languages are a plus) 	<ul style="list-style-type: none"> • Higher education degree in Social Sciences or a related field • Good understanding of the sector in question, including potential challenges related to labour and social standards • Sensitivity to local context (e.g. understanding non-visible barriers that hamper access to grievance mechanism for workers, being able to identify power-related sexual harassment at workplace, etc.) • Good knowledge of and access to local stakeholders/ community • Demonstrated expertise in collecting and analysing quantitative and qualitative data • Excellent facilitation skills • Proficiency in local language/dialect (as needed)

In the case of quantitative data collection with larger samples, additional enumerators and/or a data collection firm will need to be involved.

Other considerations

- **Complementarity and sequencing with sector or value chain assessments:** Sector and value chain assessments (see Tool 3: Sector or value chain analysis) are expected to include analysis of labour and social issues as one dimension of interest. Assessments of working conditions could therefore be used as complementary studies to provide an in-depth analysis of these dimensions. Alternatively, sector or VC-specific assessments of working conditions may be a natural follow-up to general sector or VC studies (which may be more focused on the economic and other dimensions). Indeed, a very good understanding of the sector or VC of interest would also be a useful starting point for the analysis of working conditions, e.g. to identify the key stakeholders at different levels.

- **Link to donor agencies' safeguard policy:** Many agencies require safeguard analysis as part of project preparation, including about a project's potential implications on human rights.¹⁵ While it is typically not realistic to conduct in-depth working conditions assessments as part of project preparation, such assessments may represent a good quality source to inform future safeguard analysis.

Box 4.17: Analysis of occupational safety and health constraints in Indonesia's palm oil value chain

The 2016-2017 joint ILO-EU project examined working conditions in global agro-food supply chains. One case study focused on palm oil and palm kernel oil in Indonesia. Palm oil can be found in around 60% of the products in a supermarket. The vegetable oil is also used for cosmetics, soaps, toiletries, household cleaners and so forth. Indonesia is the largest producer and exporter of palm oil around the globe. The good is exported mainly to India, EU and China. Domestic demand is also high.

The project focused on better understanding health and safety risks in Indonesian palm oil production. A literature review was conducted in combination with interviews and consultations on the ground. The study revealed various decent work deficits, most notably at the farm and mill levels. In Indonesia, palm oil is harvested by approximately two million smallholder farmers, often operating in dangerous, unsafe working conditions. The group of palm oil growers is very heterogenous. Many of them do not have a permanent contract and operate as self-employed, family or casual workers. The harvesting process is very labour intensive. Often, they are not trained in using pesticides correctly or do not have a proper personal protection equipment at hand. Price instability is another concern. At the mill level, workers are exposed to numerous OSH threats, including fire safety, lifting heavy weights, noise as well as chemical hazards such as fumes.

The study also outlined opportunities for intervention. For instance, it recommends providing an enabling environment for OSH improvement in smallholdings through access to training and OSH supporting services. The report also stresses the need to build the business case by illustrating the link between a robust OSH management systems and productivity gains.

Source: [ILO \(2017\)](#)

¹⁵ See for example GIZ (2019), Safeguard Menschenrechte. Spezifische Arbeitshilfe.

Further resources

Global standards

- [Global Reporting Initiative](#)
- [IFC Performance Standards](#)
- [ILO Labour Standards](#)
- [United Nations Global Compact](#)
- [United Nations Guiding Principles](#)

Online tools and support services

- [ILO Helpdesk](#)
- [Corporate Social Responsibility \(CSR\) Risk-Check \(online-tool\)](#)
- [ITC Standards Map](#)
- [Verité Fair Hiring Toolkit](#)

Guides

- [Ergon Associates \(2018\), Managing risks associated with modern slavery.](#)
- [International Labour Organization \(2018\), Occupational safety and health in global supply chains starter kit](#)
- [Organisation for Economic Co-operation and Development \(2018\), Due Diligence Guidance for Responsible Business Conduct](#)

Selected studies

- [International Labour Organization \(2017\), Food and agriculture global supply chains: Drivers and constraints for occupational safety and health improvement. Volume Two: Three case studies.](#)
- [International Labour Organization and International Finance Corporation \(2013\), Jordan Baseline Report: Worker Perspectives from the Factory and Beyond.](#)
- [International Labour Organization and International Finance Corporation \(2016\), Better Work Nicaragua: 3rd Compliance Synthesis Report.](#)
- [Oxfam \(2019\), Workers' rights in supermarket supply chains.](#)
- [Oxfam \(2019\), Addressing the human cost of Assam Tea.](#)

Selected sectoral standards/compliance tools

- Textiles: [Better Work global compliance assessment tool](#) and [“Grüner Knopf” \(German textiles standard\)](#)
- Agricultural Practices: [Global G.A.P. standard](#)
- Palm Oil: [Roundtable on Sustainable Palm Oil \(RSPO\) standard](#)

Selected initiatives:

- [ILO-IFC Better Work](#)
- [German Partnership for Sustainable Textiles](#)
- [ILO Vision Zero Fund](#)
- [ILO Sustaining Competitive and Responsible Enterprises \(SCORE\)](#)