



BETTER WORK
Lesotho

Better Work Lesotho

Project Summary

Context

Lesotho is one of the poorest countries in the world. According to the UNDP Human Development Report 2007/2008, Lesotho is ranked 138 out of 177 countries on the Human Development Index. The apparel industry—the largest employer in Lesotho—accounts for nearly 50 percent of the formally employed workforce. In mid 2010, there were approximately 40 garment factories in the country that employed about 40,000 workers, making up about 80% of all jobs in Lesotho's manufacturing sector. The apparel industry accounted for about 75% of Lesotho's exports in 2004, almost exclusively to the US market. In 2008, garment exports to the US were worth US\$ 340 million. Between 80–85% of jobs in the garment sector are held by women, and surveys show that more than 40% of employees are HIV-positive.

The industry faces significant risks, including trade policy uncertainty. Ensuring a future for the industry in Lesotho requires a multifaceted approach including efforts to improve vertical integration, diversify markets, enhance production and ensure high levels of compliance with labor and environmental standards.

Project Objectives

In response to these challenges, Better Work, a partnership between the International Labour Organization (ILO) and International Finance Corporation (IFC) has worked in collaboration with local and international stakeholders to design Better Work Lesotho. The goal of the project is to reduce poverty in Lesotho by expanding decent work opportunities in the apparel and footwear sector. The project aims to improve competitiveness of the industry by enhancing economic performance at the enterprise level and by improving compliance with Lesotho labor law and the principles of the ILO Declaration on Fundamental Principles and Rights at Work.

Strategic Framework

The project, which takes a factory-level approach, focuses on a continuous improvement model that includes: enterprise assessments, remediation activities and worker/supervisor training. At the same time, it is designed to support the ILO's longer-term strategy of building capacity in labor administration and in national employer and worker organizations.

Better Work Lesotho will be advised by a tripartite committee composed of relevant ministries, employers and unions, to be complemented by a Buyers' Forum, to provide for broad stakeholder consultation. The project will use transparent public reporting to promote accountability and measure progress over time. Local factories will be able to use the factory-level reporting to demonstrate compliance performance and corrective action plans to their international buyers. Over time, the factory-level reporting mechanism will allow for reduced buyer auditing and for resources to be redirected towards fixing problems.

All national stakeholders in Lesotho have agreed to adopt an industry-wide approach that would include all export factories and subcontractors. This will provide maximum reputation protection and support the strategy of marketing Lesotho as an ethical sourcing destination. Finally, this project also has the potential to serve as a hub to extend similar activities in the sub-region of Southern Africa. International buyers and donors have expressed strong interest in extending the programme

to reach neighbouring countries, in particular South Africa, to develop similar programmes based on successful outcomes anticipated in Lesotho.

Project Stakeholders

1. The Government of Lesotho: in particular the Ministry of Labor and Employment and the Ministry of Trade, Industry and Cooperatives.
2. National employers' organizations: the Association of Lesotho Employers and Business, and the Lesotho Textile Exporters Association.
3. National workers' organizations: the Lesotho Congress of Democratic Union, the Congress of Lesotho Trade Unions, the Lesotho Clothing Allied Workers Union, the Factory Workers' Union, the National Union of Textile, the United Textile Employees and the Voice of Workers.
4. International buyers.

Project Overview

The focus of Better Work Lesotho will be on assistance at the factory level through assessments of factories' compliance with national labor law and ILO core labor standards, and remediation based on those findings. The programme is being funded by the United States Department of Labor.

Baseline compliance assessments—which identify both (a) compliance requirements and (b) recommendations to improve systems that will support proactive management and compliance—are followed by factory-level guidance in identifying priorities, developing and implementing factory improvement plans and providing training opportunities for managers and workers. Assessment information will be available via Better Work's information management system, known as Supply-Chain Tracking of Assessments and Remediation (STAR), for sharing with the factories. In addition, international brands will be able to purchase subscriptions through STAR to track remediation progress toward compliance (with factory permission).

Better Work Lesotho will adapt Better Work global programme resources, practical tools and training materials. In addition, the programme will design materials to address issues particularly relevant to local factories.

The direct beneficiaries of the project will be the participating factories, including supervisors and workers, and the brands. In particular, these vulnerable workers, predominantly women, will benefit from increasing employment, better compliance with labor standards and improved working conditions

Anticipated Outcomes of Better Work Lesotho

- Improved working conditions and job opportunities.
- Increased market access and enhanced relations between suppliers and international buyers, through a credible demonstration of labor standards compliance.
- Export growth, increased employment, and positive social and human development outcomes.
- Enhanced reputation protection for international buyers.
- Cost savings due to reduction in duplicative auditing and remediation.

Stakeholder Engagement and Sustainability

Better Work Lesotho has a two-pronged approach that focuses on financial as well as institutional sustainability. The programme will apply a cost recovery approach by charging fees to brands and factories for services and training. In addition, the project will work to create an appropriate independent entity, to sustain the systems and services established during initial implementation phase.