Market systems and job quality

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The ILO Lab: Better markets, better jobs

Objective
Global knowledge generation initiative that promotes use of the market systems approach to address decent work.

How are we doing this?
Collaborating with field projects and conducting research to develop practical practitioner examples and guidance. Flagship publications, briefs, studies, gamification.

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And we are finding that...

- Agriculture sectors covered quite extensively.
- Less comprehensive knowledge on addressing working conditions in non-ag sectors where decent work deficits are different from those on the farm.
- Increasing demand for off-farm work as a result of rapid urbanisation in developing countries.
- Practitioners craving evidence that shows (how) a market systems approach can address working conditions.
- So, what do we know about market systems and job quality, and what can we do about it as donors and practitioners?
Using a Market Systems Approach to Improve Job Quality: Evidence and Impacts

Research conducted by Raksha Vasudevan & Ben Fowler of MarketShare Associates (MSA)
What is job quality?

- 1. Safety and ethics of employment
- 2. Income and benefits from employment
- 3. Working hours and balancing work and non-working life
- 4. Security of employment and social protection
- 5. Social dialogue
- 6. Skills development and training
- 7. Workplace relationships and work motivation

Source: ILO. Small and medium-sized enterprises and decent and productive employment creation report. International Labour Conference, 104th Session. 2015
Methodology

Initial list of 100+ MSD/‘MSD-esque’ projects

18 selected for further review

Criteria:

1. Applying the principles of a MSD approach
2. Focused on working conditions beyond job creation & income improvement
3. Sector diversity

*not specific to a particular project
### MSD projects addressing different working conditions

1. **Safety and ethics of employment**
   - Description: [Details about the project]
   - Number: 13

2. **Income and benefits**
   - Description: [Details about the project]
   - Number: 14

3. **Working time and work-life balance**
   - Description: [Details about the project]
   - Number: 7

4. **Security of employment and social protection**
   - Description: [Details about the project]
   - Number: 6

5. **Social dialogue**
   - Description: [Details about the project]
   - Number: 5

6. **Skills development and training**
   - Description: [Details about the project]
   - Number: 10

7. **Employment-related relationships and work motivation**
   - Description: [Details about the project]
   - Number: 5
What have the impacts been?

- Largely positive
- Evidence on impacts remains largely anecdotal
How impact has been achieved

Select the ‘right’ sectors to target

Work at multiple levels of the system, on both demand and supply sides

Build the business case for job quality

Work with government institutions to change the rules around ‘decent work’

Adaptive management built into project design (and a supportive donor)
Lessons learned for MSD programs & donors

- Think about job quality in project design
- Don’t assume that higher income is always the priority – prioritize specific working conditions (not all)
- Allow flexibility around sector & strategy
- Communicate the business case once established
- Integrate measuring (different aspects of) job quality into MRM systems – including monitoring for potential negative consequences
Want more information?

Full report available on the ILO website

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BIF Burma (Myanmar) Job Quality Webinar

Sebastien Moineau
BIF Team Leader – Myanmar

12th December 2017, Yangon
The vision for the Myanmar garment market is to increase the number of high quality jobs for poor workers in an industry that understands and can demonstrate the link between better worker welfare and more successful business.
Summary of our garment strategy

**Intervention A**
Demonstrate and disseminate the benefits of improved worker welfare and productivity

**Intervention B**
Build the capacity of local HR and productivity Consultancies to provide services

**Intervention C**
Facilitate relationships commercial players and stimulate demand for services

**Factories**

Business Case creating demand for services
Summary of our garment results

Intervention A

Demonstrate and disseminate business case the benefits of improved worker welfare through productivity and directly improving the welfare of 7,700 workers in 13 factories

Intervention B

Influenced and build the capacity of six HR & productivity consultancies and create a new supporting function to improve working condition of 5,300 workers in 19 factories

Intervention C

Facilitate relationships between factories, buyers and industry association and changed industry stance on child labour possibly influencing 400 factories
### Key Performance Indicators

<table>
<thead>
<tr>
<th>PRODUCTIVITY</th>
<th>HUMAN RESOURCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Productivity of workers (eight-hour shift)</td>
<td>• Absenteeism</td>
</tr>
<tr>
<td>• Efficiency</td>
<td>• Turnover</td>
</tr>
<tr>
<td>• Defect/Repair</td>
<td>• Planned leave</td>
</tr>
<tr>
<td>• Efficiency</td>
<td>• Age verification and remediation</td>
</tr>
<tr>
<td>• Cut-to-ship lose</td>
<td>• Pay structure</td>
</tr>
<tr>
<td>• Ship-to-order ratio</td>
<td>• Dehumanisation</td>
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</table>

<table>
<thead>
<tr>
<th>WORKER WELFARE</th>
<th>PROFITABILITY</th>
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<tbody>
<tr>
<td>• Take home pay</td>
<td>• Increase in sales</td>
</tr>
<tr>
<td>• Job satisfaction</td>
<td>• Increase in net profit</td>
</tr>
<tr>
<td>• Well being</td>
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Learning points

- Introduction of minimum wage - September 2015
- Sensitivity of job quality to shocks
- Capturing job quality data through expansion
- Capacity/interest of scale agents to capture job quality
- Role of management, business associations, Gov., buyers and consumers in improving job quality (e.g.: international labour conventions, ETI, BSCI and other schemes)
- Expectations that private sector development project will necessarily have an employment effect
- Can a business case approach improve job quality?
Thank you and best wishes for 2018!

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Report link: Improving profitability & worker welfare in Myanmar garment factories

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Please fill in our quick online survey:
> Webinar survey

Read the ILO Lab report:
> Market systems and job quality: What do we know and what can we do about it?

A recording of this webinar will be available shortly:
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