



International  
Labour  
Organization

## ► Post distribution monitoring report

Income support for Lao Social Security Organization members in garment factories in response to the COVID-19 pandemic in the Lao People's Democratic Republic



## ► Background

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The COVID-19 pandemic has rapidly evolved from an international health pandemic into a global socio-economic crisis. Global and regional supply chains across the world have been affected by significant disruptions, due to lockdown and the cancellation of orders.

In 2020, the ILO and the German Federal Ministry for Economic Cooperation and Development (BMZ) launched the project "Protecting garment sector workers: Occupational safety and health and income support in response to the COVID-19 pandemic". The project is part of the ILO's Global Flagship Programme on Building Social Protection Floors for All. It has two components:

- ▶ Component 1: to strengthen occupational safety and health (OSH) protection measures in order to ensure that employers, workers and their families are protected from the direct and indirect health risks of the COVID-19 pandemic and that workplaces are not negatively impacted by further outbreaks due to poor management of OSH hazards; and
- ▶ Component 2: to cushion enterprises against immediate employment and income losses and compensate workers for the loss of income due to the COVID-19 pandemic by providing wage subsidies and other cash transfers, as well as to facilitate "back to normality" by maintaining an employment relationship.

As part of the second component, in the Lao People's Democratic Republic the project provided income support for workers in the garment sector and was implemented through the tripartite cooperation of the Lao Social Security Organization (LSSO), the Lao Federation of Trade Unions (LFTU) and the Association of Lao Garment Industries (ALGI) of the Lao National Chamber of Commerce and Industry.

The implementation leveraged LSSO's existing delivery systems while making certain necessary adaptations. The rationale for working through national systems was to reduce administration costs and speed up delivery, while also maintaining the Government's overall and primary responsibility for providing social protection in line with ILO social security standards. It also aimed to demonstrate a "proof of concept" for the use of national systems for shock response in order to inform policy dialogue on the need for shock responsive social protection and emergency cash assistance in the Lao People's Democratic Republic. Meanwhile, the adaptations introduced and tested could provide entry points for strengthening national delivery systems and capacity. For example, while payments were generally paid directly to workers' bank accounts, mobile money service providers were engaged to administer payments to workers without bank accounts. The project was targeted at all workers in the garment and footwear sector who are existing members of LSSO, including those with outstanding contributions, as well as new LSSO members (registered for at least for one month) who have also registered with the ALGI.

The project operated officially from February to November 2021, reaching 20,698 eligible workers (including newly hired workers and workers who left the sector) in 47 factories. The cash assistance was 900,000 kip (KN) (c. US\$80), which amounts to two months' wages equivalent to 40.9 per cent of the minimum wage, delivered as a one-time payment. The post distribution monitoring (PDM) report for the project was prepared in November-December 2021 by a lead independent consultant and her team.

## ► Objectives

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The key objectives of this PDM are to assess:

- ▶ the overall experience of recipient factories and workers of the ILO-BMZ project;
- ▶ the general satisfaction of beneficiaries with various aspects of the project; and
- ▶ the protection and safety concerns of beneficiaries about the income support distribution process.

The PDM aims to verify the receipt of the correct amount of cash by the right beneficiaries. It also aims to understand beneficiaries' capacity to cope with the crisis before and after distribution and to provide a qualitative analysis of the impacts of the project, especially in terms of job retention, how the benefit has been used by beneficiaries and their preferences for potential future projects.



Photo: Deloche P./ ILO

## ► Methodology

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The PDM survey methodology and tools were developed with support from the ILO and the LSSO. They were designed to collect information from two different groups: the management of all recipient factories and randomly sampled workers within those factories. The factory survey aimed at managers was designed and implemented online using Google Form, which was circulated to factories via ALGI from 4 November to 17 December 2021. The survey received responses from 31 of 47 targeted factories (66 per cent response rate).

For the workers' survey, the sample size was 377<sup>1</sup> from a total of 20,698 beneficiary workers . The number of workers interviewed was defined proportionately to the number of recipients in each factory and the sample size was rounded up to 1 person for factories with a small number of workers. From the list of recipient workers in each factory, a random selection was performed using Microsoft Excel. The survey was conducted from 10 to 17 December 2021. The survey team was able to interview 345 workers using a semi-structured questionnaire, 338 in Vientiane capital and the others in Savannakhet and Champasack provinces. About 68 per cent of the interviews were conducted face-to-face, either at the factory or in workers' homes, while about 32 per cent were conducted via WhatsApp or telephone.

## ► Limitations

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Due to the COVID-19 outbreak in September 2021, the PDM survey was postponed several times. Arrangements for the workers' survey were made mainly through the factories' human resources units. Six factories declined to cooperate in the workers' survey: four of them did not permit their workers to be surveyed either on site or online, reportedly due to production time constraints during the proposed period, while the other two were temporarily closed due to infection of workers with COVID-19. Four factories accepted the survey team with conditions, namely, changing the face-to-face interview modality to online mode and rescheduling the survey dates. Workers in factories that had terminated their operations were contacted individually using the contact information provided by LSSO. A total of 6 of the 30 enumerators had to be replaced before the start of the survey owing to their reported contact with COVID-19 cases since government directives required that they quarantine at home for 14 days.

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<sup>1</sup> With a 95 per cent confidence level and a 5 per cent confidence interval.

## ► Summary of Key Findings

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1. The majority of the factory managers surveyed considered that the income support from the project was helpful to some extent and reported that it had improved factory performance during the distribution period and provided some support in withstanding the challenges faced due to the COVID-19 pandemic.
  - They also confirmed that the income support had helped the factory during this crisis in retaining workers, strengthening its relationship with workers and with LSSO, and had improved their trust in government support. Despite the support received from the project, 43 per cent of the factories surveyed were unable to withstand the impact of lower profits.
  - Job retention is a key objective of ILO-BMZ support project in the Lao People's Democratic Republic and 86 per cent of the surveyed factory managers confirmed that this goal was met. The remaining 14 per cent were unable to provide that confirmation, probably because these factories had suspended their operations for longer periods due to the COVID-19 pandemic and other factors and were not able to retain their workers.
2. Recipient workers in all income ranges agreed that the support had helped them (from a moderate to a significant level) to cope with the impacts of the COVID-19 pandemic during the distribution period.
  - All surveyed recipients confirmed receipt of the full amount of cash assistance (KN900,000). The top five uses of the income support included food spending; remittances to families in the provinces; buying household items; paying rent; and paying utilities and bills (41 per cent, 19 per cent, 9 per cent, 7 per cent and 5 per cent, respectively).
  - There were several reported positive changes in workers' lives as a result of this project, such as reduced stress; increased ability to prepare food; better sleep; increased feeling of security; and most importantly, increased protection and improved health care (money to purchase face masks, alcohol gel, vitamin and supplements for their families).
  - From the workers' point of view, the distribution of income support reduced their stress levels and increased their overall job satisfaction. As a result, it created a better atmosphere at the working place. It also reportedly reduced the burden on factories to spend resources on various provisions for workers (including loans). Most importantly, a number of workers reported that it stopped them from leaving the factory.
3. Since the social security law has not been effectively implemented, not all enterprises in the Lao People's Democratic Republic register their workers with the LSSO. Penalties for non-compliance have not been implemented. The law's implementation tends more towards promoting and encouraging enterprises to register their workers with the LSSO. By setting LSSO membership as a condition for receiving income support from the ILO-BMZ project, the survey found that a large number of garment workers had obtained access to social security: 26 of the 31 respondent factories reported deciding to register from 5 to 100 per cent of their workers with LSSO in order to receive this income support.

Considering only the data of the 26 factories surveyed, an aggregate number of 7,365 workers (35.58 per cent of all recipients) became new LSSO members.

4. However, 14 of every 100 workers surveyed were not aware of the eligibility criteria. They provided the following recommendations to improve the communication and outreach of future projects:

- post detailed information about the project on the factory's wall;
- place greater emphasis on channeling information and receiving complaints and feedback through workers' representatives or heads of production lines in the factory; and
- disseminate clearer information on the background of the various support schemes provided by the LSSO in order to help workers distinguish between the benefits of ordinary social security funds and those of other short-term assistance projects.

5. To improve the inclusion, timeliness and information management of the project, it was suggested by recipient workers and factories to:

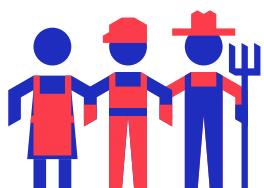
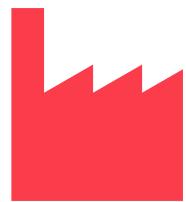
- develop a specific means of cash transfer for female workers whose garment factories are located in isolated or peri-urban areas, where ATM machines are remote from factories and frequently out of order;
- define a clear and timely distribution time frame for disseminating information about the distribution process and maintain its punctuality;
- improve the system for managing recipients' information in order to avoid duplicate transfers of cash assistance to the same person, whether they work at the same factory or have moved to another factory.

## ► 1. Workers demographics and vulnerabilities

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In all, 31 of 47 recipient factories responded to the PDM online survey: 3 in Champasack, 1 in Savannakhet and the remaining 27 in Vientiane. Their key products include clothes, shoes, blankets, car seat covers, doll's clothes, Kendo suits, socks and cotton products, produced mainly for exporting to markets in Asia, Europe and North America. At the time of the survey, factories reported that 86 per cent of their workers had access to social security, 79 per cent were female, 2.6 per cent were pregnant women, 0.4 per cent were people with disabilities and 36 per cent lived in dormitories.

**31  
factories  
surveyed**



**345  
workers  
surveyed**

The PDM survey team in Champasack, Savannakhet and Vientiane interviewed 345 garment factory beneficiary workers. About 77 per cent of them were female workers, with an average age of 29 (31 on average for their male counterparts), while 80 per cent had migrated from other provinces. Only 47 of every 100 workers had completed upper secondary school or higher. Nearly 60 per cent of them lived in either a factory dormitory or rental apartment, while 5 to 6 people shared each dormitory room. About half of the informants reported being single. However, 87 of 100 workers reported that they provide financial support for 3 to 4 family members, including children below the age of 5 and elderly persons. Among their financial dependants, 13 per cent were people with chronic disease, 4 per cent were quarantined due to COVID-19 infection, 1.4 per cent were people with disabilities and 1 per cent were pregnant/lactating women.

## ► 2. Situation of factories and workers during ILO-BMZ support period

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In 2021, 29 of the 31 surveyed factories had to suspend operations due to COVID-19 prevention measures for a period of 11 to 365 days, with an average of 62 days. In addition, 5 of 31 factories reported the suspension of operations due to other factors, such as disruptions of the supply chain for a period of 30 to 150 days, with an average of 69 days. All surveyed factories reported that they received income support from the ILO-BMZ project in different months between January and November 2021.<sup>2</sup> At the time of receipt of income support, 1 factory was preparing to terminate its operations, 6 had suspended operations temporarily and 24 were still in operation.

Based on survey data, we found that the majority of workers in the garment sector (80 per cent) received a salary ranging from KN1,100,000 to KN2,200,000 per month, which included their basic salary and other incentives provided by the factory. In the period when factories could not be operated due to the COVID-19 pandemic, 72 per cent of the workers surveyed reported that they had received a fast-track unemployment benefit<sup>3</sup> from the LSSO. In addition to unemployment benefits, some workers reported that they received cash and in-kind supports from their respective factories. In particular, 116 of the 345 workers surveyed had received a monthly income support from their employers throughout the period of temporary closure; the amount of support ranged from 2 to 100 per cent of their salary (52 per cent on average).

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<sup>2</sup> Some workers reported that they received the money at a time when the project was not yet operational and no disbursement had been made. This is probably due to a lapse in memory between the time of distribution and the time of survey. It reinforced the need for the PDM to be conducted sooner after distribution and for payments to be made to all workers simultaneously and in a timely manner, where operationally feasible.

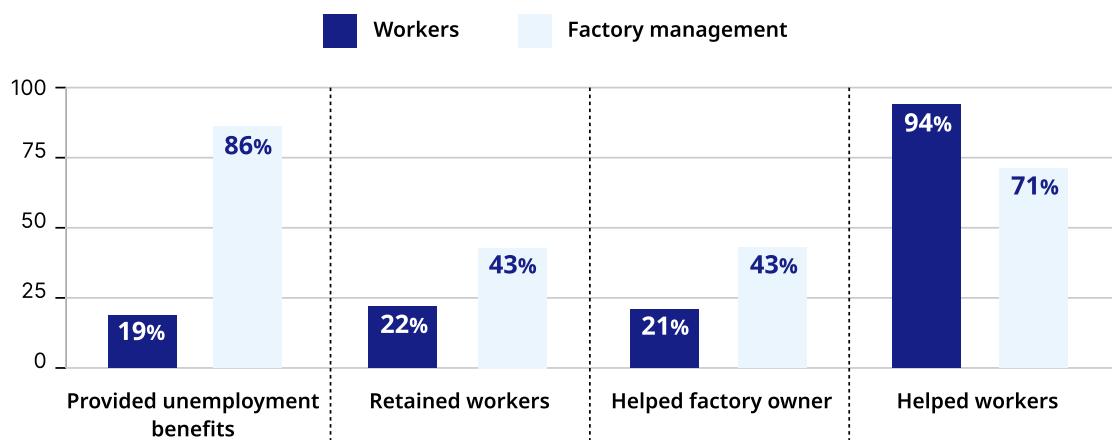
<sup>3</sup> During the COVID-19 crisis, the LSSO eased the procedure for claiming unemployment benefits. For example, the unemployment period could be less than 30 days and workers did not need to register at the employment service centre. The LSSO required only an official letter from their factory that they could not operate due to the crisis.

## ► 3. ILO-BMZ income support project

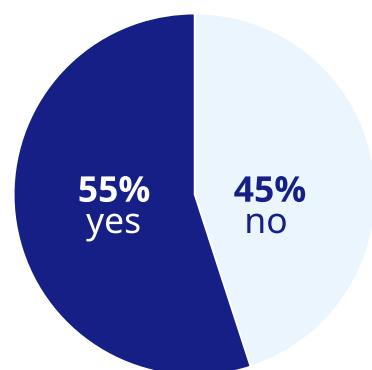
### 3.1 Objectives and targeting

A majority of the factory managers surveyed reported that their understanding of the objectives of this project is that it primarily aimed to provide unemployment benefits and help workers, while workers believed that it was mainly for helping them.

#### ► (3.1a) Perceived programme objectives



A total of 14 of the 31 surveyed factories reported that not all of their workers received income support.<sup>4</sup> In fact in 6 of these 14 factories, non-recipients were reported to be workers who were not members of the LSSO or had become inactive members. In another 6 of the factories, there were newly recruited and laid-off workers who did not have a bank account or could not be contacted. The remaining 2 factories reported that they did not fully understand the eligibility criteria.

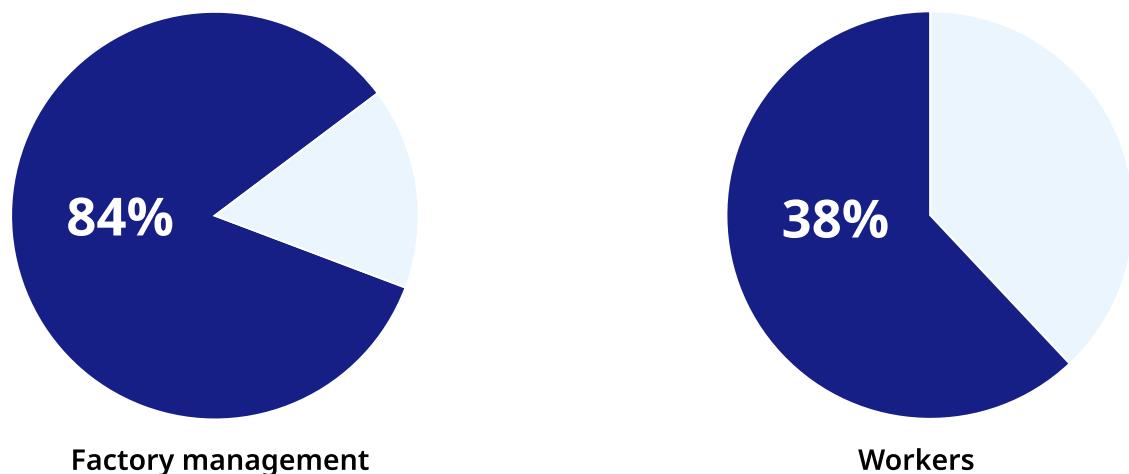


#### ► (3.1b) All workers received income support

<sup>4</sup> According to the workers and factories surveyed, the factories did not strictly follow the eligibility criteria established by the tripartite committee. Some factories included all workers in the list of recipients; some followed the one-month contribution to LSSO requirement; and some used a three-month contribution to LSSO requirement.

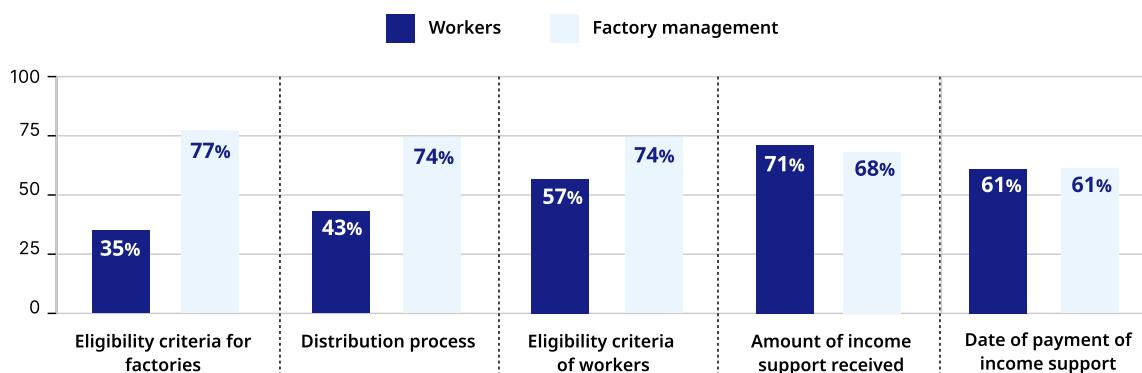
### 3.2 Accountability and information dissemination

About 58 per cent of factories and 38 per cent of workers believed that their views influenced the design of the assistance at moderate and or significant levels.<sup>5</sup>



#### ► (3.2a) Views taken into account in the program design

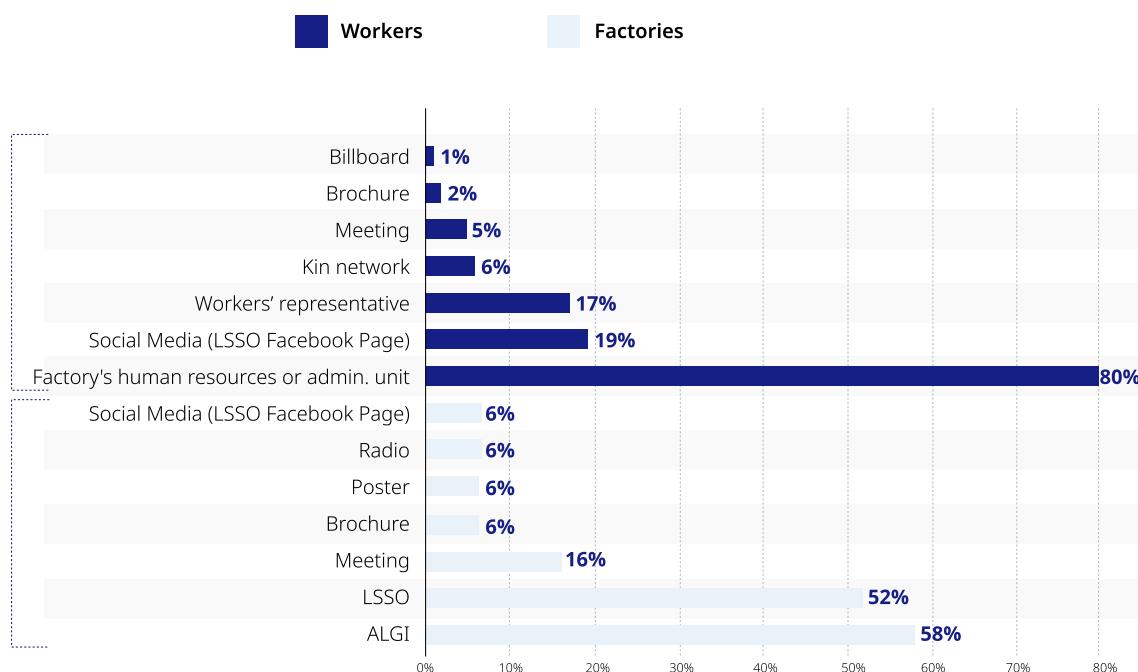
A majority of surveyed factory managers and workers (60 to 70 per cent) reported that they had been informed about the date and amount of income support. However, workers were not as well informed about the eligibility criteria of recipients and the distribution process. Therefore, only 35 per cent of workers reported that they could explain why their factories were selected to be part of the project.



#### ► (3.2b) Receiving information about the income support programme

<sup>5</sup> Given time and operational constraints, the only stakeholders who were formally consulted on the project design are the LSSO, ALGI/LNCCI, and LFTU. Factories owner and workers' representative from all factories were however widely informed about the project at the launch event and advertisement after that.

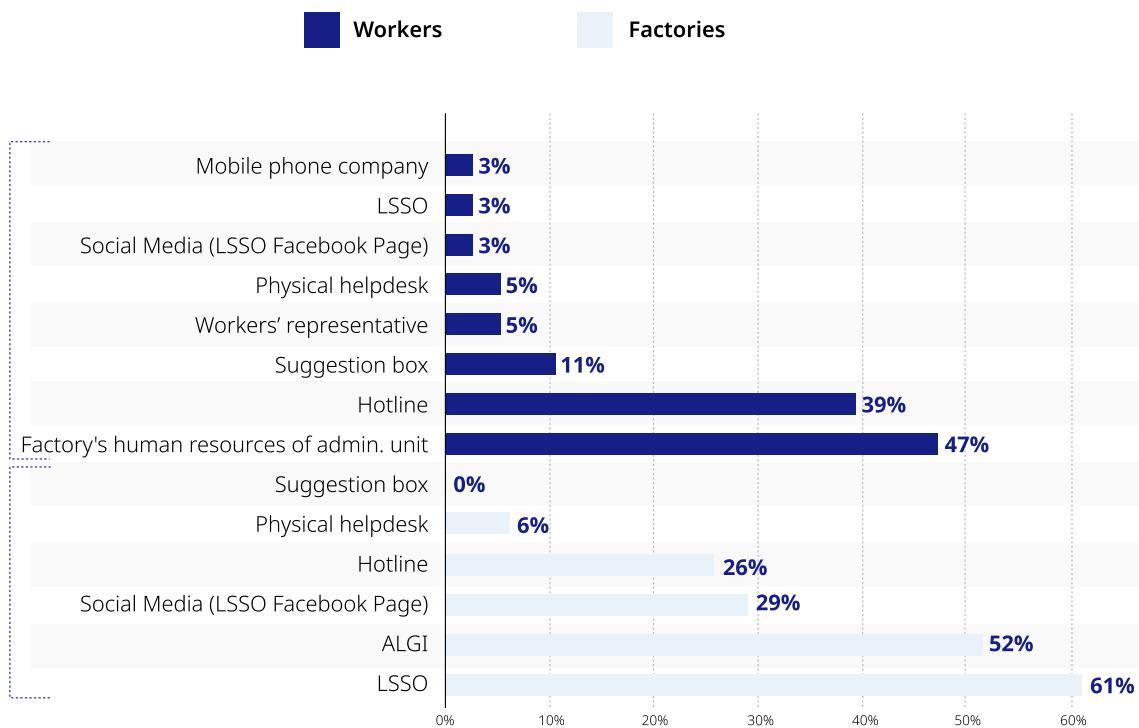
At the factory level, the LSSO and the ALGI were key channels for communications about the ILO-BMZ project's activities, in addition to public meetings, brochures, posters, radio stations and social media. Workers reported that they received information about the project via various channels, primarily the factory's administrative units (such as human resources, finance and administration), social media and workers' representatives, as well as their kin network (family and friends), brochures and billboards.



### ► (3.2c) Outreach channels to workers and factories

A total of 30 of the 31 factory managers surveyed reported being informed about the complaint mechanism. Of those, 87 per cent reported that they had sent feedbacks to the project either via the LSSO office, a hotline or physical help desk or via the ALGI office and social media. About 57 per cent of those who had used those accountability mechanisms assessed that the complaint channels were moderately to significantly effective.

A total of 38 per cent of the workers surveyed reported being informed about the complaint channels. Of those, 11 per cent had sent feedback and complaints about the project via the LSSO. The most commonly used channels were the factory's human resources unit<sup>6</sup> and the LSSO hotline (help desk via telephone) and suggestion box; however, workers were not greatly satisfied with the responses received from these channels, unlike those received through their worker representatives, which were viewed as a significantly effective complaint channel. Among workers who did not use the complaint mechanism, 50 per cent reported that they had not received any feedback; 45 per cent were not aware of the existing mechanism; and the remaining 5 per cent were afraid of being victimized, did not expect to receive any help or viewed the available mechanism as not easy to use, time-consuming or costly.

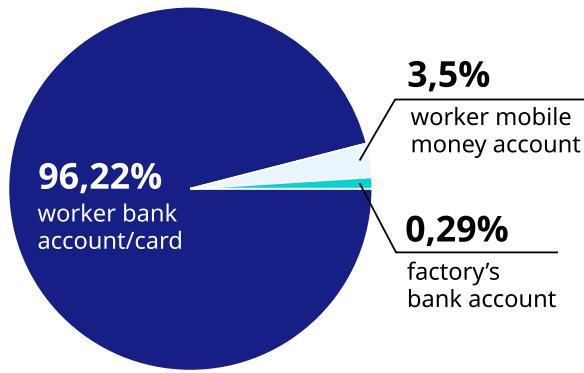


#### ► (3.2d) Complaint and feedback mechanism used by workers and factories

### 3.3 Income support distribution process

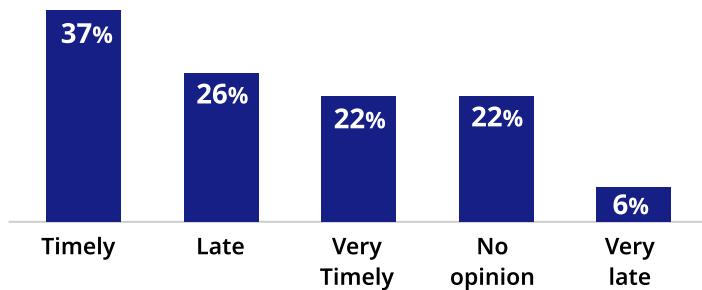
The great majority of workers surveyed (96.22 per cent) received income support via their personal bank account or payment card, while about 3.5 per cent received it through mobile money and 0.29 per cent (1 person in Tominaga Garment) reported that the LSSO had transferred the support to the factory's bank account and she had received it in cash. However, all surveyed workers confirmed that they had received the full benefit amount (KN900,000). At one of the factories surveyed, a factory's coordinator reported that some of their workers had received the income support twice ( $KN900,000 \times 2 = KN1,800,000$ ). The LSSO identified the mistake and requested the factory to return the funds by deducting them from workers' salaries.

<sup>6</sup> The formal complaints mechanism included the physical helpdesk and phone line (hotline) in the LSSO. However, workers also reached out to their union representative and garment association (ALGI).



#### ► (3.3a) Income support payment modality

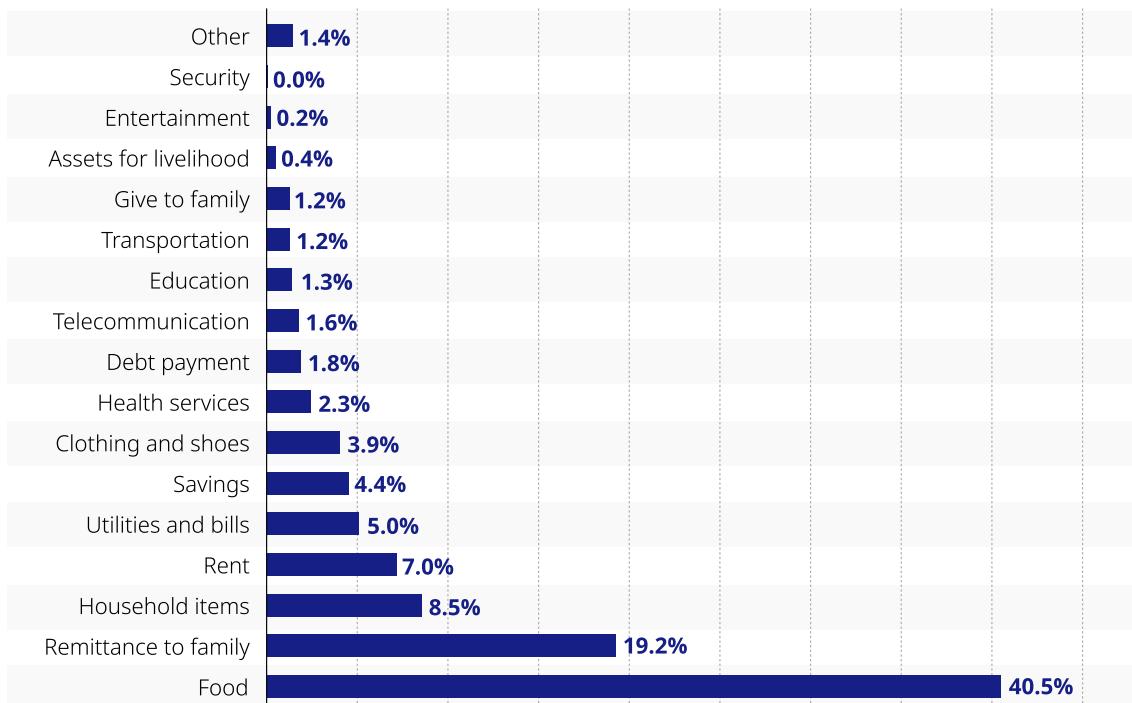
About 32 per cent of workers reported that the support came late compared to their needs, while 47 per cent found that it was timely and the remaining 22 per cent were neutral; 39 per cent of informants were not informed about the date of payment. Among those who were informed, 69 per cent reported that the support did not come within the announced time frame.



#### ► Timeliness of income support

### 3.4 Workers expenditure use of income support

The top five uses of the income support include food spending; remittances to families in the provinces; buying household items; paying rent; and paying utilities and bills. In addition, 4.8 per cent was used for savings and assets for livelihood, 3.6 per cent for healthcare and education and about 1.8 per cent for debt payments (monthly financing payments on motorcycles purchased to commute to work).



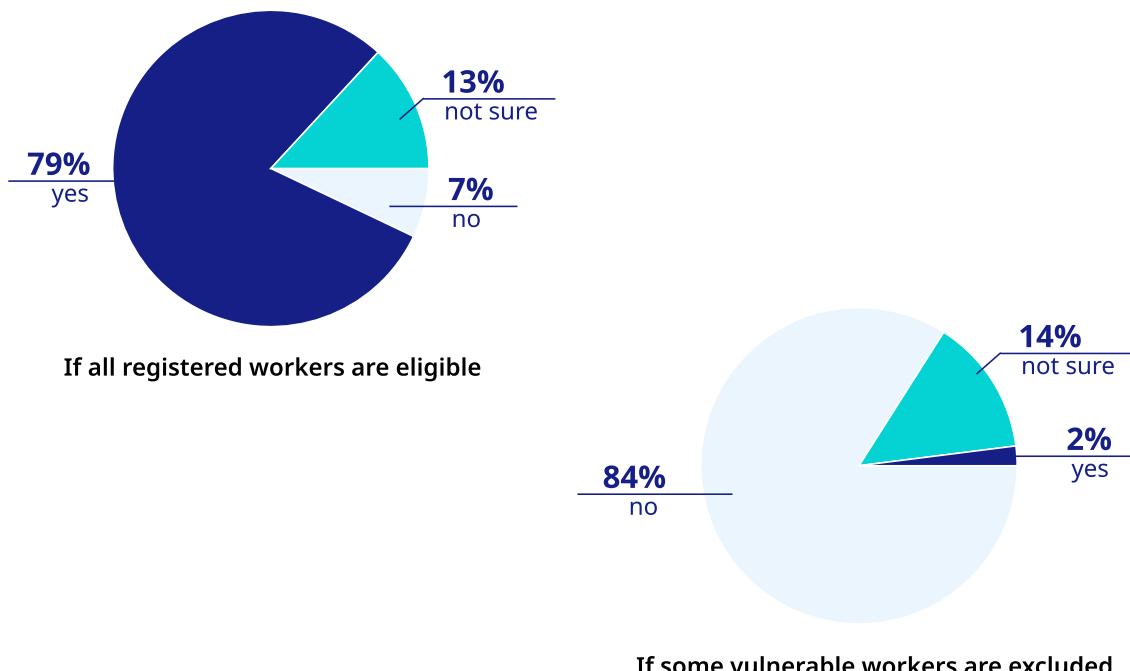
#### ► (3.4) Use of support

### 3.5 Exclusion, fraud, and risks

"Workers at a garment factory who have contributed to the LSSO for more than one month can be registered at their own factory to receive ILO-BMZ income support" — this is quoted from an LSSO brochure on the project. However, this eligibility does not appear to have been applied equally and clearly among the recipient factories.

As noted in section 3.1 above, managers of 17 of the 31 factories surveyed reported that all their workers without exception received income support from the ILO-BMZ project; this result was confirmed in the field survey. A total of 25 of the 345 workers surveyed reported that they believed that not all registered workers met the criteria set by the LSSO, because all workers in their factories – including both newly recruited and non-LSSO members – also received the support.<sup>7</sup>

On the other hand, 2 per cent of the workers surveyed reported that some eligible workers were excluded from the list of recipients – including for example some workers who had been in quarantine due to COVID-19 infection reportedly "during the registration process"<sup>8</sup> at the factory level. "I saw some people who have worked for the factory for many years but did not get the support, while some newly recruited people did", noted one worker from the Growthlink Lao factory. Two workers in the Santic-Lao factory added that their former colleagues, who had been laid off just before the transfer started, had also not included in the list of recipients.



### ► (3.5a) Inclusion of eligible workers

A total of 4 of the 345 workers surveyed reported being asked by their factory's human resources and finance staff to pay something for receiving income support; 3 of those reported paying in cash an amount of KN20,000 per person. The interviewed workers understood that the amount represented a fee for their help them in coordinating with the LSSO and they did not therefore object to paying it. One worker reported treating the staff to soft drinks and papaya salad in the same spirit.

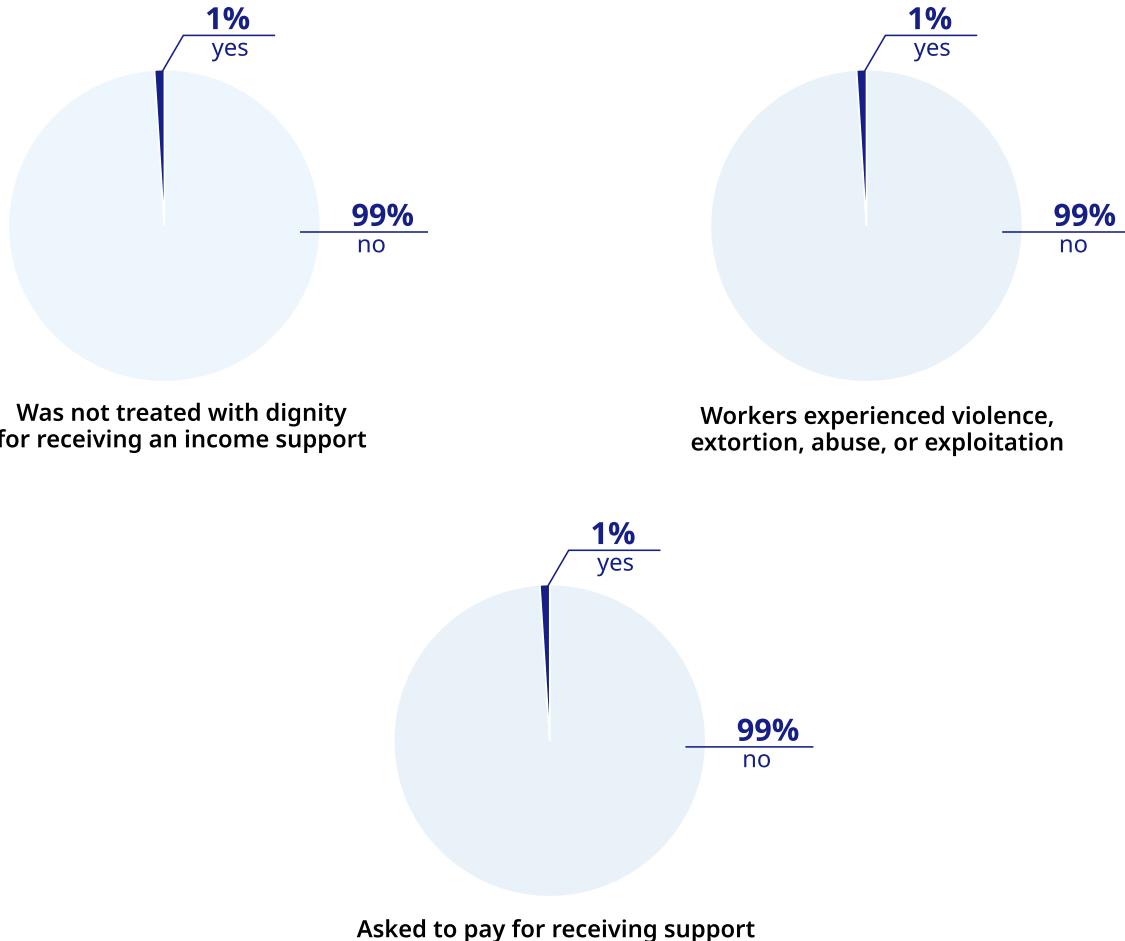
A total of 5 of the 345 workers surveyed reported that they had experienced violence, extortion, abuse or exploitation, such as an argument between workers who had received and workers who had not received the support; staff who coordinated with the LSSO being asked for extra pay from recipient workers; and newly recruited workers being unhappy as they did not receive LSSO membership as well as access to this income support.

A total of 3 of the 345 workers surveyed reported that they were not treated with dignity, reporting that: "when I visited the administrative office at the factory to ask about this support I was spoken to rudely"; "workers in the same factory who did not receive the support made fun of me for receiving it"; and "I had an argument with the human resources unit in my former factory because it did not

<sup>7</sup> Based on the surveyed workers' responses, it appears that that eligibility criteria were not clear to all factories and they may have applied different criteria. Therefore, some factories included all workers, while others were selective. Garment workers in one factory were able to compare criteria with other eligible factories and these were interpreted as inclusion and exclusion errors.

<sup>8</sup> However, no formal registration process was part of the mechanism agreed by the tripartite committee. The LSSO brochure specified that workers should register at the factory where they worked in order to receive the income support. In practice, however, the LSSO sent lists of workers for factories to check (add or remove) and they subsequently finalized the list of recipients and passed it on to financial service providers for payments.

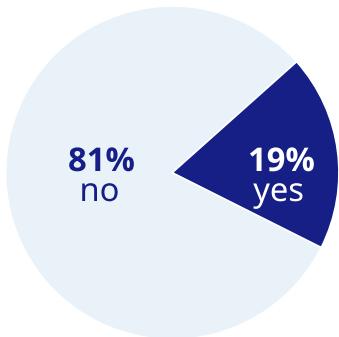
register my name in the recipient list, so I left and joined the factory I work in now ... where I was included and finally received income support from the project".



#### ► (3.5b) Workers' perception of fraud and abuse during distribution

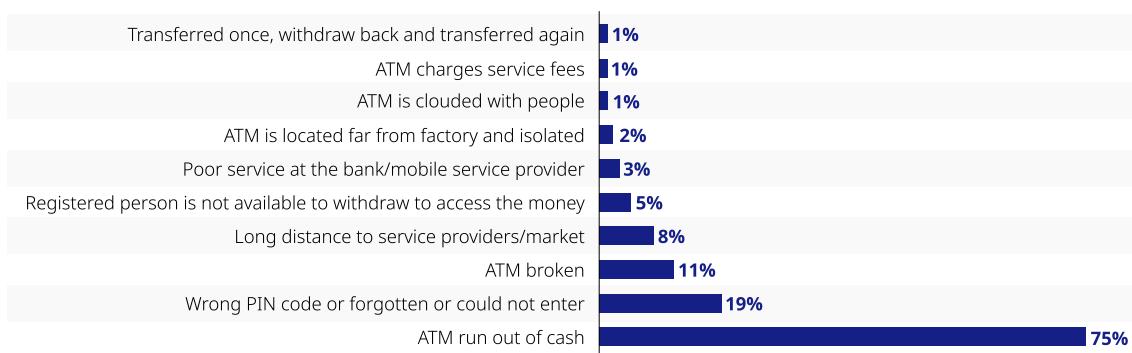
Every 19 of 100 workers in the PDM survey reported feeling unsafe or at risk, especially when:

- keeping the money at home or in a dormitory (54 per cent) (especially in a dormitory where many people share the same room); and
- going to withdraw money from the ATM (32 per cent) because ATMs are located in isolated places and it was already dark when they finished working overtime; they were also afraid of being infected with the COVID-19 virus at the ATM.



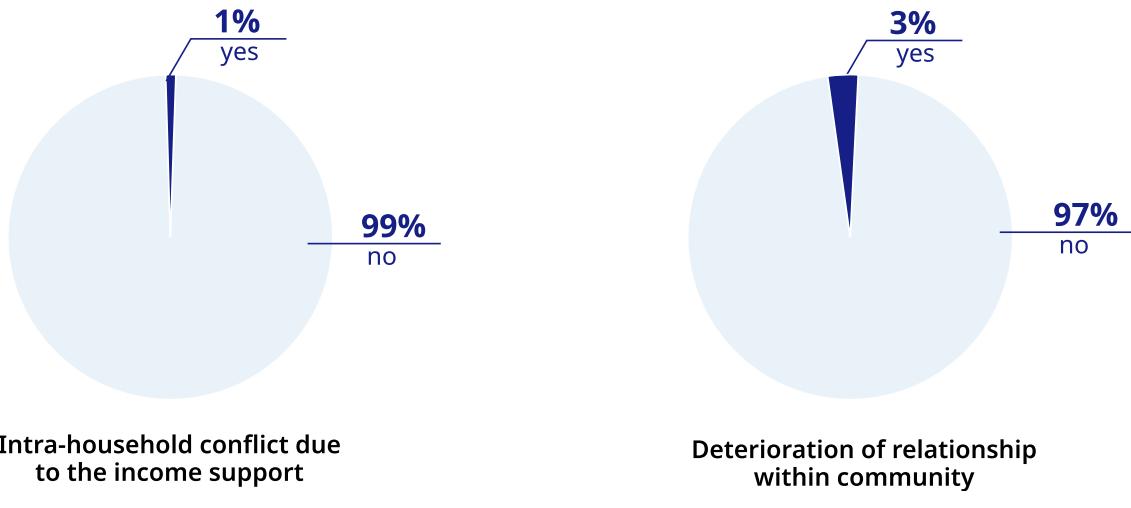
### ► (3.5c) Workers who feel unsafe or at risk

About 31 per cent of respondents also faced difficulties in trying to obtain the cash payment; issues most commonly mentioned included the ATM machine having run out of cash or being out of order, being located in isolated areas where female workers were afraid to go alone, being closed on payday or charging an extra fee for withdrawals.



### ► (3.5d) Issues while trying to spend the cash

A total of 2 of the 345 workers surveyed reported having an argument with family members; for example, a husband and wife argued on spending money as the wife want to save it in a rotating savings and credit association but the husband wanted to buy commodities. At the community level, 3 per cent of respondents reported friction between workers in the garment sector and workers other sectors who were also impacted by the COVID-19 pandemic but did not receive this support.

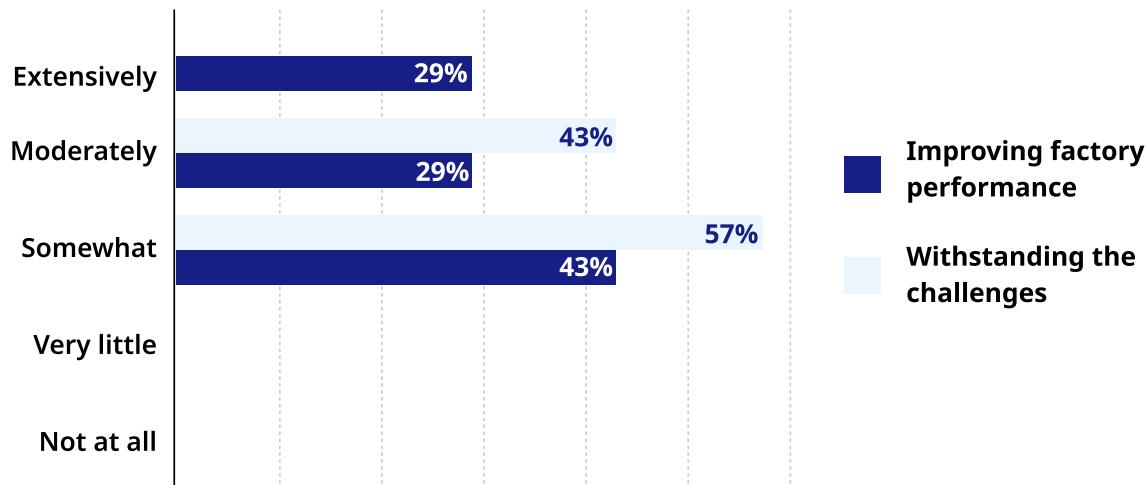


#### ► (3.5e) Workers' intra-household and inter-community dynamics

## 3.6 Distribution impact

### Factory level

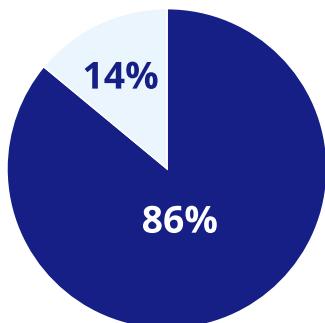
A majority of the factory managers surveyed reported that the income support from the project was helpful to some degree and improved factory performance during the distribution period, while also providing some support to withstand the challenges faced due to the COVID-19 pandemic.



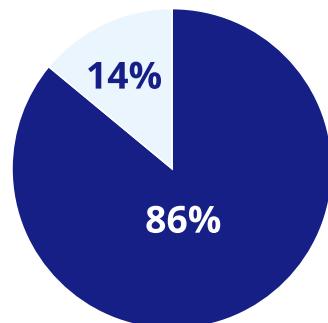
#### ► (3.6a) Level of distribution impacts in the views of factory management

They also reported that it had helped their factory during the crisis by retaining workers, strengthened the factory's relationship with workers and with the LSSO and improved their trust in government support. Despite the support they had received from the project, 43 per cent of the factories surveyed remained unable to withstand the lower profits resulting from the pandemic.

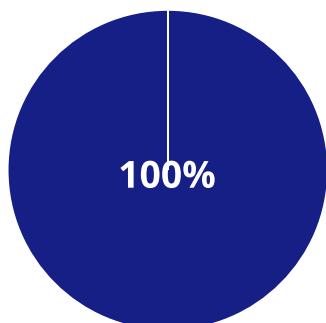
■ agree ■ neutral ■ disagree



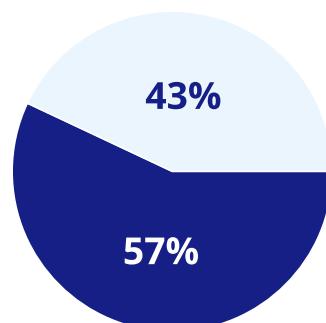
Improve factory's trust in government support



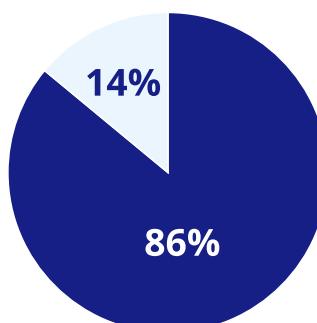
Improve factory-LSSO relation



Improve factory-workers relation



Able to withstand lower profit



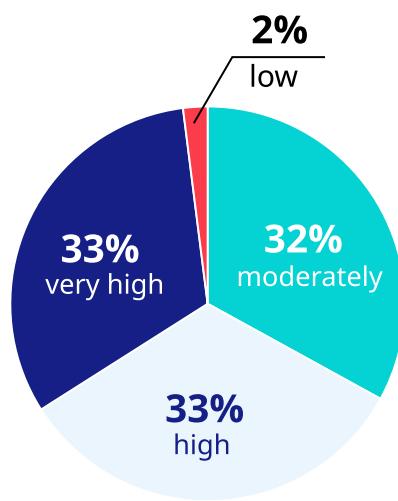
Retain workers

► (3.6b) Views of factory managers on impacts in each aspects

Job retention is a key objective of the ILO-BMZ support project and 86 per cent of the surveyed factory managers confirmed that goal was met. The PDM investigated to find out more about why the remaining 14 per cent were neutral about this. The most common reason provided was that these factories had suspended their operation for longer periods than the majority of factories due to the COVID-19 pandemic and other factors. In 2021, they reported having their factories temporarily closed for a total of 28 to 150 days (77 days on average), while other factories were in the same situation for only 0 to 105 days (47 days on average). In such case, the income support may not have been sufficient to help retain their workers.

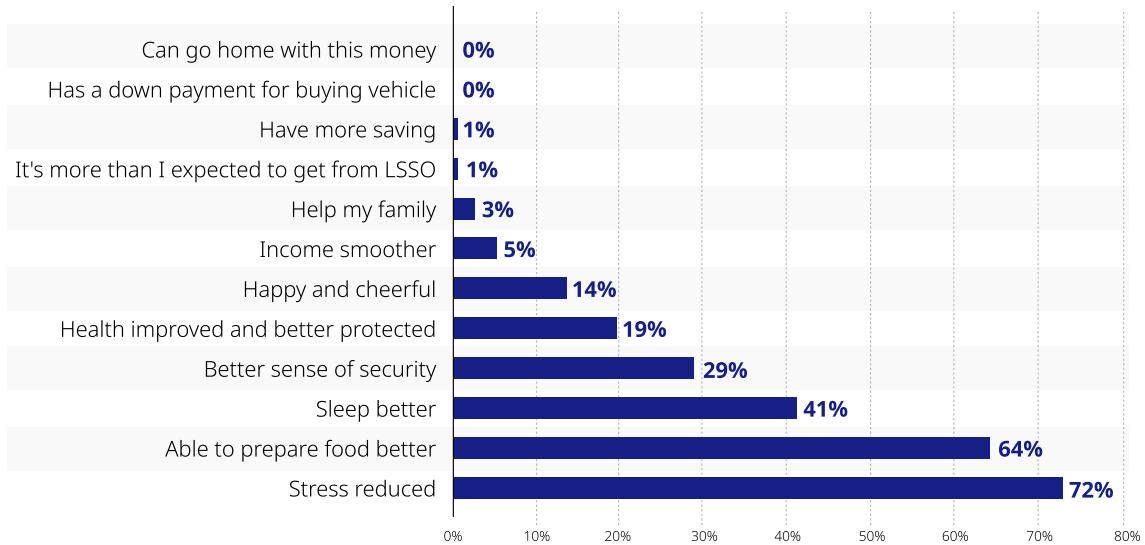
## Worker level

Recipient workers at all income ranges agreed that the support had helped them (at moderate to significant levels) to cope with the impacts of the COVID-19 pandemic during the distribution period.



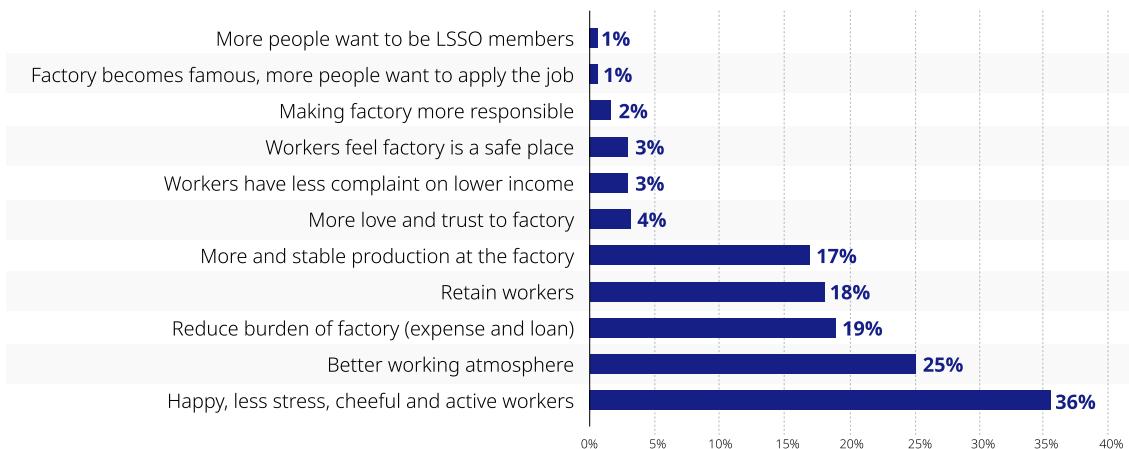
### ► (3.6c) Views of workers on the distribution impact for coping with Covid-19 crisis

There were several reported positive changes in workers' lives because of the support project, such as reduced stress, increased ability to prepare food, better sleep and increased feelings of security, and more importantly it reportedly provided them with better protection and improved healthcare (money to purchase face masks, alcohol gel and vitamins and supplements for their family).



#### ► (3.6d) Positive changes on workers' lives due to the distribution

From the workers' point of view, the distribution of income support made them happy, less stressed and more positive and active. As a result, it created a better atmosphere at the workplace (factory) and also reduced the burden of the factory in providing various benefits for workers (including loans). More importantly, a number of workers reported that it prevented them from leaving the factory.



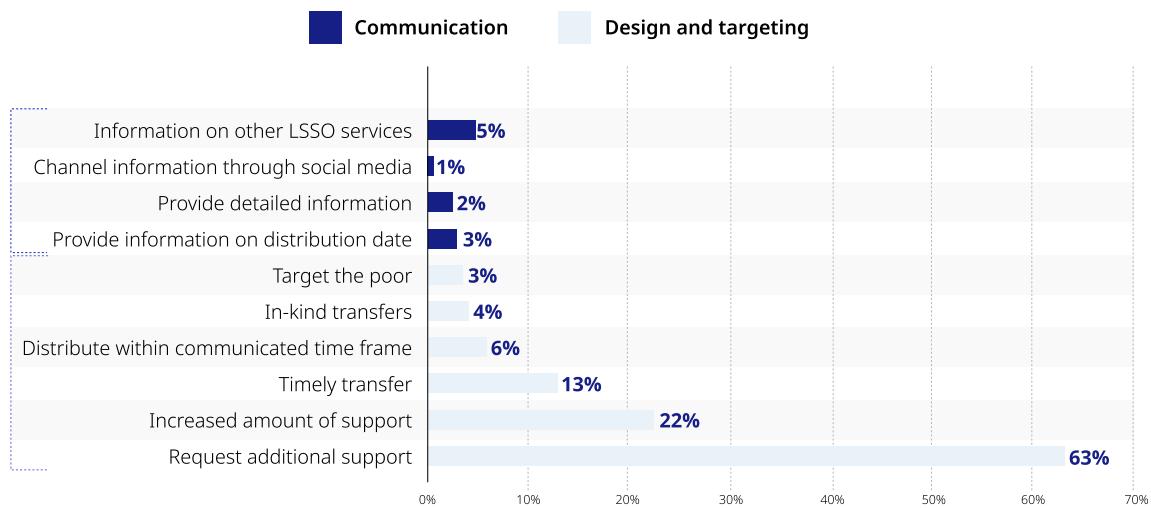
#### ► (3.6e) Indirect distribution impacts on factory in the views of the workers

## Impact on LSSO

By setting LSSO membership as a condition of receiving the income support from ILO-BMZ project, the survey found that the project facilitated the increase of the number of garment workers that had access to social security. A total of 26 of the 31 factories surveyed reported that they decided to register 5 to 100 per cent of their total workers at the LSSO in order to receive this income support. Considering only the data of these 26 factories, an aggregated number of 7,365 workers became new members of the LSSO.

## ► 4. Recommendations

A total of 51 per cent of workers used the PDM as a proactive accountability mechanism and had suggestions for the project in the future. In particular, 6 of every 10 workers looked forward to the next phase of the income support project, while 22 per cent commented on the adequacy of the benefit and 13 per cent on its timeliness.<sup>9</sup>



### ► (4b) Worker's recommendation for future distributions (if any)

<sup>9</sup> Although it is legally mandated to register workers to LSSO, this is effectively not the case yet.

## 4.1 Communication

Only a small fraction of workers reported understanding the objectives and process of the project; 14 of every 100 surveyed workers were not aware of the eligibility criteria. In order to ensure equal understanding among all recipients, workers suggested that the effectiveness of project communication should be improved.

Workers suggested that posting detailed information on factory walls would increase accessibility. Workers' representatives or heads of production lines in the factory were found in this survey to be an effective channel for communicating with workers and receiving complaints and feedback. Placing greater emphasis on channeling information through them would help increase the accountability of the project.

The PDM survey found that there was unequal understanding of recipient selection criteria. Some ineligible workers, such as newly recruited workers, were included, while some eligible were excluded. This caused confusion within the factories. It was suggested that LSSO standardize the selection criteria and double-check with factories' human resources units to ensure that the criteria set up by the tripartite committee are strictly followed.<sup>10</sup>

During the survey, the PDM team had to separate the ILO-BMZ support project from LSSO unemployment benefits before the face-to-face interview because a number of workers understood that this income support was related to their regularly paid contribution to the LSSO. Many of them complained about poor healthcare service in public hospitals under LSSO contracts, while some requested that the LSSO provide income support at least once or twice a year because they contributed to LSSO promptly every month and considered the benefit frequency to be inadequate. This confusion needs to be minimized in the future project.



A worker said  
"I have been a member of LSSO for a long time and expect to receive more support" (an amount greater than KN900,000)"

## 4.2 Inclusion, preference, timeliness and information management

Transferring the income support via bank account was found to be an efficient way to reduce risks and fraud during distribution; however, it was not reported to be convenient for all recipients: 10 per cent of them reported preferring cash to income support. These were female workers whose garment factories were located in isolated and peri-urban areas, where ATM machines were remote from factories and frequently out of order. A specific means of cash transfer should be provided for such workers.

Improving timeliness was a key recommendation provided by workers. Due to several constraints, the LSSO could not deliver the income support to all recipients in all 47 factories at once. Detailed information

<sup>10</sup> The tripartite committee for this project includes LSSO, ALGI and LFTU.

<sup>11</sup> Some 13 per cent of those surveyed earn between KN2,200,000 and KN3,300,000 a month, while 3 per cent earn more than KN3,300,000 a month.

about the distribution process was also not disseminated to all recipients. Many workers requested that the LSSO transfer the benefit within the defined time frame and at the same time as other factories.

Many surveyed workers commented on the eligibility criteria. They suggested extending the project to more vulnerable workers beyond the garment sector and LSSO members, such as workers in other sectors, pregnant and lactating women, people with disabilities and the income-poor. Some 16 per cent<sup>11</sup> of surveyed workers had a salary higher than KN2,200,000 (twice the minimum wage).

The management information system and data verification process for recipient workers also needs strengthening. During the field survey, it was reported that some recipients had received more than one transfer (see section 3.3 above). In addition, the PDM investigated the final list of beneficiary workers shared by the LSSO and found duplicate information on 13 workers in 11 factories. Among 20,698 recipients, 10 workers were listed twice on the list of the same factory, 1 worker appeared three times on the list of the same factory and 2 workers were listed in two different factories.



"I had been waiting for this income support for two months", one worker said.

This post distribution monitoring report was prepared by Chansathith Chaleunsinh, Consultant, with support from Khem Phaokhamkeo, ILO Coordinator in ILO Lao PDR and Rim Nour, Social Transfers Technical Expert in the ILO Social Protection Department (SOCPRO).

#### Contact information

International Labour Organization  
Route des Morillons 4  
CH-1211 Geneva 22  
Switzerland

T: +41 22 799 7239  
E: [socpro@ilo.org](mailto:socpro@ilo.org)