

Public Data Project Report

Introduction: Cambodia's Garment Industry

The garment industry makes up around 80% of Cambodia's exports and prior to COVID-19, employed around 800,000 workers, predominantly women from rural areas. The industry was rife with rights abuses prior to the pandemic which includes forced overtime, child labour, job insecurity due to the use of fixed duration contracts, gender discrimination, and union-busting. The pandemic has exacerbated rights violations. Many workers were laid off with unpaid wages as companies cancelled garment orders due to a decrease in global demand.

Furthermore, with the deteriorating political situation in Cambodia, the European Union moved to withdraw part of the Everything But Arms (EBA) treaty. The new suspensions affect around 20% of Cambodia's garment footwear, travel goods and sugar exports to the EU, which will now be subject to general tariffs as applicable to other members of the World Trade Organization. While the full effects of this have yet to be realized, companies are already reviewing their supply chain in Cambodia, which could lead to unemployment and unpaid wages for workers.

Over the years, research reports and investigative journalists have shed light on the rights violations in garment factories in Cambodia. The response to this has been to increase transparency of the working conditions of factories, to compel them to improve workers' rights and for brands to ensure they are sourcing from ethical factories. Brands have also published lists of factories from which they source from. Yet, despite the wealth of data available regarding the conditions in factories, this has not translated to widespread improvements in the working and living conditions of Cambodia's garment workers. We identified that workers could potentially utilize this publicly available data, to improve their bargaining position at the factory-level.

Project Overview

In 2018, the Laudes Foundation supported Solidar Suisse on a project together with C.CAWDU, the largest independent trade union federation in the Cambodian apparel sector, and CENTRAL (Center for Alliance of Labor and Human Rights), a civil society organization that aims to contribute to a transparent and accountable governance for fulfilment of workers' and human rights in the country. The two-year project, "Piloting Union Capacity Building to Engage in Evidence-Based Bargaining Using Public Data", aims to build the capacity of local grassroots unions to access, analyse and use publicly available data to negotiate factory-level collective bargaining agreements through evidence-based bargaining.

The project's theory of change is that if relevant and sufficient data on supply chain and factory conditions is publicly available; if trade unions are able to access it; and if trade unions have the skills to use the data in negotiation and bargaining, then public data can increase union power in negotiations and collective bargaining. This can then lead to improved working conditions. The project used the Better Factories Cambodia Transparency Database (BFC) as a source for collective bargaining, as it was found to have the most publicly available data.

For the project, union leaders and activists were trained on understanding and analysing BFC data and reports and to identify critical issues to be used during collective bargaining. The data was compared to workers' own experiences of working at the factories. Trainings also focused on documentation, evidence-collection methods for negotiations and also CBA preparation and evidence-based bargaining strategies. As the project progressed, it was clear that BFC reports did not cover issues workers wanted to address in their CBAs and some of the data was also inaccurate. 90% of workers who were interviewed did not agree with the most recent BFC reports on their factories. As such, while several CBAs were negotiated during the project period, none of the negotiations included BFC data. Over the two-year project, Solidar Suisse found that the BFC Transparency Database was far from being a resource for workers to push for greater protection of their rights.

The project involved strong engagement with unions, and union leaders and activists from 50 factories participated in trainings. 36 of these factories were affiliated with C.CAWDU and 14 were affiliated with CENTRAL. The training materials were developed through a participatory process with technical staff from C.CAWDU and CENTRAL, and also federation and grassroots union leaders. Solidar Suisse and C.CAWDU conducted baseline interviews with grassroots trade union leaders, and received feedback from union federation leaders about BFC.

This paper is based on findings from the project, and seeks to highlight some of the shortcomings of BFC's data as a tool to empower workers and improve working conditions, and puts forth a set of recommendations to improve the transparency database. While the paper focuses mainly on Better Factories Cambodia, Solidar Suisse participated in several "Learning Circle" discussions with Laudes Foundation partners in Indonesian and Bangladesh, who are carrying also carrying out projects with public data and have expressed similar concerns regarding Better Factories.

Better Factories Cambodia

Better Factories Cambodia, an initiative of the International Labour Organization (ILO) and the International Finance Corporation (IFC) was launched in 2014 to improve working conditions in the garment industry. BFC assesses garment factories with export licenses on key legal requirements, and discloses the findings on a transparency database. The database covers apparel and textile factories with an export license. Recently an MOU was signed where the BFC programme would be expanded to include travel goods and bags industry.

Only factories registered with BFC with export licenses and that have undertaken at least three assessments are included in the database. The factory reports are generated based on the Client Assessment Tool (CAT) which has 267 questions in total covering fundamental rights and basic conditions at work. From the CAT, BFC identifies 52 low-compliance issues and 21 are classified as "critical issues". The public reports cover these 21 critical issues.

One of the major findings of the project is that BFC has yet to do more to improve data democracy. Although the data is comprehensive, there is a lack of participation and inclusion of workers, not only in the assessment of factories, but also in ensuring they are the primary stakeholders of the data by ensuring all BFC data is fully transparent to them. Therefore, before the data can be used for evidence-based bargaining, there is a need to engage with BFC to improve the quality of the data to fully reflect the reality of the working conditions on the ground. The next section elaborates further on the key findings of the project.

Key Findings from the Project

Difficulties in accessing and analysing BFC data at the grassroots level. Workers reported difficulties in accessing the data due to lack of knowledge of using the internet and computers. As workers had not received prior training and had varying levels of literacy, they encountered challenges in reading and analysing the data. BFC's database is available in Khmer, but some of the factory names and unions were in English, and many workers spoke very little to no English making it difficult to navigate the website.

Although workers could access the website through their smartphones, it was clear the database was not intended to be used on a phone. It was not possible to print or save reports when accessing the website through a smartphone. There were several workers who did not own smartphones nor could they easily access the internet.

BFC data does not reflect the reality of the working conditions. Workers expressed there were two points of inaccuracy with BFC data: forced labour and discrimination against union members. Workers mentioned that the visits by BFC staff were announced, which gives management time to prepare the factory and relevant documents for the visit. Some workers were told by factory management staff how to answer questions from BFC and not to raise any issues they have about the factory. The factory also selects workers to be interviewed by BFC and a union federation leader who participated in the project said that the assessors only speak to management and pro-management union leaders and workers, who do not give honest replies for fear of retaliation. Additionally, BFC assessments take place over two days which is undoubtedly insufficient time for assessors to gain a complete picture of the working conditions at the factory.

In the public reports, BFC does not fully disclose all information on key issues that factories have been assessed on. The factory public reports on the transparency database only include 21 critical issues, and the remaining 31 low-compliance issues generated from the CAT are not disclosed in the reports. Some of the issues workers experienced at their factory fell under the low-compliance issues, therefore, they were unable to use BFC data during CBA negotiations. BFC also does not fully explain or elaborate on the 52 low-compliance issues.

Lack of union participation, communication and input. All grassroots union participants and some of the union federation staff who participated in the project had never heard of the BFC Transparency Database. The unions believe that when BFC visits the factory for an assessment, they spend majority of the time meeting with management instead of with the union and workers. Some grassroots union leaders said they had been interviewed by BFC assessors but never understood the point of the visits or the interviews.

Unions participate in BFC's Project Advisory Committee and Trade Union Contact Group meetings. Meetings are for participants to provide feedback on the reports, such as the annual report, and to raise concerns. However, union representatives generally are not able to participate fully in these meetings due to a lack of time and training to understand the content shared in the reports. Previously, unions have mentioned that BFC must do more to address concerns they have raised as these often go unheard.

The compliance assessment reports are not readily available to unions. To purchase the full compliance assessment reports, unions are required to pay \$1500 USD, and this is only for

reports that have received authorization from the factory. Unions were unaware that they were able to purchase these reports. While factories can update the database regarding their corrective action plans for non-compliance findings, unions are unable to provide any responses or feedback for the public reports.

BFC's assessment is mainly a top-down approach and workers have been left out of the process. The methodology used by BFC for the transparency database, is similar to that of social audits, which is widely used by industries and companies to show compliance with international labour standards and domestic laws. Yet social audits have been heavily criticized by academics and NGOs as a tool that does little to address rampant rights abuses in factories. These audits are generally to reduce reputational risk for companies and to project a positive image to the public. While BFC's methodology includes interviews with unions and factory management, workers believe that the data does not fully capture their concerns at the factory, raising questions of what information from the assessment is actually included in the public reports.

Recommendations

1. BFC should make clear their methodology for reporting and assessing factories. This will allow unions and workers to recognize gaps in the methodology and improve their understanding of BFC's work.
2. BFC needs to look at building data democracy. Data by BFC should include greater input from workers in the assessment process and also ensure workers can easily access the data. Regarding access, this could include creating a mobile app version of the BFC database that is easy-to-use for workers, listing factory names in Khmer and fully disclosing all 52 low-compliance issues in reports for workers to utilize this data during evidence-based bargaining.
3. Allow trade unions to access full reports for free, without requiring factories to provide consent for their release.
4. Improve communication and engagement with unions, not only when undertaking assessment of factories but also in the Project Advisory Committee and Trade Union Contact Group meetings. BFC should ensure that unions understand and are able to easily access the annual reports for meaningful feedback.
5. Develop a feedback mechanism for unions to provide comments and concerns regarding the assessment reports, and to also challenge the accuracy of the data.
6. As a long-term goal, we recommend BFC to explore other avenues to create a worker driven approach. The current top-down method ultimately leaves out the voices of workers. One of BFC's objectives is to "accelerate improvements in working conditions on critical issues across the industry". To do this, workers should be the main stakeholders and any initiatives carried out must involve strong engagement with unions and workers who are well aware of their needs on the ground.

The full public report ([available here](#)) also contains a number of recommendations addressed to the Cambodian trade unions, Better Work, and to the Representative Organisations as well as the Stakeholder Organisations sitting on its Advisory Committee.