



# FINAL PUBLIC PROJECT IMPLEMENTATION REPORT

Phnom Penh, December 2020

PILOTING UNION CAPACITY  
BUILDING TO ENGAGE IN  
EVIDENCE-BASED BARGAINING  
USING PUBLIC DATA

Project Implementing Period  
April 2018 - August 2020



*Figure 1 – Monthly Meeting at CLEC and Distribution of COVID-19 Protective Equipment*

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Laudes Foundation and Solidar Suisse

Laudes ———  
—— Foundation



## Table of Contents

Table of Contents .....	i
Foreword and Acknowledgments .....	ii
Executive Summary .....	iv
List of Abbreviations.....	vi
List of Tables.....	vii
List of Figures.....	vii
1. Introduction and Project Overview .....	1
2. Project Logic and Rationale .....	4
3. Public Data on the Apparel Sector in Asia and Cambodia.....	7
4. The Better Factories Cambodia Transparency Database .....	10
5. Project Implementation and Key Activities .....	13
6. Brand and Supply Chain Mapping .....	17
7. Project Findings .....	19
8. Successes and Challenges.....	23
9. Recommendations .....	29
10. Conclusion and Future Directions .....	33
References.....	35

## Foreword and Acknowledgments

Back in 2017 the C&A Foundation, as the Laudes Foundation was called then, published a call for concept notes for possible future projects under the title *“Using Publicly Disclosed Data to Improve Apparel Sector Working Conditions”*. In this call the Foundation wrote: *“The global apparel sector is slowly becoming more open about factory working conditions. In response to demands for greater transparency, a growing number of industry initiatives and clothing brands have begun publicly releasing data including factory names and locations, conditions and compliance, safety findings, and worker income and expenditure amongst others. At C&A Foundation, we believe that increased transparency will lead to greater industry accountability and ultimately, better working conditions. And we are encouraged by the positive development in many areas of the industry. However, we also know that greater disclosure of information does not automatically lead to improvements on the ground.”*

That last sentence caught our attention at Solidar Suisse. We had made the same observation, namely that there was an increasing amount of data which was being collected, processed and published about the working and living conditions in the garment sector around the globe and also more and more data about the supply-chains in this sector. But at the same time, we saw that this wealth of data and information was not translating into any significant improvements of working conditions. At least not yet.

At that time, we had just started working with and supporting the largest independent garment workers’ trade union federation of Cambodia, C.CAWDU (Coalition of Cambodian Apparel Workers Democratic Union). Our aim was from the outset to support C.CAWDU in its efforts to improve the bargaining capacity of the factory-level trade unions, while at the same time enhancing women’s leadership in these unions, with the ultimate goal of improving working conditions and thus income and livelihoods of garment workers and their families.

The idea we then developed together with C.CAWDU and submitted to the Laudes Foundation for consideration, was to pilot a new approach in trade union capacity building at a grassroots level to engage in **evidence-based bargaining using publicly disclosed data**. Our proposal was thus not to create yet another collection of data, which would ultimately just lie around somewhere and collect dust, but rather to use existing data already published in some form or another, but maybe not yet in a very accessible form, and use this data to improve the bargaining skills and capacity of the factory-level unions. Our hypothesis was that bargaining based on solid evidence is more effective.

That was the beginning of our journey with C.CAWDU and the Laudes Foundation which has resulted in this public report of our first findings.

As it mostly happens in life when one starts digging down into the nitty-gritty of the issues, it soon turned out that things were not that simple: Although there are indeed tons of data out there, not all publicly available data is equally useful for the intended purpose. Of all publicly available data it quickly became clear that the data published by Better Factories Cambodia, a local institution working under the ILO/IFC Better Work Programme, was the most interesting and useful for the intended purpose.

However, one important finding of this project is, that the BFC Transparency Portal could be made much more accessible and user-friendly for workers. Apparently, the data usage that we

were intending was not the primary aim of the BFC data portal. Its main purpose seems to be to provide assurance to international buyers, that the factories they are sourcing from are in compliance with the 21 critical issues which BFC is publicly reporting on. However, given that this initiative is funded among other by the ILO/IFC Better Work programme and that these institutions receive huge sums of money coming from Official Development Aid (ODA) sources, such as from Switzerland's State Secretariat for Economic Affairs (SECO), one would expect that it would not only serve the purpose of facilitating so-called sustainable sourcing practices, but that the data produced at the same time helps workers and their organisations to improve their bargaining position.

Solidar Suisse is actually surprised, that this entire aspect of the BFC initiative has – it seems – not been noticed so far by the ILO, nor by the donor community supporting the Better Work Programme, nor by the workers' representative organisations sitting on the Better Work Advisory Committee, namely the ITUC and IndustriALL.

Nevertheless, the project allowed us to engage directly with the grassroots trade union leadership of more than 36 garment factories, collectively representing more than 30,000 workers. In a process of shared learning, we were able to understand how not only workers but even the factory leadership remain 'excluded' from the process of 'public data'. Part of the reason being the 'capacity' issue of the trade unions, but on the whole, it was 'structural' where workers – as the prime source of data creation - remained excluded from the process of its creation as well as its end use. The project was also helpful to support the grassroots unions in building the capacity – to understand the data but most importantly to build evidence as part of the shift to 'evidence-based bargaining' in factory-level negotiations.

We have already agreed with Laudes Foundation on a second phase for this project. One of the objectives for this second phase will be to work with BFC, Better Work, the ILO, donor institutions as well as the involved global unions to improve not only the accessibility and the reliability of factory data in such databases, but also to recognize workers as the main agent of change from the outset and to become much more inclusive when developing such programmes in future.

I would like to take this opportunity to thank everybody involved in the development and implementation of this important project, beginning with Sarah Ong, Jill Tucker and Olivia Windham Stewart at Laudes Foundation, Athit Kong, Ath Thorn, Sopheakdey Ek, Vanny Phuong and Sitha Chann at C.CAWDU, Tola Moeun and Tharo Khun at CENTRAL, our Regional Representative and key person for this project Sanjiv Pandita, our Asia Desk Officer Bernhard Herold, Sammedy Seng, project coordinator based in Cambodia, and finally, but most of all, Mirabelle Yang, our project coordinator based in Cambodia, who managed this project throughout the phase 1 implementation period and who is also the main author for this public report. Without the support of all these individuals it would not have been possible to carry out this complex project and to achieve the results presented in this report.

Felix Gnehm



Director Solidar Suisse

## Executive Summary

This project seeks to improve the working conditions in selected Cambodian garment factories by strengthening the collective bargaining power of local factory unions. It involves building grassroots capacity to access, analyze and utilize publicly available data (the Better Factories Cambodia Transparency Database) so that workers may successfully negotiate factory-level CBAs through evidence-based bargaining.

During this project period, 4 collective bargaining agreements resulting in improved working conditions for 12405 workers were signed. Key successes of this project include: (i) exposure of local trade union to data collections and forming ideas and arguments to support their negotiations; (ii) identification of potential topics to be included in CBAs; and (iii) understanding the steps involved in CBA preparations (the initial stage of CBA negotiation).

This project has introduced workers to the Better Factories Cambodia Transparency Database and raised awareness among them of the existence of publicly available data on the garment industry in Cambodia. While the public data does not match the bargaining needs of the 14 factories currently engaging in CBA negotiations or preparations, the trainings and workshops have resulted in an increased appetite for any kind of evidence, data, research, documentation that could strengthen the union's claims and demands in any kind of negotiation. Whether it comes from a public database, or is collected first-hand, workers are eager to obtain the relevant information that will strengthen their bargaining positions and enable them to successfully negotiate with management.

The main recommendations deriving from this project are:

- Better Factories Cambodia should revamp the Transparency Portal to make it more accessible and user-friendly for workers. This could include creating a mobile application, or even integration with Facebook as it is the primary browsing, sharing and information platform for most garment workers and many Cambodians in general.
- In order to improve a wider range of working conditions, rather than merely working to rectify non-compliance on select critical issues, Better Factories Cambodia should supplement the published compliance data on the 21 critical issues in the Transparency Database, with that for the remaining 31 low-compliance issues which are not currently available publicly. This would broaden the set of data available to workers for evidence-based bargaining.
- Workers' unions should ensure that their participation in the BFC Project Advisory Committee and the Trade Union Contact Group becomes more effective. They should coordinate better amongst themselves before each meeting and consider assigning or hiring an external consultant to support them in this. BFC should also facilitate a more meaningful engagement of independent unions at its meetings. This issue was already flagged in a 2013 mid-term report for BFC.

This report concludes that there has so far been insufficient involvement of the Cambodian workers' in the entire process. It raises the question if the back-donors of the ILO/IFC-Better Work Programme, such as for example the Swiss Government<sup>1</sup> (and ultimately Swiss taxpayers), of which BFC is the flagship, are fully aware of the fact that the main purpose of BFC seems to be the improvement of the reputation of the Cambodian garment sector. It is assumed that increased transparency will drive and promote the addressing of the critical issues in the factories

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<sup>1</sup> Through the State Secretariat for Economic Affairs (SECO), Switzerland, which is listed as a core donor of the Global Better Work Programme in the latest available (at the time of writing) BFC Annual Report for 2018.



thus improving working conditions. However, this effect will only happen if the data collected and shared through BFC is correct, reflecting the actual situations at the factory level.

In the next phase of the project, Solidar Suisse aims to take further action to enhance grassroots and federation capacity in accessing and utilizing public data, and to advocate for effective, relevant data which is able to address workers' needs and build bargaining power. Worker empowerment remains at the heart of our approach, and while there are data quality and capacity gaps to bridge, we believe in the importance of systemic, structural change to transform institutional providers of public data so it can actually be used by workers.



*Figure 2 – Monthly Meeting and BFC Training at CLEC*

## List of Abbreviations

ACT	Action, Collaboration, Transformation
BFC	Better Factories Cambodia
BFCTD	Better Factories Cambodia Transparency Database
CAT	Client Assessment Tool
CATU	Cambodian Alliance of Trade Unions
CBA	Collective Bargaining Agreement
C.CAWDU	Coalition of Cambodian Apparel Workers Democratic Union
CENTRAL	Center for Alliance of Labor and Human Rights
CCTU	Cambodian Confederation of Trade Unions
CCU	Cambodian Confederation of Unions
EBA	Everything But Arms
ETI	Ethical Trading Initiative
EU	European Union
FDC	Fixed Duration Contract
GBV	Gender Based Violence
GFA	Global Framework Agreement
GMAC	Garment Manufacturers Association in Cambodia
ILO	International Labour Organization
ITUC	International Trade Union Confederation
MoLVT	Ministry of Labour and Vocational Training
MRS	Most Representative Status
PAC	Project Advisory Committee (of Better Factories Cambodia)
PICC	Performance Improvement Consultation Committee
RGC	Royal Government of Cambodia
RFA	Radio Free Asia
TOT	Training of Trainers
TU	Trade Union
VOA	Voice of America
VOD	Voice of Democracy



## List of Tables

Table 1. Summary of key features of selected existing data sources .....	8
Table 2. Summary of the 21 Critical Issues.....	11
Table 3. Sample distribution by topical issue .....	16
Table 4. List of brands and factories that were mapped .....	18

## List of Figures

Figure 1 – Monthly Meeting at CLEC and Distribution of COVID-19 Protective Equipment.....	
Figure 2 – Monthly Meeting and BFC Training at CLEC.....	v
Figure 3 – C.CAWDU joined Campaign to demand payment of employment seniority and the withdrawal of Labor Inspection Department Letter No. 295 .....	6
Figure 4 – Meeting with Members at Top Submit Company. ....	7
Figure 5 – CBA Training .....	13
Figure 6 – Training Structure .....	14
Figure 7 – Brand mapping visualisation .....	17
Figure 8 – CBA Bargaining with Tien Sung Company .....	22
Figure 9 – Workers at Dignity and Echo Base Company striking.....	28
Figure 10 – Meeting of National Trade Union Council (NTUC) .....	32
Figure 11 – C.CAWDU granted a Certificate of Appreciation to Tien Sung Company.....	34

## 1. Introduction and Project Overview

There is an increasing recognition that improving the working conditions at ground attains paramount importance, not only due to ethical reasons but more in the ‘rights based’ framework and overall sustainability of the industry. In this regard, in the past few years substantial investments have been made to increase transparency in garment supply chains, both in terms of transparency regarding which brands source from which factories in which countries as well as transparency about working conditions at individual factories and about salaries, working hours and living conditions of factory workers (predominantly women). Despite this increased transparency the working conditions in most garment-producing countries are still poor and salaries do not attain levels to allow a life in dignity. Transparency no doubt has opened new avenues to improve working conditions; yet, it needs to be operationalized, i.e. it needs to be used by empowered workers to improve their bargaining position. Otherwise, the perpetual race-to-the-bottom in this sector cannot be stopped.

Based on the principle “Knowledge is Power”, publicly available data provides an opportunity for grassroots workers to build their bargaining capacity and power thus resulting in effective bargaining agreements with the factory management at ground that would eventually lead to better working conditions. Thus, through this project we envisage the following: local trade unions in Cambodia, equipped with the power of information thanks to improved access to public data, and enhanced ability to effectively make use of this data, will be better placed to negotiate with the factory management and effectively bargain for change in working conditions.

The key component of this project is to build capacity of the workers and their organisations at ground, so that they are able to use the publicly disclosed data effectively to improve the working conditions. In absence of this project though the data would be there, yet its effective use would be limited and the gap between the ‘stated policies’ and actual working conditions at ground will continue to remain or grow worse.

In the context of this project one can differentiate between **three different ways in which public data sources can contribute** to enhancing the leverage of workers’ organisations in their bargaining processes:

- 1) By helping them to identify and highlight critical issues at factory level (publicly available data and the self-collected data will be combined to form the baseline).
- 2) By helping them to identify the key factories and the management that can be approached for negotiation, it will also help them to map supply chain and buyers/brands. The whole process of identifying the issues and the factories would be participatory and the key criteria may include:
  - a) Prevalence of critical issues as identified by the BFC and C.CAWDU data;
  - b) Presence and strength of ground union in the factory;
  - c) Capacity of the unions in collective bargaining (after trainings);
  - d) Agreement by the General Council of C.CAWDU on selection of the factories (bottom-up process); and
  - e) Willingness of the management to negotiate (based on ground union’s report/assessment).
- 3) By helping to build the capacity of the grassroots workers and their organisations strengthening ‘Evidence-Based Bargaining’ so that they are able to bargain successfully with the factory management and the industry association to improve their working

conditions. It will also help them in understanding the brand commitments and relations if they need to contact the brands at any point.

Expected number of direct beneficiaries:

- 9000 workers (10% of present overall C.CAWDU membership) will experience improved working conditions as a result of our initiative; and
- At least 15 factory-level unions, of which at least 60% have women leaders, will be able to enhance their bargaining power.

Essentially, this project is about **empowering local grassroots unions by building their capacity to access, analyse and utilize publicly available data** (the Better Factories Cambodia Transparency Database) in order to **increase their bargaining power** and **successfully negotiate factory-level CBAs** using **evidence-based bargaining**. It also involves outreach to brands who have offices in Cambodia in an effort to include them in CBA negotiations for leverage and accountability.

Expected results are as follows:

- Workers' grassroots organizations become more empowered, their bargaining power is increased and they are thus better positioned to improve their working conditions;
- Specific issues such as FDCs, forced overtime, very low wages, OHS, sexual harassment and lack of democratic space to organize, will be addressed constructively;
- More collective bargaining agreements and more effective collective bargaining, better enforcement of existing agreements, better working conditions, gender justice; and
- Increased awareness for workers' rights on behalf of brands, more willingness to engage.

Since garment production began in the country in 1994, the apparel sector has become the backbone of the country's export-driven economy. In 2017, garment and footwear exports accounted for almost 80% of Cambodia's total exports (Khmer Times August 1, 2017) and some 30% of its GDP. In 2020, this figure is now roughly 20%. According to a Ministry of Industry and Handicraft report, exports of garment, footwear and travel products amounted to 9,325 billion USD in 2019 and there were 1069 factories were in operation across the country, of which 823 are garment and textile factories, 114 travel goods factories and 132 are footwear factories (Khmer Times, 17 February 2020).

Sector-related employment was typically over a million, but this will have fallen due to factory closures and suspensions because of the Covid-19 pandemic. 85% of the workers are female, who typically perform the low-income work of sewing as their educational qualifications tend to be lower. Higher income, white-collar positions are mostly occupied by men. There is a cultural aspect to this division of labour, as women's work and their abilities are traditionally less valued in Cambodian society.

According to the Garment Manufacturers' Association in Cambodia (GMAC), almost 400 factories have ceased operations, resulting in upwards of 150,000 layoffs.

The minimum wage in 2020 is 190 USD, and there has been talk of suspending this minimum for the duration of the pandemic. 190 USD in 2020 is in reality still below the most basic living expenses of \$207 calculated in 2016 through surveys with factory workers by IndustriALL - and far below other living wage estimates, which range between \$300 and \$400. Nevertheless, the garment industry is one of the few industries where there is actually a minimum wage set for workers. Most of the CBAs in Cambodia are in the garment sector, and about 60% of the workers have been unionized. Even though the majority of the workers are female, men overwhelmingly occupy the leadership positions in the industry, and this is also the case in the unions.

The apparel and footwear sector has been competitive because of its cheap and abundant workforce supply and various domestic and international incentive schemes. The sector's main weakness is the fact that its workforce is unskilled and poorly educated - a constraint to introducing modern technology and shifting to high value-added products. The sector is also disadvantaged by weak governance, poor infrastructure, and the lack of supporting industries.

High inflation and the high prices of goods and services affects workers' living conditions. Because of this, workers work longer hours, but are barely able to afford food, rent and other basic needs such as healthcare. In factories, poor ventilation, high temperatures, insufficient clean drinking water, lack of protective gear, exposure to toxic chemicals and overwork are common occupational health and safety issues. In the first half of 2017 alone, NSSF statistics showed a 39% increase in mass fainting compared to the same period the previous year (Phnom Penh Post, 9 August 2017). While the NSSF reported a 60% decrease in cases for 2019 (13, compared to 17 cases in 2018), these incidents still take place (e.g. Phnom Penh Post, 22 January 2020; Voice of Democracy English News, 6 March 2020) and have been linked epidemiologically to a combination of factors including malnutrition, overwork, poor ventilation, high temperatures, dehydration, stress leading to panic, and chemical fumes (Kawazu & Kim 2019).

Since winning the 2018 national elections in 2018 that have been widely regarded as a sham, the ruling Cambodian People's Party continues to maintain its power, limiting civil society space and keeping unionists in check by upholding baseless criminal charges against them. The 2016 Trade Union Law (TUL) has given less room for unions to work and organize, "plac[ing] unacceptable administrative and legal burdens on trade unions, excludes workers in air and maritime transport and the informal economy from its scope, hinders the process of forming a union, allows whole unions to be dissolved if individual officials act illegally, and imposes onerous restrictions on the right to strike. Other provisions include financial penalties for any union found to have breached the law which are so high that they could bankrupt the union, intrusive government controls on union finances and unacceptable restrictions on who can be elected as a union office-bearer. The government has also ignored calls to set up a labour court, meaning that labour issues that do get to trial are handled by the regular court system which is notoriously corrupt and subject to external influence." (ITUC Press Department, 3 December 2015). The law was officially amended in January 2020, but without adequate consultation with union groups and workers. The amendments have been criticized for not meeting global labour standards and failing to address key problematic elements of the TUL such as the restriction of unions who do not have Most Representative Status to represent workers' interests in the Arbitration Council.

The EU is the industry's largest export market, due to the preferential tariff treatment (zero duty rates) given to Cambodia under the EBA (Everything But Arms) scheme. In February 2020, the EU announced a partial suspension of these privileges as a result of Cambodia's continued refusal to address human and labour rights concerns, including the dissolution of the opposition Cambodia National Rescue Party (CNRP) before the 2018 election, the persecution of its members, and the criminalization of several union leaders on trumped-up charges.

With the combined pressure of the partial EBA withdrawal as well as the COVID-19 pandemic bearing down on the Cambodian apparel sector, bargaining power remains crucial to protecting workers' rights. The effective use of publicly disclosed-third party data (e.g. Better Factories Transparency Reports) can increase the trade unions credibility with factory management and can allow them to enhance their bargaining capabilities in evidence-based negotiations thus enabling them to better address pressing issues, such as

- Fixed Duration Contracts (FDC, short term contracts), causing insecurity and loss of unionization, but also missing out on potential workers' productivity gains;

- Overtime (sometimes de facto forced labour);
- Low wages resulting in the lack of proper nutrition causing many health problems, in particular among the women (e.g. faintings, exhaustion);
- OHS issues, linked to overlong working hours and stress, but also the use of chemicals like formaldehyde and others;
- Sexual harassment - by supervisors, management and sometimes by co-workers;
- Lack of democratic space to organize; and
- Better social protection, proper compensation and benefits during lay-offs/factory closures or suspensions.

## 2. Project Logic and Rationale

### 2.1. Theory of Change

The following theory of change has been used as an aspiration of the project implementation:

- 1) If relevant and sufficient data on supply chain and factory conditions is publicly available;
- 2) If trade unions are able to access it; and
- 3) 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 leading to improved working conditions.

The BFC transparency database is the most comprehensive source of ‘neutral’ information about critical issues at specific factories in Cambodia, and according to BFC’s most recent annual report (at the time of writing in September 2020) for 2018, registers 548 active factories with export licenses. It is for this reason we have chosen to focus on public data from the BFCTD in this project.

### 2.2. Framework for How the BFC Data Can Be Used

To tap the benefit of the BFC data, a framework has been developed and comprises five components including: (i) to understand the BFC data and reports; (ii) to compare the data with workers’ experiences of actual working conditions on the ground; (iii) to bargain with management; (iv) to conduct reflection, expansion and internalization; and (v) to provide feedback to the BFC.

- **To understand the BFC data and reports**
- **To compare the data workers’ experiences of actual working conditions on the ground:** This can help in pinning down the critical issues like – overtime, payment of bonus etc. in particular factories. In case there should be discrepancies between the two, unions will engage constructively with BFC to find out the causes for this and to try to resolve them.
- **To bargain with management:** Finally, when enough evidence is collected which is also collated with the BFC data, workers with their democratically elected leadership can bargain with the management to make changes with regards to the critical issues.
- **To conduct reflection, expansion and internalisation:** The whole process can be reflected, and a process can be developed to share it more widely with workers (through TOTs, Capacity Building training of leaders etc.), so that a broader outreach is achieved, and more workers and unions bargain with management using this data and finally the

effective use and engagement with BFC data is internalized by workers organizations in Cambodia.

- **To provide feedback to the BFC:** Empowered union staff would also be able to make critical engagement with the BFC by providing them feedback based on their experience on using the data and also have the capacity to interpret the future reports in a timely manner and play a better advisory role. Based on this feedback BFC can correct/update its database and/or revisit its methodology, should there be systematic discrepancies. BFC welcomes engagement and feedback from workers unions but says that this does not usually happen. They have also shared that they train the garment sector Trade Union Contact Group<sup>2</sup> on using the transparency portal but are not sure how they use it in their daily work.

The factories selected for this project were identified in a participatory manner under the following criteria:

- Number of critical issues (as indicated by the BFC and union databases);
- Presence and strength of ground union in the factory;
- Capacity of the union in collective bargaining (after trainings);
- Agreement by the union councils on the selection of the factories so that it is a bottom-up process; and
- Willingness of the factory management to negotiate (based on ground union's report / assessment).

### 2.3. Project Partners

Donors: Laudes Foundation (formerly C&A Foundation) and Solidar Suisse, a Zurich-based non-governmental organization supporting decent work and democratic participation in Asia, Africa, Latin America and Eastern Europe.

C&A Foundation transitioned to Laudes Foundation in February 2020. Laudes Foundation is responding to the dual crises of inequality and climate change by supporting brave, innovative efforts that inspire and challenge industry to harness its power for good. By providing grant partners with philanthropic capital, expertise and connections, Laudes Foundation works collectively with and through specific industries – in fashion and the built environment – to help catalyse systems change. At the same time, we work across sectors, influencing finance and capital markets to move towards a new economy that values all people and nature. These two strategies are designed to help accelerate the existing movement towards an inclusive and regenerative economy.

Solidar Suisse is a civil society organization committed to achieving a socially, politically and economically just society. We fight for decent work, democratic participation and human rights in the poorest countries of Africa, Asia and Latin America as well as South-East Europe. Solidar Suisse is specialized on the topic of decent work and has an Asia-wide programme centred on this topic. Solidar Suisse has been supporting a number of Hong Kong based CSOs focusing on China in the past, but has also for a number of years supported the Asia Monitor and Resource Centre (AMRC), also based in Hong Kong, which has a wide network of grassroots all across Asia (among which also C.CAWDU) and, like Solidar Suisse, is focused on the decent work agenda.

C.CAWDU (the main implementing partner in Cambodia) – the Coalition of Cambodian Apparel Workers Democratic Union – is the largest independent TU federation in the Cambodian apparel

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<sup>2</sup> BFC's Trade Union Contact Group for the garment sector meets quarterly, with participants from 24 union federations.



sector. C.CAWDU was instrumental in past successes to increase the Cambodian minimum wage. C.CAWDU is the most important member of the Cambodian Labour Confederation (CLC), which is affiliated to ITUC.

CENTRAL (Center for Alliance of Labor and Human Rights) is a Cambodian civil society organization that aims to empower Cambodian working people to demand transparent and accountable governance for labor and human rights through legal aid and other appropriate means.

Vision: Cambodian people are the masters of the country, living with human dignity and in peace.

Mission: CENTRAL organizes and supports the Cambodian working people through legal aid and other appropriate means to demand transparent and accountable governance for labor and human rights.

Goal: To contribute to a transparent and accountable governance for fulfilment of workers' & human rights in Cambodia.



Figure 3 – C.CAWDU joined Campaign to demand payment of employment seniority and the withdrawal of Labor Inspection Department Letter No. 295

### 3. Public Data on the Apparel Sector in Asia and Cambodia

Multiple publicly available sources of data on the apparel sector exist, however the Better Factories Cambodia Transparency Database is the only country-specific database for Cambodia with factory-level information.

We opted to work with the BFCTD as it was the most appropriate source of public data for empowering local unions and improving working conditions at ground level. This is because the database contains comprehensive summary reports covering 21 critical issues for all the garment producing factories in Cambodia who have export licenses - a set of ready-made, 'neutral' data that could potentially be used for negotiating and bargaining.

Table 1 below summarizes a number of other relevant public data sources covering garment and footwear industries in Asia and beyond.

Cambodia-specific public data:

- Better Factories Cambodia Transparency Database (please see section below); and
- Cambodian Garment Worker Diaries (these were not used in the project as they provide information more relevant for national-level advocacy than for factory-specific negotiations).

Data identified by unions and workers as relevant for factory-level negotiations:

- Company/brand CSR policies and codes of conduct;
- Company financial reports; and
- Shipping data (e.g. from Panjiva or other sources).



*Figure 4 – Meeting with Members at Top Submit Company.*

Table 1. Summary of key features of selected existing data sources

Name	Available since	Provider	Scope	Description
Apparel Data Directory	2017	International Corporate Accountability Roundtable	Multiple apparel-producing countries	This data aggregator directory shows which organizations are generating or will be generating public information related to working conditions in the apparel industry. It
Better Buying Purchasing Practices Index	2018	Better Buying Institute	Multiple apparel-producing countries	Better Buying is a global initiative that provides retailers, brands, and suppliers a cloud-based platform to obtain data-driven insights into purchasing activities. Better Buying's transparency fosters sustainable partnerships and mutually beneficial financial results and other outcomes. Anonymous supplier ratings of buyer purchasing practices obtained by the independent third-party initiative are aggregated, scored, and made available to the participating retailers, brands, and suppliers with the goal of accelerating change and industry-wide improvements across supply chains.
Better Work Transparency Portal	2014	Better Work / ILO	Haiti, Indonesia, Jordan, Vietnam. Bangladesh and Nicaragua compliance data to be added soon.	This website discloses the names of the apparel factories registered with Better Work country programmes and their compliance with key national and international labour standards. Public reporting is the publication of factory compliance and noncompliance with selected issues assessed by Better Work. Factories are identified by name along with their compliance findings, and the information is available to the public on the Better Work Transparency Portal. The Better Work transparency portal shows the 29 selected issues subject to public reporting, including core labour standards, basic legal requirements relating to wages and worker safety, and mechanisms for workplace dialogue. Factory assessment reports indicate whether any of the publicly reported issues are in noncompliance.
Fair Labor Association Workplace Monitoring Reports and	2002	Fair Labor Association	Multiple apparel-producing countries	FLA is a collaborative effort of universities, civil society organizations and socially responsible companies dedicated to protecting workers' rights around the world. FLA places the onus on companies to voluntarily meet internationally recognized labor standards wherever their products are made. FLA holds affiliated

Name	Available since	Provider	Scope	Description
Brand/Company assessment reports				companies accountable for enforcement of its Workplace Code of Conduct in the factories, farms and facilities they use. FLA maintains a rigorous system for assessing working conditions, remedying violations, and verifying progress. Independent External Assessors, working with FLA staff, randomly visit approximately five percent of facilities each year.
Fair Wear Foundation member brands directory/ brand performance check reports	2018	Fair Wear Foundation	Factory audits are conducted in 11 apparel-producing countries: Bangladesh, Bulgaria, China, India, Indonesia, Myanmar, Macedonia, Romania, Tunisia, Turkey,-Vietnam; however the publicly available data are the Brand Performance Checks of the member companies	The Brand Performance Check, conducted annually at all FWF member companies, is the most important element of FWF's unique 'shared responsibility' approach to social compliance in the global garment sector. The Brand Performance Check is a tool to evaluate and publicly report on the activities of FWF's (currently) 135 member companies. During a performance check, FWF investigates the level of integration of social compliance into the core business practices of each of its member companies and assesses how the management practices of member companies support the FWF Code of Labour Practices (CoLP).
Fashion Revolution Transparency Index	2016	Fashion Revolution	Multiple countries where brands/buyers are based	The Fashion Transparency Index reviews 200 of the biggest global fashion brands and retailers, ranking them according to how much they disclose about their social, environmental policies, practices and impact
Garment Worker Diaries	2017	Microfinance Opportunities and Fashion Revolution	Bangladesh, Cambodia, India	The Garment Worker Diaries collect regular, credible data on the work hours, income, expenses, and financial tool use of workers in the global apparel and textile supply chain in producing countries. The objective of the project is to have the data inform: government policy decisions, collective bargaining, and factory and brand initiatives related to improving the lives of garment workers.
Open Apparel Registry	2019	Open Apparel Registry	Multiple apparel-producing countries	The OAR is a go-to source for identifying apparel factories and their affiliations by collating disparate factory lists into one central, open-source map, listing factory names, addresses, affiliations and a unique OAR ID.

## 4. The Better Factories Cambodia Transparency Database

The Better Factories Cambodia Transparency Database (BFCTD) was launched in 2014. While the detailed monitoring reports have always been available to buyers, their availability to civil society organizations was discontinued in 2006. The revival of public disclosure in 2014 involved an abbreviated summary report covering 21 critical issues that will be covered below.

### **Some background information on the Better Factories Cambodia Transparency Database**

“BFC is committed to supporting the competitiveness of the Cambodian garment industry and helping to build the reputation of Cambodia as an ethical sourcing destination. BFC’s return to its earlier practice of publicly disclosing factory-specific compliance information has these objectives:

1. Build the Cambodian garment industry’s reputation for decent working conditions and keep pace with competing industries where disclosure of ILO factory compliance data will soon be the norm;
2. Bolster enforcement efforts by the Royal Government of Cambodia;
3. Spur significant changes in chronically non-compliant factories; and
4. Accelerate improvements in working conditions on critical issues across the industry”

(Source: <http://betterfactories.org/transparency/>)

- The primary users and beneficiaries of the Transparency Database are brands/buyers, the government and factories; researchers also use it and sometimes trade unions, but not workers or factory-level unions
- The latest BFC Transparency Database Report is the [12<sup>th</sup> Cycle Report](https://betterwork.org/portfolio/better-factories-cambodia-transparency-database-report-12th-cycle-may-december-2018/), covering the period May – December 2018. <https://betterwork.org/portfolio/better-factories-cambodia-transparency-database-report-12th-cycle-may-december-2018/>
- These reports have been released twice a year at 6-month intervals, but from the 13<sup>th</sup> cycle onwards are being released on a yearly basis.
- Until 2019, the database itself was updated every 6 months but is now published annually; this is when newly registered factories that have undergone at least 2 compliance assessments for the 21 critical issues are added to it. Therefore, factories that have only recently been admitted to the assessment programme are not yet visible in the database. This is also when factories that have closed or been renamed are removed/updated.
- Footwear, bags and travel goods manufacturers and printing or embroidery factories are not listed in the transparency database even though they may be registered with BFC. This is due to the fact that they are not in the mandatory assessment programme as per the MoU between the ILO, RGC and GMAC.
- Only registered factories with export licenses and who have had at least 3 assessments are included in the public database, so sub-contracted/lower-tier factories are not listed, unless they also have an export license which would require them to be registered with BFC and assessed.
- BFC has long-standing relationships with parent companies and both local and regional brand offices and engages with regional brand headquarters to bring about change

- With low-compliance factories, BFC and the Ministry of Labour and Vocational Training (MoLVT) conduct joint visits to the factory after releasing the low-compliance reports.
- Factories are able to post information about their corrective action plan / response to any finding of non-compliance on the website under the “responses” column in the factory list
- The Client Assessment Tool / Questionnaire is organized into 8 areas, or clusters of core labour standards.
- 4 of these cover fundamental rights at work: child Labour, discrimination, forced labour, freedom of association and collective bargaining
- The other 4 cover basic conditions at work: compensation, contracts and human resources, occupational health and safety, and working time
- Under these 8 clusters are 37 sub-categories or compliance points covering a total of 267 questions
- Each of the factory reports in the Transparency Database are generated based on data collected using the [Client Assessment Tool, which contains 270 questions in total.](#)
- Based on the CAT, BFC identifies 52 low-compliance issues, of which 21 are classified as “critical issues”. Factories are measured against all 52 low-compliance issues but the public reports cover only the 21 critical issues:

*Table 2. Summary of the 21 Critical Issues*

Category	Critical Issue
Fundamental Rights	1. No unremediated child labour
	2. No forced labour (Freedom of movement)
	3. No discrimination against workers
	4. No dismissal of pregnant workers
	5. No dismissal of workers during maternity leave
	6. No sexual harassment
	7. Equal pay for men and women
	8. No discrimination against workers based on union membership
	9. Workers join and form unions freely
	10. No control of union by employer
	11. Job is not dependent on union membership
	12. No management interference with union
	13. Workers are free not to join union
OSH/Emergency	14. Regular emergency evacuation drills (every 6 months)
	15. Emergency exit doors are unlocked during working hours
	16. Emergency exit doors are sufficient
	17. Dangerous machine parts have safety guards (not needle guards)
	18. Clean and sufficient drinking water
Wages	19. Correctly paid minimum wages
	20. Correctly paid overtime wages (ordinary overtime hours)
Contracts	21. Bonuses, allowances, leaves count entire employment period



- It is these 21 critical issues that are the backbone of each custom factory report. The actual compliance assessments are strictly confidential; however, for factories that have authorized it, their full assessment reports can be purchased for 1500 USD. According to information received from BFC, there are around 40 brands who are Better Work partners (they are listed on the Better Work global website), meaning they have a public-private partnership agreement with the ILO. These brands do not pay per report, they have a different cost structure. While theoretically the full assessment reports can be bought by any interested party, including researchers or trade unions – always provided the factories have authorized this – it is in practice only the brands who have purchased these reports, according to BFC. The number of full factory assessment reports accessed by buyers in 2019 was around 750, according to BFC. Some factories can have multiple buyers so the report may have been accessed by more than one buyer. We didn't receive the total number of factories, whose reports were accessed by brands in 2019.
- To see the remaining 31 low-compliance issues for which compliance is not publicly disclosed in the transparency reports, please refer to the [BFC website](#) for a complete list of all 52 (21 + 31) BFC low-compliance issues.
- A Green row indicates that no – or insufficient – evidence was found of non-compliance on the specific labour issues profiled on the Transparency Portal. Certain issues such as freedom of association and sexual harassment are difficult to identify and confirm, and non-compliance could be therefore under-reported.
- In these reports, factory performance for each critical issue indicator in the last 2 or 3 assessments are displayed (please see here [“All 52 low-compliance issues covered by the BFC’s assessments”](#) for the list of CAT questions on which each indicator is based).
- Factories can submit public responses to identified non-compliance issues in the transparency reports.
- In upcoming assessment reports, the global Better Work programme, to which BFC belongs, is shifting to a new set of terminology, using the language “publicly reported issues” instead of “critical issues” and moving away from the term “transparency data”.
- BFC’s latest annual report (from 2018, and not to be confused with the Transparency Database Reports) can be accessed here <https://betterwork.org/blog/portfolio/better-factories-cambodia-annual-report-2018-an-industry-and-compliance-review/>

## 5. Project Implementation and Key Activities

This pilot project encompassed five key approaches: 1) identifying issues at factory level; 2) Evidence-based collective bargaining; 3) Building organizational capacity of factory-level unions; 4) Building and enhancing women's participation and leadership at all levels; and 5) Outreach/Advocacy.

Before the start of the project, the then-C&A Foundation requested that we open up the trainings to non-C.CAWDU unions. We did so by offering a similar but slightly shorter training course on accessing BFC data through another of our local partners, CENTRAL, who facilitated the training for 11 CATU and independent factory unions they work with. However, most of the findings covered in this paper are based on the core trainings and engagement with C.CAWDU unions.

The trainings were designed with sustained engagement and grassroots capacity building in mind, such that each successive workshop built on the content and learnings of the previous training. The same set of local union leaders and activists from a total of 50 factories (36 affiliated with C.CAWDU, 14 affiliated with CENTRAL) took part in a two-part series of workshops, which first introduced them to public data, and then the BFC Transparency Database and factory-level reports (step-by-step guidance on how to access and interpret them, with a manual, visual guide and video demonstration as supplementary materials). Participants then did a preliminary mapping of key issues or labour violations that were taking place at their factories and compared this with the BFC reports, and were trained in documentation and evidence-collection methods for negotiations. The second part of the training covered CBA preparation, including the process of obtaining MRS certification, and an introduction to evidence-based bargaining strategies.

While a handful of factories closed during the course of the project, other C.CAWDU factory unions who were in the process of CBA negotiations joined the second round of trainings and on the whole, workers attending the workshops throughout were the same union representatives from each of the participating factories.

The development of all trainings materials took place through an iterative, participatory process involving technical staff from both partner organizations, as well as federation and grassroots union leaders in some cases, for their first-hand knowledge of the situation on the ground (e.g. for understanding piece rate calculations and tracking increases in quotas while the number of workers in a line is cut).

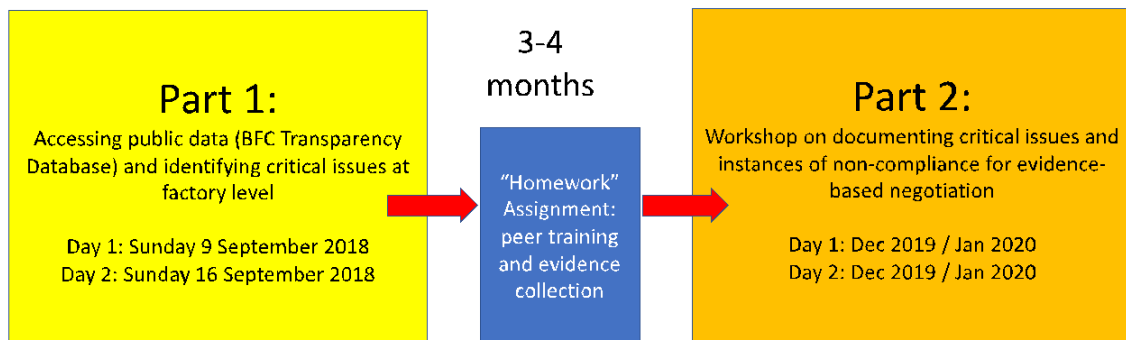


Figure 5 – CBA Training

Figure 6 – Training Structure

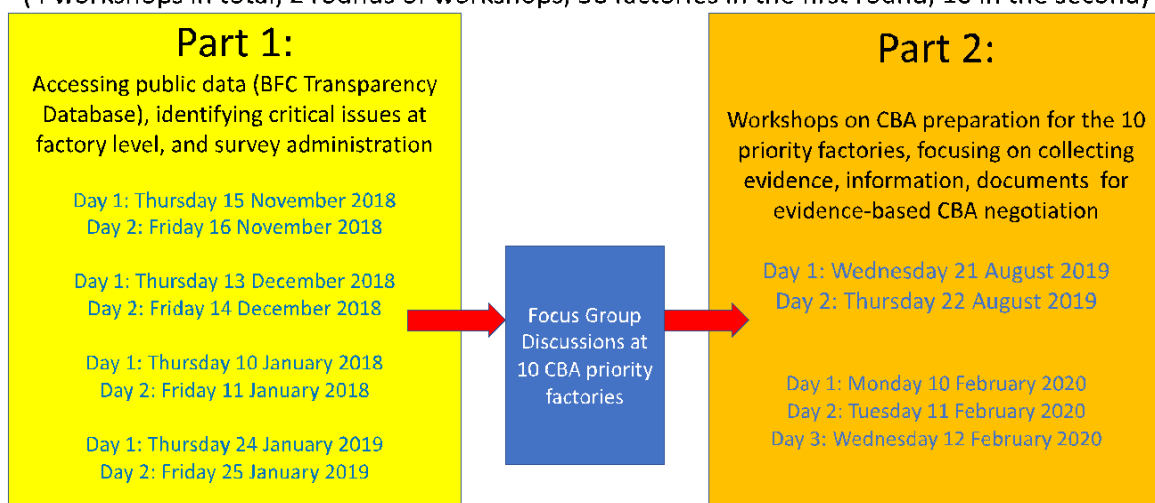
## Training Structure (CENTRAL/non-C.CAWDU unions)

38 Participants from 4 Union federations, 11 Factory-level affiliates (local factory unions), and 3 Independent factory unions



## Training Structure (C.CAWDU unions)

27 participants from 9 factory-level C.CAWDU unions (3 from each union) in each workshop (4 workshops in total, 2 rounds of workshops, 36 factories in the first round, 10 in the second)



As shown above, separate trainings for CENTRAL and C.CAWDU-affiliated unions were conducted, as the workshops for C.CAWDU unions included a component on survey administration. C.CAWDU had planned to carry out its own working conditions survey based on the 21 critical issues of BFC's client/compliance assessment tool in order to see how their findings compare with BFC data. However, this proved not to be feasible for the following reasons:

- 1) The number of survey respondents required to get a representative sample from each of the factories ranged from more than 200 to 500. Workers simply did not have the time to conduct such a large number of surveys, as they themselves were not completely familiar with the surveys and how to properly conduct them, which precluded the possibility of them training their members and activists to join them as enumerators.

- 2) Workers in some of the factories were concerned about their job and/or personal security if they were to be seen, or known to be collecting data from other workers in light of rising anti-union discrimination in the last 2 years since the passing of the Trade Union Law.

Due to these obstacles, C.CAWDU opted instead to conduct focus group discussions on the 21 critical issues highlighted in the BFC transparency reports at the 10 factories working towards CBAs. During these discussions, C.CAWDU also piloted an outreach leaflet (can be provided on request) with information on the BFC Transparency portal and the 21 critical issues and a tear-out segment asking workers/members to list 3 factory-issues each recipient would like addressed in a CBA. Annexes 2 and 3 summarize the focus group discussion results and the pamphlet submissions.

The trainings were divided into two parts, where Part I covered accessing public data, especially BFC data and survey implementation for C.CAWDU, and Part II focused on evidence-based bargaining. Part I training with both C.CAWDU and other unions took place between November 2019 and January 2020. A total of 85 union leaders and activists from 36 factories attended these workshops.

In the proposal, we had planned to stagger the workshops with a 2-3-month interval between each training and to have both Part I and Part II trainings running concurrently for the different groups of participants. However, upon consultation with the partners, we decided to carry out the first part of the training for 5 batches of trainees (1 group from CENTRAL, 4 from C.CAWDU) over a 4-month period, as this would give all the workers in the project more time to document the critical issues they have identified and work towards obtaining or renewing their MRS. (The new Trade Union law has made it increasingly difficult and time-consuming to apply for MRS certification.) This also gave us more time to evaluate the first part of the training and design an effective training programme for the next stage of capacity building on evidence-based bargaining.

The second round of trainings commenced August 2019. However, there were some changes to the composition and structure. Firstly, the second round of workshops focused on data, document and evidence collection/preparation for CBA negotiations, and instead of the 36 factories who participated in the first round of trainings, participants came from 10 shortlisted “priority” factories who are working towards CBAs as they would be needing more support from C.CAWDU in the upcoming weeks and months. The C.CAWDU management also felt that some of the 26 other factory unions were not ready to begin CBA preparations due to capacity or other reasons, so it would be more strategic to work closely with the ones who are gearing up to actually negotiate the agreements.

Because the first round of trainings focused more on accessing and interpreting the BFC data, and on survey administration with the “assignment” in between workshops being for participants to conduct surveys at their factories (which did not happen for the reasons mentioned above), many of them had not done any other evidence collection and did not have all the evidence and documents on hand. Furthermore, the BFC transparency reports did not turn out to be usable as evidence for CBA negotiations, primarily because the deeply, widely-felt and “winnable” issues identified by C.CAWDU and grassroots unions such as meal allowances, low price rates, unreachable targets and short-term or fixed-duration contracts (FDCs) do not fall within the 21 critical issues covered in these reports. For the issue of unclean or insufficient drinking water (BFC Critical Issue #18), which a number of focus group participants from 6 factories had indicated a desire to negotiate on in the outreach leaflets (please refer to the table in the following section), the respective BFC reports as of December 2019 did not flag it as a problem.

Some of these priority factories are also not in the BFC database as they produce footwear, bags and accessories or do printing and embroidery instead of garments.

The contents of the remaining workshops were determined according to the needs and progress of the participating factories. The 3-day training for these CBA priority factories took place in February 2020. C.CAWDU is also in the process of developing its own CBA training materials in Khmer which will include a comprehensive manual that covers the process from start to finish as well as preparatory checklists for issue-based negotiations.

### 5.1. Focal Group Discussions and Outreach Leaflet Data Findings

Based on 20 focus group discussions (FGDs) conducted with 208 workers (58% female) at 10 factories carried out by trained C.CAWDU staff and external enumerators from a local research and consultancy firm between May and June 2019. Selected key findings are summarised as follow:

- 90% of the focus groups do not agree with the BFC report on their factory
- 35% said their factories only use FDCs
- Some factories do not have clean water (35%). The majority (60%) does not have enough water. 9 out of the 10 factories interviewed disagreed with the BFC report finding that there is clean and sufficient drinking water.
- There is forced labour at the workplace especially workers being forced to meet the quota (50%).
- There are not enough emergency exit gates (25%).
- There is discrimination based on age and gender (25%).
- There is discrimination based on worker's union membership (25%).
- Some cannot freely form and join trade unions of their choice (20%).
- Some workers are subject to unwelcome behaviour of a sexual nature (physical contact, spoken words, or conduct that creates an intimidating or humiliating work environment) (15%).
- There are dismissals of pregnant workers.
- There is an imbalance of skill bonus payment.
- There is a change in seniority during maternity leave
- There are cases where management has taken steps to bring the union(s) under its control.
- There is interrogation about various meetings of unions.
- Some emergency exit doors are not open during overtime work.
- Not enough proper guards installed on all dangerous moving parts of machines and power transmission equipment.
- Insufficient clean drinking water was raised as an issue during FGDs in 9 of the 10 factories. This is actually a critical issue (#18) in the BFC transparency reports. However, all the latest available factory reports showed otherwise (that water for drinking is clean and sufficient).

148 workers from the 10 factories also filled in a tear-out segment of the outreach pamphlet (this can be provided on request), identifying 3 key issues at the factories they would like addressed.

*Table 3. Sample distribution of the top issues among the 10 factories surveyed*

Issue	# of workers out of 148 citing this issue	% Sample	Number of factories out of 10
Short contract	24	16%	3

Unclean water	19	13%	6
Low target bonus	19	13%	3
Want lunch allowance/increase in lunch allowance	19	13%	5
Forced labour	14	9%	5
Low piece rate	12	8%	1
Discrimination	11	7%	4
Working environment is too hot	11	7%	3
Unachievable target	10	7%	1

## 6. Brand and Supply Chain Mapping

The brand map below gives a visual overview of the brands sourcing from factories in this project. This information was updated in March 2020. Both C.CAWDU and CENTRAL work with major brands to resolve disputes, and also reach out to them in cases where factories are unwilling to enter into CBA negotiations. The mapping activity captured 36 brands purchasing from 50 factories.

Figure 7 – Brand Mapping Visualisation





F: Factory.  
Please refer to factory code in the next slide

Source: C.CAWDU and CENTRAL, mapping in March 2020.



Table 4. List of brands and factories that were mapped

 = 50 factories

 = 36 brands

Nº	Brand	#Factory
1	H&M	6
2	Nike	3
3	Adidas	6
4	Asics	2
5	Marks and Spencer	2
6	Tesco	4
7	Next	7
8	5.11	1
9	Mechanix	1
10	Nygard	1
11	Debenhams	1
12	VF Corporation	5
13	JC Penney	1
14	Target	3
15	C&A	11
16	Kmart	1
17	Sears	1
18	Arcadia	1

Nº	Brand	#Factory
19	Uniqlo	2
20	Primark	3
21	Bestseller	4
22	Mizuno	1
23	Keen	1
24	Zenana	1
25	Puma	2
26	Under Armour	1
27	Lacoste	1
28	New Balance	2
29	Gap	6
30	Levi Strauss	4
31	Gottex	1
32	Leeward	1
33	Fruit of the Loom	1
34	Aramark	1
35	Eyenvision	1
36	Kenmark Optical	1

Factory code and the number of brands per factory

Code	Factory Name	Brand
1	Apple	1
2	Berry	2
3	Bowker	1
4	Cambo Kotop	0
5	Complete Honour	1
6	Continuous Lucky	0
7	Crystal Martin	3
8	Da Rong Printing & Embroidery Co.	0
9	Dayup Global	2
10	Dignitty Knitter	3
11	Din Han	1
12	E Garment	6
13	Gladpeer	3
14	Golden Gain Shoes Co.	1
15	Goldfame Star	4
16	Graceful	2
17	Guo Tai Hua Sheng Xin Feng Jing / Cambo Xin Feng Jing	2
18	Haitan	2
19	Hoeng Jin	0
20	Hung Wah	4

Code	Factory Name	Brand
21	I-Cheng	3
22	In Fong	0
23	In Kyung	2
24	Kao Way	1
25	Man Ou	0
26	Meng Da Footwear Industrial Co.	1
27	New Orient	2
28	New Star	0
29	Orange	1
30	Perfect Growth	2
31	Quantum	3
32	Quint Major Industrial	2
33	Roo Hsing	3
34	Sabrina	3
35	Sangwoo	2
36	Six Plus	2
37	T & K	1
38	Tae Young	5
39	Tien Sung	3
40	Top Silver	1

Code	Factory Name	Brand
41	Top Silver (Branch 1)	1
42	Top Summit	1
43	Vantage River Textiles (VRT)	1
44	Violet	1
45	WEGC	2
46	YTC	2
47	Yakjin	2
48	Yi Da	4
49	Yong Sheng	1
50	Zhong Yin B Textile	1

## 7. Project Findings

### 7.1. On Union Capacity Building

- Training on the BFC public reports' 21 critical issues also served to raise awareness among the grassroots unions on fundamental rights according to the labour law. This reinforced their understanding of what constituted non-compliance and how to go about documenting instances of non-compliance.
- Worker representatives who attended the C&A Foundation Learning Circle on public data on the apparel sector with participants from Indonesia and Bangladesh enjoyed the opportunity to share their views and learnings with fellow unionists and engage with a regional audience. This was especially empowering for the women leaders and activists as they reported feeling more confident about public speaking and asserting themselves as a result of the support they received at this workshop, which will help contribute to stronger women's presence and voices in bargaining teams.

### 7.2. On BFC Transparency Data<sup>3</sup>

- Despite the fact that the BFC Transparency Database has been in existence since 2014, all grassroots union participants, and even some of the union federation staff at the workshops had never heard of it. Through a series of trainings, project participants have now been exposed to the database and are aware of how to access it. When informed about the existence of such data at the capacity building workshops, workers were very interested to see the BFC reports on their factories. Some of the grassroots union leaders had been interviewed by BFC enterprise assessors, but mentioned that they had never quite understood the point of their visits or what the interviews led to until they finally accessed the data on their factory. BFC works with union federations and enterprise-level unions through the Project Advisory Committee (PAC), the Trade Union Contact Group and the PICCs at factories who have opted into BFC's advisory services. However, a widespread awareness of their function and the services they provide does not appear to be the case, especially among rank-and-file workers.
- Grassroots union leaders and activists have not made full use of BFC or other public data for collective bargaining because they lack complementary skills with broader applications such as IT literacy, English, etc.
- When asked to list the key problems they faced at work, the most common issues identified by participants during the trainings were:
  1. Forced overtime
  2. Discrimination against union members
  3. Discrimination against pregnant women
  4. Increasing targets / low piece-rates
- Other issues that came up include fixed-duration contracts, OSH issues (poor ventilation, chemical fumes, insufficient protective gear), unclean drinking water and verbal abuse.

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<sup>3</sup> As noted earlier in Section 4 on the Better Factories Cambodia Transparency Database, the global Better Work Programme, to which BFC belongs, is shifting to a new set of terminology, using the language "publicly reported issues" instead of "critical issues" and moving away from the term "transparency data".

Some of the issues raised actually fall under the remaining 31 low-compliance issues (e.g. “Access paths are free of obstruction”; “Exhaust ventilation where chemicals are used”; “Proper personal protective equipment is provided”; “Management, including line supervisors, treats workers with respect”), but the assessment findings for these non-critical low-compliance issues are not disclosed in the Transparency Database.

- When comparing the public BFC reports on their factories with the issues workers themselves identified / the situation on the ground, 2 major discrepancies were highlighted by virtually every grassroots union – forced labour (in the form of forced overtime) and discrimination against union members.
- Apart from these two near-universally under-reported issues, many of the grassroots union participants did not have serious contentions about the accuracy of the other critical issues. Most of the factories in this project fared well in the BFC critical issue compliance assessments and have relatively strong C.CAWDU factory-level unions, as they were selected precisely for the latter’s readiness to enter into CBA negotiations. However, the issues workers wanted to see addressed in CBAs did not always overlap with 21 critical issues covered in the BFC factory reports.
- On the other hand, at this point in the project and among the 10 priority factories, the BFC transparency reports do not cover, or accurately reflect the key issues that workers would like addressed in their CBAs. A reason for this could be that working conditions at these factories – where the local unions are relatively strong, and in some cases have good relations with the management – are perhaps already better than average, while the 21 critical issues zoom in on very fundamental rights since the point of the public reporting was to increase accountability on the part of low-compliance factories by “naming and shaming” them. It could be the case that if BFC covers the remaining 31 low-compliance issues in the publicly available transparency reports (assuming accurate assessments and translation into the public summary reports), unions would potentially have wider-ranging data to use for evidence-based negotiations. Or, if the transparency database included all factories registered with BFC, not just garment-producing factories, and if subcontracted factories were also mapped and subjected to compliance assessments.

From baseline interviews Solidar Suisse and C.CAWDU conducted with grassroots TU leaders, we found that while workers want the data to reflect the actual situation in their factory, they say that it is also good if their factory performs well in the report (whether that is actually the case or not), since buyers will place orders with the factory and they can keep having work and earning money. Some are also afraid to give honest replies when they are interviewed by the BFC enterprise assessors in case word gets back to the management if they mention anything unfavourable about working conditions at their factory, a concern that has been documented in other publications such as Human Rights Watch’s 2015 report on labour rights abuses in Cambodia’s garment industry. According to a union federation leader who participated in this project, “BFC enterprise assessors / auditors don’t talk to the right people, only the management and the pro-management union leaders and workers who have been told not to say anything unfavourable about working conditions at the factory if they want to keep their job or be given overtime work so they can earn more. In this way, many incidents of non-compliance go undetected... If a factory fares well in the BFC transparency report, this pleases the brands/buyers who are sourcing or planning to source from the factory. However, BFC goes to conduct their

compliance assessments at the factories only once every 6 months<sup>4</sup>. But after this visit, violations and non-compliance can and do take place. The BFC transparency data reports cannot give more than a partial, non-representative, snapshot of what is going on at the factory that is not publicly or openly verifiable [since the actual factory compliance reports on which the public data is based on are strictly confidential]. If we only rely on BFC data, it is one-sided, and will not help workers.” In response, BFC has shared that their assessment visits are unannounced, and that the procedure “is very strict, and our assessment findings are based on triangulation – talking to management, workers/unions/shop stewards and document checks. On average we interview around 30-40 workers for each assessment.” During the course of our project however, we encountered many workers who have said that the factory knows roughly when these visits will take place, and make sure that protective gear such as gloves and other OSH equipment are in place, but that once the assessments are completed, everything “suddenly disappears”.

### 7.3. Factors Influencing Negotiations, the Importance of Relevant Evidence

- Factors that have contributed to successful CBAs:
  - Factories with good brands and strong unions. C.CAWDU assesses the company capacity i.e. how “good” are the brands, is the company healthy (established, not on rented premises, etc.) and union membership power
  - Dynamism and activeness of the local union, how motivated they are
  - Motivation, openness of the company
  - Legal analysis
- Obstacles to successful CBAs:
  - Getting MRS certification. On the part of the unions, some of them don’t appreciate the utility of getting MRS status, and the benefits of a CBA even when they have the required number of members to qualify for MRS. C.CAWDU has to push them to do it.
  - Lack of supporting evidence
  - Behaviour, mentality and skills of negotiators
  - Difficult employers/management. With nasty employers, the CBA process can get stalled, have to get brands to pressure the company to negotiate
- For factory unions who have the capacity to resolve disputes and negotiate, they will handle these themselves, but if a case is too difficult or the stakes are too high, the federation leadership joins the negotiations. Typically, C.CAWDU does the legal analysis and provides administrative support. Right now, evidence is used in dispute resolution, but not for CBA or other negotiations. C.CAWDU local unions need to bring genuine, relevant evidence to the negotiation table, and need to build capacity on this.
- If unions are able to access information on company growth, profits, export volume this would be very helpful for negotiations on lunch money, overtime bonus, higher wages and better maternity benefits. This information would build the negotiating power of the unions, subsequently they would like increased capacity and support in the form of an external consultant and capacity building trainings for their legal department on how to seek and use this information.

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<sup>4</sup> This was the case at the time the statement was made; BFC has now switched from twice-yearly to annual assessments.

#### 7.4. Grassroots Engagement with Better Factories Cambodia through PICCs

- While there have been no instances of BFC or other public data being successfully used in factory-level negotiations yet, C.CAWDU has noted that some of their grassroots have engaged with BFC. These are unions in factories who have Performance Improvement Consultation Committees (PICCs), some of whom report it to be a useful mechanism in having certain workplace issues addressed by management. Performance improvement consultative committees (PICCs) were introduced by the Better Work Programme to enhance social dialogue and implement factory improvement plans. They are established at factories who sign up for BFC's advisory services and consist of an equal number of both management and union/worker representatives who meet regularly to discuss and resolve workplace issues, facilitated by BFC factory advisors.

#### 7.5. Improving Working Conditions - from levels of non-compliance, OR to levels above what is legally required

- Finally, there are 2 ways in which working conditions can be improved – by bringing non-compliant practices back into line with the law, and by improving conditions beyond the legal minimum, as collective bargaining agreements seek to do, as well as national-level advocacy to raise legal standards. If they are accurate, the BFC Transparency reports, with their coverage of 21 critical issues can serve as evidence for worker negotiations seeking to address factory non-compliance with the law, but cannot serve as a basis for collective bargaining to confer benefits to workers that go beyond what the law stipulates. Indeed, it has been pointed out that most garment and footwear manufacturing social compliance programs “focus on compliance *with* (not beyond) the law and international standards... to address *violations* [emphasis added] of legally-mandated standards and rights” (Anner 2017). The implication of this is that the public data from the BFCTD and many other social compliance programs may only be used to improve working conditions in the first sense, but this does not diminish its potential as a bargaining tool to rectify instances of factory non-compliance.



Figure 8 – CBA Bargaining with Tien Sung Company

## 8. Successes and Challenges

### 8.1. Successes

Key successes of this project include: (i) exposure of local trade union to data collections and forming ideas and arguments to support their negotiations; (ii) identification of potential topics to be included in CBAs; and (iii) understanding the steps involved in CBA preparations (the initial stage of CBA negotiation).

While the mismatch between much of the publicly available data used in this project, and the collective bargaining needs of local factory unions meant that there were no actual instances of BFC transparency data being used in CBA negotiations at this point, the capacity building carried out over the last two years has increased awareness among garment worker federations enterprise-level unions of industry and factory-specific public data, and its potential as a bargaining tool. Especially at the federation level, and among stronger grassroots unions, there is greater recognition that more strategic, evidence-based negotiations supported by concrete data/evidence and careful preparation is crucial for improving the quality of negotiated agreements and therefore improving working conditions. This represents a gradual shift away from the more ad-hoc, emotion-based style of engagement that has characterized factory-level negotiations in the past.

This has led to C.CAWDU taking steps to develop detailed checklists on specific issues, with the aim of creating a repository of “playbooks” on bargaining strategies and evidence collection, preparations and other recommended practices for how to negotiate on topics such as unfair targets and piece rates, forced overtime, discrimination against unions and meal and transport allowances. These manuals can then be regularly updated to reflect changes in policies and adapted to suit the needs of its users.

Factory union leaders and participants have also stated that the introduction of BFC’s 21 critical issues helped to cement their knowledge of the Labour Law and more readily identify instances of factory violations.

During the project period (April 2018 – August 2020), 5 C.CAWDU grassroots unions negotiated and signed CBAs with the factory management. As a result, 14,212 workers have better working conditions and benefits. Some of these improvements are listed below. For confidentiality, the names of the factories are withheld

#### **Factory A**

CBA signed 19 March 2019, valid for 3 years, covering 670 workers:

- 8 additional days of maternity leave (98 days, law only stipulates 90 days)
- 8 USD a month to new mothers for milk money until the baby is 18 months old
- 12 USD a month for childcare until the baby is 18 months old
- Previously, only workers who were doing 3 “styles” received a bonus (this was rare because the managers would only authorize workers for 2 “styles” or machines. Under the new CBA, all workers who do 2 “styles” receive a bonus
- Overtime workers receive extra money for their meal allowance
- A meeting room is provided for the local C.CAWDU union
- A computer will also be provided



## Factory B

CBA signed 29 July 2019, valid for 3 years, covering 429 workers

- Pregnant women workers who go for health checks do not get their wages cut if their husband or any other family member works in the factory
- New mothers receive 20 USD a month for baby formula (milk money) for 12 months
- Medical certificates from both private and public doctors/clinics are recognized by the factory administration

## Factory C and Factory D (same owner, same duration)

CBA signed 1 January 2020, valid for 3 years, covering 5800 workers and 5506 workers respectively:

- Desserts 3 times a week instead of just once
- Free lunch, and better-quality food than before (more meat and vegetables)
- One hour off each day for breastfeeding mothers until the child is 18 months old
- Wages are not cut when workers take sick leave
- Workers are allowed to take an additional day of leave during the Chinese New Year without getting their wages cut. If they wish to take more days of leave, they can use their annual leave.

## Factory E

CBA signed 29 May 2020, valid for 3 years, covering 1807 workers:

- One hour off each day for breastfeeding mothers until the child is 15 months old
- 1 USD increase in the transportation allowance
- 2 USD increase in the monthly bonus
- Public holiday overtime rate increased from 1.5 to 2
- Husbands of pregnant women also working in the factory are able to take paid leave to accompany them for medical check-ups and for the delivery of their child.

## 8.2. Challenges

The following challenges had been faced during the implementation of the projects.

### ▪ **Connecting factory-level bargaining with industry-wide bargaining**

One of the aims of this project was to link up with ACT from the ground-up. Wages, production targets and piece rate pricing continue to be an issue that many grassroots unions would like to address to improve working conditions, but withdrawal of GMAC from the sectoral CBA negotiations until there is more clarity about the implications of the partial EBA suspension for Cambodia has put the sectoral agreement on hold. Meanwhile, however, the government, GMAC, unions and brands are looking into the possibility of negotiating a multi-company/factory CBA with 100-200 factories as an alternative.

### ▪ **Challenges encountered in using garment sector public data in Cambodia**

In the implementation of this project, we faced 3 challenges in making use of public data: (i) literacy, information technology skills and capacity of factory union leaders and activists; (ii) BFCTD does not adequately take into account the resource and access capacities of grassroots unions and workers as database users; and (iii) BFC assessment methodology is not publicly available, as subsequently highlighted below.

- **Literacy, Information technology skills and capacities of factory union leaders and activists**

Many participants did not own computers and were not able to use them. It took a while for many of them to access the website, as it was difficult for them to type in the URL in a second language, and they were not familiar with online searching so did not know how to google the BFC website, even in Khmer. Due to workers' unfamiliarity with accessing data online and using the internet, they probably need more extensive capacity building to effectively integrate the process of accessing, interpreting and collecting data for evidence-based bargaining. In the existing trainings, it will also take some time for workers to practice accessing the BFCTD, and to familiarize themselves with the database and its structure since this is all very new to them. This is where C.CAWDU and CENTRAL can provide support, but it would require more time, dedication and resources than anticipated. The literacy, IT learning capacities of participants also varied widely among workers. Some were able to follow the trainings with ease, but others were not functionally literate and struggled to keep up with instructions and the new information they were encountering. According to UNESCO, functional literacy involves the ability to 'engage in all those activities in which literacy is required for effective functioning of his or her group and community and also for enabling him or her to continue to use reading, writing and calculation for his or her own and the community's development (UNESCO Institute of Statistics Glossary)'. The December 2018 ILO Garment and Footwear Sector bulletin mentions that approximately 94% of garment workers are literate, but defines literacy as "the ability to both read and write a simple message". Accessing and interpreting public data demand a level of reading and IT literacy and analytic capacity many workers have simply not been exposed to or trained in.

- **BFCTD does not adequately take into account the resource and access capacities of grassroots unions and workers as database users**

Even though the BFC Transparency database itself is available in Khmer, some functions such as the list of factory names and unions/federations are in English which makes it difficult for many of the workers, who do not speak or use much English, to navigate. For example, a minor spelling error in the factory or union name, which can often be transliterated or spelled in different ways, would bring up a null result during a search in the database. The website is not easy to access or navigate for users at the grassroots factory level, and even at union federation level.

While we switched to accessing the BFCTD entirely on smartphone and this has made it easier for every participant to access it individually, the BFCTD is not particularly smartphone-friendly as it was not possible to print or save reports when accessing the site through smartphones. Participants had to screenshot the factory reports, but a number of them did not know how to do screenshots. Also, not all participants had smartphones or easy access to the internet.

- **BFC assessment methodology not publicly available.**

Another challenge we faced is that there is no transparency in the BFC assessment methodology for the factory reports, or a more detailed elaboration of all 52 low-compliance issues (31 low-compliance and 21 critical low-compliance issues). This hampered workers' attempts to collect their own factory-level data on the critical issues. For example, the overlap between forced labour (Critical Issue #2) and forced overtime (Low Compliance Issues #39 & #40) is not openly defined, leaving workers confused. After clarification with BFC technical staff, we learned that involuntary OT can be considered forced labour if it is more than 2 hours, not voluntary, and if it involves any threat to terminate workers' contracts.

A brief explanation of the process is provided in BFC's annual synthesis reports, stating that "[e]ach assessment consists of four on-site person delays and includes management, union and worker interviews, document reviews and factory observations. The goal of these assessments is

to establish a baseline of performance against which participating factories can work with BFC to make ongoing improvements to their working conditions” (BFC Annual Report 2018: An Industry and Compliance Review, p. 7). This however was insufficient for workers to have a better understanding of the factory assessments and how to collect their own data and evidence to document issues they wished to negotiate on. After reading a draft of this report, BFC finally gave an overview of their methodology with us, but have said that they do not release this technical information to the public.

Having delineated the challenges that were encountered, the core issue in a nutshell is that:

- a. It is very difficult for workers to access the publicly available data. This is a point that needs belabouring because it is not immediately obvious or significant to experts who design and create these databases. Workers come from vastly different backgrounds, cultures, education and literacy levels and they have limited time, attention, resources and motivation to look up this information regularly. In their position, it requires a large investment of time and effort to download a browser, figure out how to access the website (even in Khmer) and navigate it on their smartphones – this requires a lot of extra effort for individuals (especially women who have additional domestic responsibilities) who often work ten hours a day at the factories, most of whom have never used email, internet browsers and search engines.
- b. *On top of this*, the data once accessed has often not been adequate or relevant for negotiating on the issues workers want addressed so far, and is not even accurate in some cases (e.g. on discrimination against unions; and as mentioned earlier in the focus group discussion findings, 90% of the workers interviewed did not agree with the latest BFC reports on their factories.)

### Issues that still remain

1. Many independent unions believe that the BFC factory assessments are biased; this is why our main union partner (C.CAWDU) was keen to collect their own data on the 21 critical issues identified by BFC. However, as mentioned above, we were unable to get access to the actual assessment tool and methodology. More recently, an unofficial translation of the Client Assessment Tool (CAT) in Khmer has been shared with the Trade Union Contact Group convened by BFC.

The official [BFC Client Assessment Tool](#), which the website says "is used by Better Work Enterprise Advisors to assess compliance with core international labour standards and national labour law," exists only in English and not in Khmer - we contacted BFC to ask for a copy in Khmer at the beginning of the project in 2018 but were told that it is not available in Khmer. BFC has declined to share their Khmer translation as they say it is an internal document. Given that most Cambodian workers, the key beneficiaries of BFC's monitoring initiative, do not speak or read English, it is rather surprising and exclusionary that this instrument is not available in the local language on the BFC website.

A related question we have is whether Client Assessment Tool (CAT) in English is the actual instrument that enterprise assessors use in their interviews. According to the BFC annual report, "Each assessment consists of four on-site person days<sup>5</sup> and includes management, union and worker interviews, document reviews, and factory observations"; as such there

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<sup>5</sup> This has now been reduced to 2 days.

must be different/separate interview templates for supervisors, workers, unions, since questions such as Question 16 (just to give an example) "Does the employer keep a register and get consent from the guardians of workers under 18 years of age?" would not reasonably apply to rank and file workers - how would they know the answer to such questions?

And if the English CAT has actually been the instrument enterprise assessors use for all interviewees across the board, we are interested in how it gets translated in the on-site interviews since many of the interviewees may not speak English well, if at all. BFC confirms that their assessors speak Khmer in the factories, and if a Chinese translator needed, the factory usually has one; some of the BFC staff also understand Chinese. We know that BFC assessors undergo in-depth training before going into the field. However, informal, off-the-cuff translations carried out on the spot without standardized versions of properly translated questions and prompts run against the basics of a scientific, rigorous method of data collection.

C.CAWDU themselves encountered many challenges surrounding translation and clarity when they were trying to partially replicate BFC's compliance assessment of the 21 critical issues, both in the translation of the issues and when posing the questions to workers; many of the questions had to be carefully explained, reworded and simplified. Without standardized prompts and interview guides in Khmer/English/Chinese, a lot of information could be lost or miscommunicated and this could certainly compromise the quality of the data. Furthermore, little resources are typically spent on factory book-keeping and accounting (which BFC presumably look at in their assessments, which according to their annual report include document checks).

2. It is still unclear exactly how many people, and who from each factory (in terms of their designations) is interviewed, how they are selected, how representative they are, and how people's responses are weighted and translated into the green checks and red crosses in the factory reports showing the presence/absence of a critical issue? (In the CAT, each compliance point has several related questions and it is not clear how BFC determines the way responses from all their interviewees for all the questions factor into the final, categorical indication of factory compliance on a particular issue.) According to the website, "A Green row indicates that no – or insufficient – evidence was found of non-compliance on the specific labour issues we profile here on the Transparency Portal", but how are differences reconciled if workers or unions say one thing and the management says another in response to the same question? Upon further conversation with BFC, we learned that roughly 30-40 workers are interviewed for each assessment, but that the process of selection is quite organic and depends on which issues are initially identified. It does not guarantee that a representative sample of workers are interviewed. Any complaint or report of non-compliance encountered during on-site assessment visits is carefully investigated and triangulated; it has to be verified by 3 different parties before it is logged. According to BFC, all of the points raised here are taken into consideration in the Better Work process of assessment, but the specifics of the methodology is not available to the public.
3. Factories submit responses to identified non-compliance issues on a voluntary basis, and only a handful of factories have uploaded responses in the form of scanned management letters, photos, signatures detailing the actions they have taken to rectify the issue. Most factories don't leave any response. In any case, what is the verification process for these

responses and the evidence provided by the factory management that the issue is resolved? BFC has a verification process for this, but it is not to be shared externally. Unions do not have the option of submitting any response in these public reports.

As we now understand, BFC Enterprise Assessors do undergo intensive formal training (a 3 month-long induction programme) on interview and triangulation skills before going out to do the factory assessments. They divide up the clusters of questions in the CAT among themselves and interview different people (management, union officials, workers) at the factory to organically identify key issues and get answers. Until recently there was no official translation of the questions into Khmer and there is no Chinese version of the CAT. The lack of complete transparency and openness with regard to the assessment procedure undermines its credibility since nobody besides Better Work / BFC is in a position to verify its methodological rigor.



*Figure 9 – Workers at Dignity and Echo Base Company striking*



## 9. Recommendations

As a way forward, based on the project implementation experience so far, the following recommendations have been proposed, for the data provider (e.g. Better Factories Cambodia), the beneficiary side (unions and workers), and for ILO/ILC Better Work and Representative Organisations (ITUC, IndustriALL) as well as Stakeholder Organisations sitting on its Advisory Committee:

### 9.1. For data provider - Better Factories Cambodia

- 1) Revamp the Transparency Portal to make it more accessible and user-friendly for workers. This could include creating a mobile application, or even integration with Facebook as it is the primary browsing, sharing and information platform for most garment workers and many Cambodians in general. Whatever the means or channel, the important thing would be to reduce the number of steps involved in order to access the data. Representing the data in a more visual, digestible, interactive format (e.g. larger fonts, icons for each critical issue, photographs/images, video clips) would make it more engaging and comprehensible for workers.
- 2) Make data for the remaining 31 low-compliance issues publicly available in order to improve compliance across the board, rather than focusing only on the most fundamental 21 critical issues. Many of the factories in the project have very good public reports in the BFC database - most were found to be compliant on all 21 issues, and all had at least 19 out of 21 green ticks, meaning that the participating factories who fared the worst were found not to be in compliance on only 2 out of all 21 publicly reported issues. Making data on the remaining 31 issues public widens the range of data available to workers for evidence-based bargaining. According to BFC, this has been discussed several times, but requires the approval of the tripartite Project Advisory Committee, consisting of representatives from the Cambodian government (MoLVT), trade unions and garment manufacturers. BFC hopes to increase the critical (soon to be renamed “publicly reported”) issues covered in the public online reports by at least a few soon.
- 3) More transparent assessment and reporting methodology would improve stakeholders’ and the general public’s understanding of BFC’s work and monitoring process. This would include guaranteeing full anonymity to workers who are interviewed at the factory assessments. As we understand, workers are randomly selected by the BFC enterprise assessors but this usually takes place at the factory during working hours so there is no real privacy for interviewees, which may bias their responses. In some cases, the factories themselves also help to select the workers.
- 4) Unions, along with buyers, are technically able to purchase a full compliance assessment report for 1500 USD if the factory has given authorization, and there *has* been interest among unions in these reports but our finding is they are under the impression that only brands and buyers can pay to see them. This provision does not appear to have been publicized to unions, as our partners have no recollection this information ever being shared and were surprised when we told them about it. According to BFC, the possibility of purchasing the reports was mentioned to the BFC Trade Union Contact Group, and to the unions that are represented in the BFC governance structure. According to BFC, they have not been interested in seeing the specific non-compliances that come up in the reports, as they are usually aware of these

through the bipartite committees. In the interests of full transparency and fairness to unions and workers, all stakeholders should in our view be equally well informed of this option to purchase the full reports and given a list of factories whose full assessment reports can be bought, in the event that unions would like to view or use them in negotiations.

- 5) Assess and publicly disclose the summary transparency reports which cover the 21 critical issues for *all* factories, not just garment-producing factories and those with export licenses. We note that this cannot go ahead without the approval of the tripartite Project Advisory Committee.
- 6) Facilitate more meaningful engagement of independent unions at BFC's Project Advisory Committee (PAC) and Trade Union Contact Group meetings. This recommendation pushing for better engagement applies also to the unions who participate in these meetings and is covered in the next section. BFC conducts pre-PAC and Trade Union Contact Group meetings (with varying levels of attendance) to give them the chance to familiarize themselves with the agenda and comment on any reports, and to hear their concerns. The challenge is that not all unions have the time and ability to always show up and critically analyse the content (e.g. the annual synthesis reports) shared by BFC in the time given, and therefore don't participate fully in giving feedback. This goes back to the point that workers and union representatives are extremely busy - often out in the field handling the different aspects of their work and responding to the needs of their members. Most do not speak or read English. Even if documents are provided in Khmer, they simply do not have the uninterrupted time and technical training required to fully absorb and respond to the information being shared. BFC can take steps to encourage more meaningful consultations by taking more time to highlight, summarize and communicate the key points in these annual reports in an accessible manner and to take the issues raised by unions seriously. This issue was already flagged in a 2013 mid-term report for BFC: "Cambodian trade union representatives voiced their opinion that BFC has not done enough to support their concerns. 'We participate in the Project Advisory Committee, but our concerns are often not heard.' One example cited was the issue of including subcontractor factories in BFC assessments. These factories, according to the trade union representatives, are considered among the worst violators of labour rights. They also cited their concern regarding the absence of any kind of process to handle complaints from workers" (O'Brien & Associates, 2013).

## 9.2. For unions and workers

- 7) By the same token, unions can coordinate better before each PAC and Trade Union Contact Group meeting and assign or hire an external consultant who can extract and contextualize salient points in the annual report from the perspective of their joint interests (i.e. what it means for unions and workers) and help to put together a list of issues to raise at each PAC meeting, along with supporting information and documents. This will bring about a higher level of efficiency, effectiveness and cohesion among unions, contributing to better quality social dialogue at these meetings.
- 8) Better computer and IT literacy for union federations and local union leaders would make it easier for them to internalize the habit of accessing relevant public data regularly. Funding to support skills development in this area would be useful, with the recognition that it will take time and practice for workers and union leaders to make habitual use of relevant public data.



- 9) Improving workers' evidence collection and documentation skills is crucial when the available public data does not address workers' needs.
- 10) In-depth workshops on evidence-based bargaining and negotiations by topic, e.g. increasing meal allowances, better piece rates, etc.
- 11) Continued advocacy at national level using public data and evidence-based negotiations.

### 9.3. For ILO/ILC Better Work and Representative Organisations as well as Stakeholder Organisations on its Advisory Committee

- 12) ILO/ILC Better Work, under which Better Factories Cambodia (BFC) operates, should ensure that its country programmes operate in the most transparent manner possible. All guidance documents and tools should be freely accessible.
- 13) We have perceived a lack of clarity regarding the relationship between the goal of improving working conditions in the garment industry and that of making the sector more competitive. In the case of Cambodia, it appears to be unclear if the main purpose of the BFC transparency database is to provide assurance to international buyers and brands, that the factories they are sourcing from are in compliance with the 21 critical issues which BFC is publicly reporting on. Or if the main purpose is to be a driver for improvement of labour conditions by publicly reporting on non-compliances. BFC's stated objective is twofold - "[t]he programme engages with workers, employers and governments to improve working conditions and boost competitiveness of the garment industry<sup>6</sup>." However, this assumes that both goals are always complementary and glosses over which gets prioritized and why. We recommend that Better Work and its stakeholder institutions ensure that the improvement of labour conditions remains at the center of all their efforts.
- 14) Considering that the ILO is uniquely built as a tripartite institution one would expect a very strong involvement of workers' organisations and representatives at all levels of the Better Work Programme, including at country level. In Cambodia BFC does include representatives of union federations in its PAC and involves them through the Trade Union Contact Group. But their participation seems to be of a tokenistic nature and not a genuine involvement regarding the functioning of BFC and its policies and tools (see also recommendation no. 6 above). This is shown e.g. by the fact that none of the trade union representatives we have worked with in Cambodia in the course of this project was aware that they may purchase the full BFC factory assessment reports, provided the factories have authorized this. As acknowledged in the earlier recommendations (6 & 7) for BFC and trade unions, this is a structural and resource gap that needs to be addressed on both ends and perhaps even spearheaded from a higher level.
- 15) The BFC assessment methodology seems to be quite 'traditional', that is to say that it resembles the social auditing methods which started to be developed in the 1990s and which rely largely on external auditors visiting the factories – announced or unannounced – and then, based on their own observations and interviews with the factory management, selected workers and sometimes external stakeholders, ticking through a list of questions and writing an assessment report. In the past ten years this social auditing method has been widely criticised as ineffective, especially after the Rana Plaza incident, and there have been various attempts to move beyond this social

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<sup>6</sup> <https://betterwork.org/where-we-work/cambodia/>

auditing approach towards a worker-centred or workers-driven methodology<sup>7</sup>. One would expect Better Work to be much more at the forefront of this discussion and not lagging. We recommend to Better Work and to the TUSO/GUF Representative Organisations on its Advisory Committee, namely ITUC, IndustriALL as well as to the Stakeholder Organisations sitting on the Advisory Committee, for example Switzerland's State Secretariat for Economic Affairs (SECO) and the US Bureau of International Labour Affairs to re-visit Better Work's general approach in the light of this ongoing global discussion and to move the entire programme into a direction of a much more worker-centred approach.



Figure 10 – Meeting of National Trade Union Council (NTUC)

<sup>7</sup> See for example Outhwaite, Opi and Martin-Ortega, Olga. 2019. "Worker-driven monitoring – Redefining supply chain monitoring to improve labour rights in global supply chains"

## 10. Conclusion and Future Directions

BFC's public monitoring programme has undoubtedly contributed to improved compliance and working conditions in Cambodia's garment and footwear factories (e.g. Polaski 2009; Robertson, 2019; Antolin et al. 2020). The BFC Transparency Database is the key source of public data on working conditions in the garment sector in Cambodia and an important repository of information. Having said this, we feel that there should be total transparency with regard to the methodology and the way the data is collected in detail. Otherwise, the word "transparency" in the name of BFC cannot be justified.

We would like to acknowledge BFC's own recognition that audits in general, including the assessments it conducts, do not give the whole picture or have the last say on working conditions at a factory – only the situation and conditions at a certain moment in time during the one or two days they are at the factory unannounced.

And while there are inherent limits to what BFC as a tripartite institution, and the individuals who work there, are able to achieve, there is scope for them to extend their efforts so far into sharing this valuable and annually updated compliance information more extensively with factory level unions and workers.

As data users, there are language, IT literacy, proficiency in technical modes of thinking and expression, and other capacity barriers to uptake by the grassroots of what BFC has to offer. To truly empower workers by facilitating their access to information, donors need to allocate the funding and resources to address these barriers. We need to find more effective ways to bridge the gap resulting from larger structural issues such as poor literacy due to the lack of quality education and skills development, so that the transparency data can have wider practical application - and real-life utility for the stakeholders whose rights BFC was set up to help safeguard.

While we understand the aim of BFC to support the competitiveness of the Cambodian garment industry and to help build the reputation of Cambodia as an ethical sourcing destination, however we feel there has so far been insufficient involvement of the Cambodian workers in the entire process. Given the ILO's position as the world's leading body on labour justice and workers' rights, it is somewhat surprising that the Better Work model as seen in BFC's top-down monitoring process is still being promoted when it is subject to so many of the inherent shortfalls of third-party social auditing, whose problematic nature in different setting has been widely recognised (e.g. AFL-CIO 2013; Arnold 2013; Lund-Thomsen & Lindgreen 2014; Bartley & Egels-Zandén 2015; Ruwanpura 2016; Terwindt & Saage-Maass 2016). We would like to make the case for a shift to a more worker-centered approach to factory monitoring that would prioritize workers' rights and social justice in all its core elements - objectives, governance, design, training and education, inspections, complaints, remediation and dispute resolution (cf. Outhwaite & Martin-Ortega 2019: 391).

We would also like to raise the question if the back-donors of the Better Work Programme, such as for example the Swiss Government (and ultimately Swiss taxpayers) are fully aware of the fact that the main purpose of the BFC initiative, its flagship programme, seems to be the improvement of the reputation of the Cambodian garment sector. It is assumed that increased transparency will drive and promote the addressing of the critical issues in the factories thus improving working conditions. However, this effect will only happen if the data collected and shared through BFC is correct, reflecting the actual situations at the factory level. For this to be the case we believe there is a need for:

- a. more transparency regarding the methodology; and
- b. more systematic involvement of workers and their democratically constituted and independent organizations in the data collection and in its preparation and presentation.

In the next phase of the project, we aim to take further action to enhance grassroots and federation capacity in accessing and utilizing public data, and to advocate for effective, relevant data which is able to address workers' needs and build bargaining power. Worker empowerment remains at the heart of our approach, and while there are data quality and capacity gaps to bridge, we believe in the importance of systemic, structural change to transform institutional providers of public data so it can actually be used by workers.



*Figure 11 – C.CAWDU granted a Certificate of Appreciation to Tien Sung Company*



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