

## **ILO-Better Factories Cambodia Returns to Public Disclosure of Factory Inspection Findings**

**Phnom Penh – 1 October 2013**

We, the undersigned organizations would like to express our support for the recent announcement from Better Factories Cambodia (BFC) which provides a return to public disclosure of the findings of its factory inspections. After continued recommendations for increased transparency from various local and international organizations, this move is a concrete step in the right direction towards improving BFC's effectiveness in promoting better working conditions and occupational health and safety for Cambodian garment workers.

In its first years of operation BFC played an important role in helping the Cambodian garment industry make progress in such areas as workers receiving correct wage payments, more secure provision of benefits and improved health and safety practices. However, the move away from any public disclosure of inspection results in 2006 was a glaring step backward in transparency, and, partly as a result, the efficacy of the program has since declined. The effects of confidential reporting were highlighted in multiple reports which have noted that the current BFC approach to monitoring was producing diminishing returns, recognizing the need to accelerate improvements and incentivize factories whose compliance levels were now stagnant, and, in some respects, worsening.

International observers note that there is a clear link between the degree to which an international buyer is sensitive to public opinion and their supplier factories' compliance with labor standards. Unfortunately, BFC's practice of reporting factory conditions confidentially has reduced the incentives for major brands to hold factory owners accountable for disregarding worker rights or – by the same token – to reward good suppliers who do invest in efforts to improve worker rights with additional business.

In years past we have consistently advocated for increased transparency that would enhance the credibility of the program and lead to increased compliance. We commend the decision of BFC to return to public disclosure of factory inspection results and strongly urge to the government, the Garment Manufacturers' Association of Cambodia (GMAC) and international brands to support this initiative. We strongly urge their continued cooperation for increased transparency to ensure the sustainability of the industry and improved working conditions and living standards of the Cambodian workers therein.

We note with grave concern that the Garment Manufacturers Association in Cambodia (GMAC) is publicly opposing increased transparency by ILO-BFC despite having already been consulted and agreeing to the proposed measures by ILO-BFC. However, GMAC's bad faith in this regard does not come as a surprise, as it has previously blatantly disregarded the MOUs it has signed with the Cambodian unions, in which it had committed itself to find ways to reduce the use of

temporary employment contracts (Fixed Duration Contracts) for factory workers and require its members to adhere to binding arbitration in labor disputes, both of which have not happened.

Further, we appeal to the ILO's Better Work to note the effects of confidential reporting as experienced here and to ensure that greater transparency and public disclosure are integral part of Better Work programs throughout the region.

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