

**REPUTATION SENSITIVITY, PUBLIC DISCLOSURE AND
LABOR LAW COMPLIANCE IN CAMBODIA**

Debra Ang
Tufts University

Drusilla Brown
Tufts University

Rajeev Dehejia
Tufts University

Raymond Robertson
Macalester College

May 26, 2010

Enforcement, Evasion and Informality: Theory and Practice
Ann Arbor, Michigan
June 4-6, 2010

Abstract: Analyzing labor law compliance data in the apparel industry from Better Factories Cambodia, we find that public disclosure of noncompliance and the presence of a reputation sensitive buyer inhibit retrogression in compliance with Cambodian labor law. The presence of an international buyer enhances the effect of public disclosure. Augmentation occurs in part due to the buyer's motivation to protect its reputation. However, we also find evidence that international buyers provide technical assistance in achieving compliance and demand complaint behavior that is associated with human resource management innovations that improve product quality.