



# Decent Work?

The Cambodian Garment Industry

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FOR A JUST AND EQUAL WORLD

# One World Action

## Our Vision

A Just and Equal World, where there is no necessity for One World Action.

## Our Mission

To create the power and opportunity for the poorest citizens to transform their own lives; and to challenge the international policies that make and keep people poor.

## Our Values

We work with partners, South and North, in ways that respect different perspectives and build on the strengths of diversity; we believe strongly in gender equity and full participation of women in all development processes; we seek to put into practice the principles of good governance and democracy in our own organisation and behaviours.



## Note on the Case Studies

Given the current climate of risk and intimidation in which trade unions are operating in Cambodia the names of the women workers interviewed have been changed to protect their identities.

# Decent Work?

## The Cambodian Garment Industry

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## Cover Photo

*Representatives from the Free Trade Union of the Kingdom of Cambodia visiting the Terratex Garment Factory, Phnom Penh.*

*From left to right: Ms. Keo Oeung, FTU Board Committee member at Terratex Garment Factory; Ms. Yeum Savom, FTU Committee member at Terratex Garment Factory and Workers Representative; Ms Chi Kimheng, Treasurer of the FTU at Terratex Garment Factory, FTU member.*



## 1. Summary

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Cambodia is one of the poorest countries in Asia with around 80% of the population living on less than 2 US\$ a day. The garment industry in Cambodia has developed rapidly over the past decade and plays an important role in the country's economy, generating both income and jobs. With an enormous number of young people entering the workforce in the next decade, decent work in the industrial sector will become even more critical and the garment industry has a significant role to play.

This report is based on research undertaken with garment workers in 2006. It asks whether or not the development of the garment industry in Cambodia has led to the creation of decent work. It also identifies what measures can be taken to ensure that the industry is not built on undermining labour rights and the principles of decent work – employment creation, equality between men and women, social dialogue, rights at work and social protection.

The report is in five sections. The first provides background on the country and the research. Section two looks at the industry in the context of decent work. Section three looks at cases of women workers, the challenges they face and

what can give them the choices they need to improve their lives. Section four examines the European Union (EU) and its role in the garment industry and the final section draws some conclusions and policy recommendations.

Overall the research found that the emergence of a rapidly developing textile industry over the past decade has provided thousands of poor Cambodian women with much needed work and enabled them to send money back to their families in the countryside. However, although improvements have clearly been made, in many cases the industry is still failing to provide decent work as defined by the International Labour Organisation (ILO) and its role in future poverty alleviation is unclear.

The research clearly illustrated that if protected and improved, the industry has the potential to play a key role in achieving the Millennium Development Goals (MDGs) in Cambodia. Already perceived by some, and promoted by many, as an 'ethical source' the Cambodian garment industry needs to do more to earn and promote the comparative advantage of supporting decent work.



## 2. Introduction

### Background

With a long history of conflict, Cambodia has made significant progress in recent years but remains extremely poor, ranking 130th out of 177 countries in the UN Human Development Index.<sup>1</sup>

#### Cambodia's Population, Economy and Labour Force<sup>2</sup>

Population	13 million
No. of people living below US\$1 a day	4.5 million
No. of people living below US\$2 a day	10.3 million
Gross Domestic Product (GDP) per capita	US\$2,060
Life expectancy	57.4 years
Malnutrition	38%
Adult Literacy	71%
Female literacy	41%
% workforce employed in agriculture	70.7%
% workforce employed in industry	10.5%
Annual per capita income	US\$321
Number of Workers in garment industry	293,000
Corruption ranking in 2005 out of a total of 158	130

Cambodia's population is very young with around 50% under 18 years old. Of the population, 70% is dependent on agriculture with few opportunities for paid employment and difficulties in accessing agricultural land.<sup>3</sup>

The garment industry in Cambodia has developed rapidly over the past decade and plays a vital role in the country's economy. Valued at \$2.175 billion, garments make up almost 80% of Cambodia's exports, accounting for around 12% of Gross Domestic Product (GDP).<sup>4</sup> The industry employs 293,000 workers directly, 90% of whom are women.<sup>5</sup>

With an enormous number of young people entering the workforce in the next decade, providing decent work in the industrial sector is going to become even more critical and the garment industry has a major role to play. However the theory that the garment industry can be a stepping stone to increasing the industrial base of the country (as is the case of the East Asian Tigers) needs to be treated with a degree of caution. In the case of Cambodia a lack of backward and forward linkages and a relatively small number of national entrepreneurs in the industry make it difficult to see how technology transfer could be used by the local business

sector to achieve this. Until now it is cheap labour and the advantages afforded by the Multi-fibre Agreement (export quota system) that have been Cambodia's main 'selling points.'

## Decent Work

Decent Work is a concept developed by the ILO, supported by trade unions, NGOs and other civil society organisations around the world. It brings together the quantity of employment with the quality of the employment created. The main elements of Decent Work are employment creation, rights at work (as defined by the ILO Core Labour Standards), social protection and social dialogue.

The United Nations (UN) recognises that decent work is vital for achieving sustainable development and the internationally agreed MDGs. When the MDGs were adopted in 2000, decent work was referred to fleetingly in Goal 8. However the 2005 UN World Summit put the goals of full employment and decent work firmly back onto the UN development agenda demonstrating the consensus that decent work must be at the centre of economic and social policies. World leaders also concluded that in many parts of the world the MDGs could not be met by 2015 under prevailing employment and labour market conditions.<sup>6</sup> More recently in July 2006 the Economic and Social Council of the UN devoted its four week annual event to employment and decent work.<sup>7</sup> A recent communication from the European Commission also recognised that decent work has an essential role to play in combating poverty and in promoting development.

## Methodology

Desk research was carried out in June 2006, followed by research in and around Phnom Penh. Two researchers, one based in the UK and one in Cambodia carried out the field research with the assistance of the Free Trade Union of Workers of The Kingdom of Cambodia (FTU). FTU provided guidance and advice as well as organising the interviews and providing interpretation.<sup>8</sup>

The researchers interviewed 26 female workers from 15 different factories,<sup>9</sup> 15 individually and 11 in two focus groups. All interviews were carried out with the help of a local interpreter familiar with the industry. All were interviewed outside the factory either at workers rented accommodation or in cafes or at tea stalls on the outskirts of Phnom Penh. A prewritten questionnaire of open questions with flexibility for workers to raise different issues was used as a guide for the interviews.

The researchers also met with key individuals and organisations in Phnom Penh.<sup>10</sup> All the field research interviews and meetings were written up and analysed by the researchers.



Workers suggestion box in a garment factory



Workers having lunch outside a garment factory

### 3. The Garment Industry and Decent Work

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#### Current Context

Having grown from nothing in just a decade, the Cambodian garment industry is now vital in terms of the export income it generates and the number of people it employs. The US and Europe are the two main export markets with just over 71% shipped to the US and 22% to Europe in 2005.<sup>11</sup> Ninety percent of the industry is owned by foreign investors mainly from China, Hong Kong, South Korea and Taiwan. The industry is based on turning imported fabrics into finished garments, the lower value added end of the market, with no backward linkages to support it. Inadequate infrastructure and corruption also pose significant challenges for the industry.

There was much speculation and widely varying views on how Cambodia would fare following the end of the Multi-Fibre Agreement (export quota system) in 2005. However the ILO has shown that although competition has increased, exports and job creation have also increased with a growth in the number of factories and in foreign investment (particularly from Taiwan). However domestic factory ownership – which was already low at around 10% in 2005 – has decreased.<sup>12</sup> There has also been an increased price pressure and real wages have fallen slightly. A recent World Bank Study ranked Cambodia 7th in the world for relative increases in export value since the end of the Multi-Fibre Agreement.<sup>13</sup>

## A growing industry but where is the decent work?

### Employment Creation

Cambodia is still one of the poorest countries in Asia and one third of all Cambodians live below the poverty line.<sup>14</sup> Creating employment opportunities is essential to alleviate poverty and the garment industry has played an important role. As well as the 293,000 workers directly employed in the garment industry (an estimated one fifth of Cambodian women aged between 18-25 work in the sector)<sup>15</sup> – it has been estimated that a further 150,000 jobs were indirectly associated with it in 2004.<sup>16</sup> This figure is likely to have increased since then. While the workers themselves are not the poorest, the majority are poor migrants from rural areas where around 40% of people live below the national poverty line.<sup>17</sup>

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*I am an orphan and all my siblings are married. I didn't have enough money as farming in my province is very difficult as it is too dry. I heard from my friend about the garment industry and came to find a job. (19 year old line worker in the sewing section)*

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The Asian Development Bank has estimated that workers send on average 50% of their earnings back to support families in the countryside and that around 1.5 million rural family members are dependent on these remittances.<sup>18</sup> This has helped some families avoid the worst ravages of poverty.<sup>19</sup>

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*I send home US\$30 a month if I get overtime. Without overtime I need all the money for rent, utilities and food. My family needs the money as they are poor farmers and have to pay back money they borrowed before. (34 year old garment worker)*

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Remittances help with costs of food, farming, healthcare and education and therefore the garment industry is making a direct and indirect contribution to Cambodia's efforts to meet the first

MDG, to reduce the proportion of people whose income is less than the national poverty line.<sup>20</sup>

However, despite this growth and distribution of wealth, average earnings in the textile sector are still too low to lift women and their families out of poverty. The minimum wage has been raised from \$45 to \$50 per month but an adequate living wage is estimated to be \$80 and workers interviewed said that they are able to send less and less money back to the countryside.

The implications of this are significant and highlight the unsustainability of relying on remittances as a strategy for supporting the rural economy. Cambodia is not on course to meet its target (to reduce its poverty headcount to 19.5%), which the UN suggests would require faster economic growth and more poverty reduction associated with that growth.<sup>21</sup>

### Social Dialogue and the role of Trade Unions

Social dialogue and trade unions represent one of the central pillars to achieving decent work. Cambodia has ratified ILO Conventions 87 and 98 on Freedom of Association and the Right to Collective Bargaining<sup>22</sup> however the enforcement of these standards is weak and frequently violated.

Although union membership in the garment sector is higher than other sectors, many unions are allied to either companies or the government and in 2004 several independent observers estimated that just 15–20% of workers in the textile industry are members of unions that are genuinely fighting for their welfare.<sup>23</sup>

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*In the past if we had a problem and went to the union leader nothing happened as the union was a government union that was given money by management to keep quiet and not make trouble. (23 year old worker stitching sports clothes for international brands)*

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There have been numerous official complaints made to the ILO's Committee of Freedom of Association about dismissal and intimidation of workers. This research confirmed that Cambodia

is a dangerous country in which to be a trade unionist with independent, legitimate labour unions facing severe pressure and working in a 'violent climate of terror and impunity.' Three high profile union activists have been murdered in the past two and a half years and members of the FTU have faced death threats and intimidation. One representative from FTU said:

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***Employees are forced to work for very poor wages and factory owners work in league with the government, informing them of strikes and union activities. When employers don't know how to solve problems with union leaders they just offer them money or they are physically attacked. The government limits our freedom – if I criticise the government, they bundle me into a car and take me to the police station, where I am surrounded by policemen and told to stop all activities.***

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The workers interviewed had varying levels of exposure to, and understanding of, the role of trade unions. Many reported that unions in the past had done little to help them but were hopeful that with more active and independent unions organising in the sector, improvements would be made. In most cases the management were reported to be hostile to unions, including one case where the union leader had been brutally beaten. With increasing competition for jobs and no fixed contracts workers are unable to risk being involved in union activity and being labelled as a trouble maker.

However, in the few cases where the management was receptive and the union effective, workers reported that the relationship between the management and workforce was good, the turnover of workers low and strikes and confrontations rare or non-existent.

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***There is now a union in our factory. Before workers were forced to do overtime but now this is voluntary and the management respects the law. Also before if workers were sick they were not allowed to leave the factory. Now they can take sick leave.***

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## Gender Equality

This aspect of decent work is closely aligned to MDG 3 to 'Promote Gender Equality and Empower Women.' Cambodia has two specific targets under this goal that are particularly relevant to the garment industry.<sup>24</sup> The first target is to 'increase female share in wage employment in industry.' The growth of the garment industry has clearly gone a long way in achieving this as women remain at a very low level of representation in other industrial sectors. However, discrimination still exists and despite the fact that 90% of factory workers are women very few reach supervisor or management level. Many factories import their own nationals to these roles, assisted by immigration laws which enable this to happen. Therefore in the majority of cases, Cambodian women are supervised and managed by foreign (mainly Chinese, Taiwanese, Korean) men. Many of the women referred to communication problems and cultural misunderstandings resulting from this practice.

Women in Cambodia, as in the rest of the world, also face the double burden that when in waged employment they also remain responsible for domestic and childcare work in the home. Cambodian law<sup>25</sup> states:

**An employer who employs 100 women or more must set up an operational day care centre. If an employer is not able to set up a day care centre for children over 18 months of age then they must pay women employees the cost of providing day care for their children**

However, the research did not hear of any factories providing this service although one group of workers told us that this was one of their demands when they went on strike. A worker from one of the factories with better working conditions told us that she has asked her younger sister to come to Phnom Penh to look after her baby:

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***I want to go back to work after the baby is born; I have no plans to stop. This job has been good for my family and it will help me give my baby a better education than I had so he or she has more choices in life in the future.***

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The second MDG target where the garment industry has played a less positive role is 'reducing significantly all forms of violence against women and children.' While the research found that both physical and sexual harassment of women is not prevalent inside factories, sexual harassment including rape in the areas around the factories is frequent.

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***Last month a woman was raped walking back from the factory at night. Four or five gangsters grabbed her and raped her and she does not know yet whether she is pregnant and has gone home to the countryside. (25 year old garment worker)***

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Garment workers also have to contend with negative stereotypes. Female garment workers are often viewed as only one up from 'beer girls'<sup>26</sup> but only just. They are regarded as sexually available and many men would prefer not to marry a woman who works in the industry. Garment workers are frequently the target of sexually motivated attacks as a result of both the perception of them as 'available' as well as the nature of their working patterns. Workers generally live in rented accommodation close to the factory but they are frequently required to do overtime and are particularly vulnerable walking home late at night. Many told us they return home in groups if finishing work late at night to try and protect themselves against this but even so almost all knew of rapes that had occurred near factories.

## Rights at Work

Following negative press during the 1990s about labour rights abuses in Cambodia, in 1999 the government signed a historic trade agreement with the USA that was operational until the end of the MFA in January 2005. This linked the quota of exports to the US with respect for workers rights in Cambodia. The ILO was responsible for monitoring factories and reporting on progress. Despite some continuing problems, these reports do show that things have been moving in a positive direction.

In line with this, a number of international companies (e.g. Nike and Gap) have stated that they continue to buy from Cambodia as a result of their confidence in this monitoring programme. A World Bank survey of international buyers in late 2004 reported that 'high labour standards' are one of the most important criteria when making purchasing decisions from Cambodia.<sup>27</sup> Capitalising on this, the Cambodian government and industry has been quick to promote Cambodia as an ethical source. This linking of trade to ethics also represents one incentive for Cambodian factories to comply with local law and international standards, although the number of sub-standard factories is a clear sign that not all factories view it in this way. Although the ILO programme of monitoring is a positive step, one retailer interviewed commented that most brands and retailers have stopped their own monitoring and that remediation (the addressing of issues found in contravention of company codes of conduct) has not been properly addressed.

Further concerns about the ILO programme were raised by one of the workers interviewed who talked of being coached on what to tell monitors when they entered the factory prior to an ILO monitoring visit that was supposed to be unannounced. The FTU reported that this is a common occurrence and one which they have publicly raised. Despite these concerns it is clear that the ILO monitoring programme has created



Garment company cameraman filming a trade union meeting

better conditions in some factories and that some brands continue to buy from Cambodia as it is seen as a more ethical source.

The International Confederation of Free Trade Union's (now International Trade Union Council) recent report is not so optimistic, suggesting that with the end of the quota system in December 2004, the incentive for factory owners and labour authorities to maintain respect for workers' rights diminished significantly.<sup>28</sup> The latest information suggests that observers need to keep a close watch to ensure that things do not start to slip following the end of the US trade agreement.

The stories from the women workers themselves reinforced this with the majority reporting a wide range of labour rights violations and only a few suggesting that their factory was operating in line with labour laws. Child labour was cited as an issue in one factory, violation of trade union rights in the majority and wages and hours were raised, almost without exception, as major issues for workers:

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***We need the overtime as the minimum wage of US\$45 is not enough to live off. (27 year old stitching department worker from Bon Cham Province)***

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Even though the workers want to work overtime for extra money, they would still like to have a say as to when they do it as well as being properly paid:

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***If we say we don't want to do overtime from 4–8.30pm everyday we get shouted at and threatened with the sack.***

***We start work at 7am and officially finish at 6pm but everyday we do forced overtime for no extra pay from 6–8.30pm and sometimes until 10pm. After 10pm we get double pay. (34 year old worker from Takeo Province)***

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In contrast, workers in the factories with better working conditions seemed happy with their jobs and keen to stay in the industry. Workers also clearly identified factory's adherence to labour law as a major motivating factor to work in a particular factory but it was perceived by all as the exception rather than the rule:

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***Conditions were much better in my previous factory where they followed labour law. I would much rather work there but had to leave as I had an argument with a co-worker. (30 year old stitching department worker)***

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## Social Protection

Social protection to provide access to health care and income security is a basic component of decent work and for much of the 20th Century economic development in richer countries was based on the model of state-based social and economic security.

Access to healthcare is a major priority for women in the industry and they face a double burden in this respect. They suffer frequent health problems connected both to their work (e.g. fainting, headaches from chemicals, kidney infections due to restrictions in access to the toilet and accidents with needles) and their living environment (e.g. bad nutrition due to lack of money, time and place for cooking proper food – as most are cook in their rented bedrooms). At the same time the costs of seeing a doctor and buying medicine are high and the quality variable.

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***Many people suffer from stomach problems and headaches – the factory is very hot. At the moment there is a woman who is still unconscious at the clinic and this is not unusual as when workers are ill and request to stay at home they are made to work. (23 year old worker stitching for well-known US brands)***

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***The management are very harsh. Workers are sacked for going to the toilet more than three times in a day. I frequently faint as I have no time to rest. I have to pay all doctors costs myself and some months I have to go three times costing 5,000 riel (US\$1.20). (34 year old worker)***

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Although almost all of the women interviewed referred to health problems, only one had any contingency funds to cover healthcare costs. Many said that when they are sick they have to borrow money or use the money they would normally send home and which their family depends on. There is no national health insurance or social insurance scheme.

Income security is also severely affected by the casual nature of employment. Workers from one factory explained that none of them had proper employment contracts, even those that had been there for years, and that the management of the factory takes them on and lays them off for weeks or months at a time depending on fluctuating orders. An interview with Womyn's Agenda for Change – an NGO that has done significant research in this area – revealed that even in the best factories there will be a certain percentage of casual workers outside of the law, whilst others have permanent contracts and enjoy good conditions. These workers have no income security and this highlights how vulnerable the industry is to the fluctuations of the global market, again raising questions about its sustainability in the long term and its ability to help Cambodia meet its MDGs and provide decent work.

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***The management says they only want to employ us when they have orders – they lay us off again when they don't.***

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Another area of vulnerability arises from the industry being almost entirely foreign owned, with the percentage of foreign owners increasing. These owners shift their capital to whichever location is most cost effective and

are notorious for cutting-and-running when situations change. There is also little legal recourse for workers if foreign companies flout national regulations. Factory owners can disappear overnight and severance pay for workers is rarely paid. This is an issue many trade unions face in other countries and one successful way to ensure workers receive their rights has been to link with international labour rights campaigners who put pressure on brands sourcing from the factory to track down the owner. A more sustainable resolution would be for national governments to establish mechanisms to hold foreign employers to account. For example for companies to pay a bond to the government based on the number of jobs they intend to create, times severance pay for those jobs. This could be repaid to an employer if they meet all their responsibilities under the law when they move their business out of the country. However, governments work hard to attract foreign direct investment and to create favourable trading conditions and so are resistant to putting any barriers to this investment.

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***I worked at a different factory before but I left after one month as I didn't get paid as the management had left overnight. (25 year old packing section worker)***

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This is an increasing issue for workers particularly now quotas have gone bringing Cambodia into direct competition with China.



## 4. Case Studies: Voices of Women Workers

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### Case Study One – Chantrea

One of 10 children, 30 year old Chantrea's father died when she was 10 years old. Her mother and most of her siblings are rice farmers in Kampong Cham Province, 125 km from Phnom Penh. She only sees them three times a year on festival days. Although people in her village look down on women garment workers, Chantrea was 22 when:

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*My mother asked me to find a job in a garment factory as she could no longer support the family on the little land we have to farm.*

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Chantrea was so eager to get a job she paid a tailor in Phnom Penh US\$15 to teach her how to

sew. This helped her get a job at a factory recommended by her cousin where labour law was followed so conditions were pretty good. Chantrea was happy working there for 7 years until she had an argument with a co-worker and had to leave. Since then things have gone downhill, for the past four months she has been working at a Korean-owned factory making garments for a well known US brand where she says conditions are very bad.

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*There is a lot of pressure and verbal abuse. The supervisors always shout at us and blame us for being slow and lazy. There are many 13 and 14 year olds working in the factory – the management know this but they don't care.*

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Chantrea works from 7am–8.30pm and some days until 10pm. Most Sundays she has to work until either 4pm or 7pm. She is exhausted.

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***I am forced to do a lot of overtime but never get double pay as I am owed. If I ask not to do overtime the management shout and swear at me.***

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There are a lot of accidents with needles and machines and people frequently faint in the factory (as well as having diarrhoea and headaches) but the management does not care and sacks workers who take time off sick. Paracetamol is the only medicine available at the factory clinic; it is given to the workers whatever is wrong with them whether it's suitable for treating them or not. Last April one worker died – she had diabetes but the management would not let her go to the local clinic.

There are two toilet yards for 60 workers and they are allowed one minute in the toilet. Some workers have kidney problems as a result:

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***The management are very harsh. Workers are sacked for going to the toilet more than three times in a day.***

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The management only wants workers when they have orders and lays them off when they don't. In January 2003 there were 1800 workers and now there are only 700. None of those laid off got severance pay. Workers should become employees after their two month probation but in this factory even those that have been there for two years are not issued with contracts or treated as permanent employees. To make matters worse even when they are working, salaries are paid very irregularly and often late:

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***At Khmer New Year we were paid our salaries so late we could not then travel back to our countryside that year. Salaries are supposed to be paid on the 10th of every month but this month they paid 50% on the 17th and promised to pay the***

***remainder on 30th. But when the 30th arrived the management said they had no money and no orders.***

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When she does get paid Chantrea gets the minimum wage of US\$45 plus a bit extra for all the overtime. She tries to send her mother around US\$30 a month to help with her brothers and sisters education and to pay for healthcare but cannot always manage. The simple room she rents with her sister and another garment worker costs her US\$7 per month (excluding utilities). She pays about 5,000 riel (US\$1.20) per month for water and electricity on top. It costs 500 riel to go to the factory and back by truck. After all this she has nothing left for herself.

In June 2006, fed up with the terrible conditions and non payment of wages, more than 1,000 workers walked out of the factory on strike. There is no union in the factory, partly as it is difficult to organise when workers have no proper contract, but the workers got together as an informal group and an independent union is now helping them organise themselves outside the factory to negotiate with the management. With the help of the union the workers issued the management with their written demands. These are:

- 1 All workers to be issued with proper contracts after two months
- 2 Regular and prompt payment of wages
- 3 Voluntary rather than forced overtime
- 4 Double pay for night shift and public holidays
- 5 Annual leave for 12–18 days per year
- 6 Pregnant women to be allowed to leave work 15 minutes early
- 7 Sick workers to get paid leave
- 8 Management to either allow the wearing of shoes in the factory or provide shoes (shoes which they leave outside get stolen and some workers have had electric shocks from wet cables on the floor)
- 9 Provide a crèche
- 10 Pay workers for strike days

- 11 Allow workers to leave immediately if they have an unexpected family problem (like family sickness or bereavement)

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***The management said they agreed to the conditions but we think in words only not actions. When we went back to the factory yesterday as requested by the management they turned us away saying they had no money to pay us the money they owed and no orders. We don't know when we will work again.***

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As well as suffering harsh conditions at work, Chantrea and her co-workers suffer a bad reputation outside of the factory. Garment workers are viewed by Cambodian society as 'bad girls' or 'loose women' and there are frequent rapes of workers in the area around the factory – particularly when they are walking home late after overtime. Cambodian men do not want to marry garment workers. In addition to this, domestic violence is still a serious problem in Cambodia – not just for garment workers but for many women. Chantrea is already 30 but still does not want to get married:

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***I'm afraid to get married as in the countryside there is a lot of domestic violence, many of my friends have problems as their husbands get jealous and become violent.***

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Once she has received the wages she is owed from this factory she would like to leave this factory, she regrets that she ever started work in the industry but has not managed to save enough money to get a different kind of job. Chantrea however has not given up hope and still dreams of a better life.

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***One day if I have enough money I will become a clothes seller but my dream is to design clothes for women to wear at wedding parties, I hope one day I can do this.***

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## Case Study Two – Vanna

Vanna is 35 years old. She came to Phnom Penh 5 years ago desperate for work as she and her husband were no longer able to support their four children.

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***I was desperate for work and spent three months going by motorbike taxi from factory to factory until I finally found a job.***

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Vanna's husband is a motorbike taxi driver who lives in her home village in the countryside along with her three sons of 12, 13 and 15 who are looked after by relatives. She only visits them twice a month as she gets just two days off and transport is expensive.

Vanna shares a small rented room in Phnom Penh with her 18 year old daughter and two other women who work in garment factories. Their room is very basic, with just a wooden platform for the four of them to sit and sleep on and they cook on a small and smoky traditional wood stove on the floor in the corner of the room. There is one bathroom shared by 25 people:

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***With so many of us sharing, although I don't start work until 6.30am I have to get up around 4am to queue for the bathroom. Often I wait for up to an hour and it's the same story in the evenings – I am very tired.***

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Vanna cooks and eats breakfast with her daughter in their rented room at around 5.30am before starting work at 6.30am. She has an hour and a half break for lunch which she cooks and eats back in her room. She works in the knitting section of a factory owned by a mainland Chinese company and has been in the same factory for five years. It produces clothes for export:

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***It's a foreign brand. I know what the label looks like but don't know what it's called as I can't read English.***

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Officially she finishes work at 4pm but this very rarely happens. Almost every day she and her co-workers are forced to do overtime until 6pm or 8.30pm depending on orders: ***We never know what time we will finish.***

Fortunately her room is very close to the factory as the local area is quite remote and it is almost always dark when they leave to go home. Women who live further away walk home in groups or stay with friends close by when finishing late as it can be dangerous.

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***People think that because we work in the city away from our families that we sleep with lots of different men.***

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There are five or six gangsters (drug addicts or glue sniffers) that go up and down the street outside the factory harassing women who are walking home late. Five or six women in the area are raped every month. Sometimes they go to the police but the gangsters always escape and the police do nothing.

It's not just the hours that are hard; the conditions in the factory are harsh as well.

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***The management shout at us at a lot using foul language. Since the old worker representative left we have no one to complain to about this.***

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Vanna however is hopeful as the workers are in the process of electing three new union representatives who she believes will help to solve their problems – as long as the management don't sack them first. Vanna hopes the union will force the management to follow labour law so that she will no longer be forced to do overtime. Although she will not have more children herself she also hopes pregnant workers

will no longer lose their jobs but instead get the maternity pay they are entitled to.

Despite all the hardship she faces, even with overtime (including 2 Sundays a month) Vanna takes home just US\$70 a month. She spends US\$7 for rent and about the same again for utilities. Although she spends less than a dollar a day on food, by the time she has paid for the bare necessities she can only send home about US\$20 per month towards the upkeep of her sons.

Vanna doesn't want to work in the factory forever but doesn't believe she has the ability or money to change her life. She will work in the factory until she is too weak and will then return to the countryside to farm or look after animals. She would love to go back sooner:

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***I am very happy to live with my daughter but I miss my sons very much. If I had the money I would run a small business selling food in my village so I could look after my children again. For now that is a distant dream.***

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### **Case Study Three – Srey**

Srey is 28 years old and six months pregnant. She has been working in the garment industry for almost five years and is happy with her work. Srey's parents and her husband are all farmers in Prey Vang Province, four hours from Phnom Penh:

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***I miss my family, especially my parents, but I enjoy seeing them when I go back to the countryside twice a year on festival days and my husband comes to see me here every month.***

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Srey's family was her motivation to find work in the garment industry. She has six younger brothers and sisters who her parents were struggling to support. Like many other women from Prey Vang Province (including her cousins) Srey volunteered to come to the city to find work. When she arrived in Phnom Penh Srey saw

a sign outside a factory advertising for workers and started work immediately but:

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***The management was very strict and put us under a lot of pressure. It was not a good place to work so I looked for another job.***

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With a few months' experience it was easy for Srey to find other work and after four months she moved to the Korean owned factory where she has been stitching pockets onto trousers ever since. The factory has 4,800 workers, 90% of whom are women between 20 and 30 years old.

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***Here the atmosphere is very good and we can speak freely with our co-workers and work without pressure from the management. I have many friends at the factory.***

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The factory is a better place to work than many others because it follows the labour law.

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***Now I am pregnant instead of losing my job like in other factories here I'll get US\$20 a month for three months maternity leave and I can take another month off unpaid before coming back to my old job.***

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Health and safety conditions are good and workers are not forced to work excessive hours or work when they are sick. There are still occasional accidents with the sewing machines and 2–3 people a year faint but they are usually people who are already sick. There are two doctors at the factory who treat sick workers and provide medicine free of charge.

Worker's shifts are either 6.15am–2.15pm or 2.15pm–10.15pm, Srey works the second shift. She gets up at 7am and spends the morning on domestic chores starting work after lunch with a half an hour break from 5.30–6pm for dinner. There is only overtime a few times a month, it is always paid at the correct premium and is always voluntary. Workers are never made to work on Sundays.

The management is very responsible and there has been an independent trade union in the factory for a long time which helps both the workers and the management. The management is happy to have the union there as it makes negotiating with such a large workforce much easier and prevents confrontations and strikes. The management agrees to 80–90% of the union's demands. For example they agreed to pay a sick worker with a doctor's certificate full salary for up to two weeks as sick pay as well as all medical costs. There have been no strikes at the factory for over six years and the last strike lasted only half a day. On that occasion workers were demanding an end to the deduction of the US\$5 continuous attendance bonus if a worker stopped for just an hour and the management quickly agreed.

Srey earns US\$60 including overtime. She shares a rented room 100 meters from the factory with four other garment workers. The women cook together in their room which has its own bathroom and costs US\$6 each a month (excluding utilities). Srey sends her parents US\$10–US\$20 per month. She used to send more but utilities, petrol and food have gone up in price so she can no longer send as much as before. Even so just US\$10–US\$20 helps pay for the education of her six brothers and sisters:

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***All my brothers and sisters go to school – although schooling is free my salary helps pay the application fee and for their books, clothes and food for school.***

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When her baby is born she will get her younger sister, who will have finished school, to come to live with her in Phnom Penh to look after her baby.

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***I want to go back to work after the baby is born I have no plans to stop. This job has been good for my family and it will help me give my baby a better education than I had so he or she has more choices in life in the future.***

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## Case Study Four – Kiri

Kiri comes from a province 75 kilometres from Phnom Penh and works as an Assistant Supervisor in a factory which produces for two European retailers. She is 25 and single. She has had three jobs and with each new job has been able to better her salary and conditions. Kiri was a student until aged 17. She can read and write unlike most of the workers in the factory, most of whom can read but not write. She shares a house with six friends where they share the rent and utility bills. It takes her about half an hour by bicycle to get to the factory each day.

She came to Phnom Penh to work in a Soviet Restaurant – a small café – where she was a cook. Someone visited her community and asked her to work at the restaurant where she was taught how to cook Soviet food. She was there for two years earning US\$55 per month for working from 7–11am and 1–5pm, seven days a week. She left this job.

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***I was too tired working everyday of the week and the restaurant was too far from my rented room.***

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When she left the restaurant her friend told her about a job in a mobile phone shop. Here she earned US\$70 per month for working five and a half days per week – Monday–Friday 7am–5pm and Saturdays 7am until noon. At times she worked overtime on a Sunday and this was paid at the legal rate of double time. She left this job because:

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***A friend told me about a job in the garment factory where the pay was better plus I wanted a different experience.***

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Now she works in a garment factory and earns US\$90 per month which includes overtime. She has breakfast at the factory at 6am (paid for by the management), starts work at 7.30am and finishes at 5.30pm with a break for lunch which the management also pays for – as they do for all workers at the factory.

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***As assistant supervisor I get the thread for the line worker when she needs it and other jobs like this.***

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The management treats her similarly to how other workers describe being treated:

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***It depends on the management's mood. If they are in a bad mood they shout at us and blame us for mistakes or for working slow. The management attitude depends on different sections in the factory in terms of whether that section respects the labour law. If they do respect the labour law then it is possible to negotiate issues.***

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If there is a mistake Kiri can get the help of the trade union. Some workers have a problem with sewing and the resolution will depend on how long the worker has been in the factory and how many mistakes she has made. If she is not good she will get a warning – once she has had three warnings she is suspended for a week. If after this she still makes mistakes she will be sacked.

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***Without the trade union the worker would not receive any warnings but just be sacked when she makes mistakes.***

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Kiri has been able to move from one job to another and each time increase her income.

### **Soviet Restaurant**

Worked 63 hours over 7 days for \$55 per month

### **Mobile Phone Co**

Worked 55 hours over 6 days for \$70 per month

### **Garment Factory**

Works 55.5 hours over 6 days for \$90 per month

Her current income allows her to send US\$30 per month home and to save US\$30 per month. Unlike all the other workers interviewed, this means that Kiri has savings to cover her health costs and has the possibility of a different life in the future. She also works set hours which are

considerably less than the other workers interviewed.

Kiri wants to set up a small shop in Phnom Penh selling groceries, make up, shampoo etc. She thinks she will need US\$1,500 to start this. Given she can save US\$30 per month it will take her five years to save enough to start the shop – as long as her health is good and she does not need to dip into her savings, which is unlikely. It could take her a lot longer to achieve her dream.

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***I dream of having a small shop and to be my own boss, not answerable to anyone else. For now I am happy at the garment factory because the management obeys the labour law. And I have a regular wage – which is good.***

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## Case Study Five – Kalliyon

Kalliyon says she is 30 and a single mother with an eighteen year old daughter who also works in the shoe factory with her. When questioned further she admits to being 38 but says: ***I have to tell the factory I am 30 otherwise they will not give me a job***

She left school early, but is not sure what age, probably during primary education. Her daughter stayed at school until 18 – which means she did 9 years schooling in all. Mother and daughter were born on the outskirts of Phnom Penh. Kalliyon's parents and her husband are dead. Her parents and three of her siblings were killed during the Pol Pot regime and her husband was a soldier and was killed in action in 1994.

So she now lives in her own home on the outskirts of Phnom Penh with her only surviving sibling, her sister. Her sister is blind and suffers a number of debilitating illnesses so needs a lot of care. Kalliyon thinks the industry is good overall although not all conditions are good. Workers' fainting is a regular occurrence which she hears of everyday.

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***There is a lack of air in the factory especially when they are heating the glue – it gets very hot. Also the smell of chemicals in the factory is not good. And workers have to do overtime which leaves them weak.***

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Although workers can say no to overtime they do not want to as this will reduce the amount they are able to earn while the cost of living is increasing all the time.

Kalliyon wakes up at 5am each day, has breakfast at 6am and leaves for the factory at 6.20am catching a truck with her daughter so they can be there by 6.30am. Each morning there is a factory meeting from 6.30am 'til 7am when they start work. The management wants to talk to workers every morning before they start work about quality issues from the previous day.

There is now a union in the factory. Out of the 3,000 workers, 500 are union members. Before the union was there workers were forced to do overtime but now this is voluntary and the management respects the law. When workers were sick previously they were not allowed leave and if they took leave they lost their jobs. Previously when a worker fainted they were sent to the doctor in the factory who just waited until the worker woke up and then sent them straight back to work. Now workers are allowed to take sick leave.

When asked about how she sees her future, Kalliyon could not see anything other than how her life is now. Kalliyon thinks the garment industry is good for her – previously she was a seller (selling food she made) but at the factory she can earn more. Despite thinking the industry is good she wanted her daughter to stay on in education rather than come to work with her.

Although she is able to bring home US\$90 per month and does not have to pay rent as she owns her own house, her outgoings with the medical needs of her sister and herself were such that she still struggled.

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***I really wanted my daughter to stay on in education so she can have a different life to me.***

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But seeing her mother finding it difficult to cope, her daughter decided to work in the factory to help pay for the medical costs of her aunt – though her dream is to have a massage parlour.

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***My daughter wants to run a massage parlour. It would cost her maybe US\$ 5,000 to set up – this may be possible in the future. I really hope she can achieve her dream***

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It may be possible with both women bringing home US\$90 each per month although it will take along time to save the amount needed to set up the massage business.

## **Case Study Six – Rangsey**

Rangsey, 25, is one of four children. Her father passed away – she is not sure why he died early. Her mother moved to Phnom Penh with her sister and her two brothers while her older half sister stayed in the countryside. She now lives with her husband in Phnom Penh whilst her son of three and a half lives with her sister in the countryside: ***I see my son about once a month and miss him very much.***

Her husband is an administrator with the Ministry of Culture and Fine Arts. Despite two salaries they cannot afford to have their son with them.

Rangsey has only worked in this factory but hears her friends at the factory talk of other experiences. They say things like:

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***When I asked for sick leave I was told that I could not take more than three days no matter what was wrong with me. If I took more than this then I would be dismissed. I have worked in five factories – the longest I stayed in any other factory was two years because the management did not treat us well. I***

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***like this factory which is why I am here more than 5 years.***

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Mostly the workers do not work on Sundays – they say it depends on the level of production – if the management need to finish an order they will ask the workers to do overtime, but this is voluntary. On average workers take home US\$80 per month – US\$45 basic, US\$5 attendance bonus and US\$30 for overtime. Workers mostly do two hours overtime each day from 4–6pm on a voluntary basis.

Rangsey gets up at 5am each day so she has time to cook her husband's breakfast and to allow her to be at the factory by 7am. She and her husband live in a rented room about fifteen minutes from the factory.

Workers say that the conditions in the factory are in line with the labour law. In particular the salary is in line with the law and is paid regularly.

Rangsey and her co-workers said that there are four unions in the factory which has 4000 plus workers. Three of them are government unions and one is an independent union.

Rangsey and her co-workers are members of the independent union – the Free Trade Union (FTU). If there is a problem the workers can go to the union. For example the workers usually get paid on the fifth of each month but if there is a festival they need their salary earlier and the FTU can get this for them.

Before the FTU came into the factory in 2000 the management would sack workers who refused to do overtime but now it is voluntary. Also they could not take much sick leave or they would be dismissed.

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***Now we can take up to five days sick leave without a problem. The FTU was able to negotiate that a worker could get six months unpaid leave for sickness with her job secure as long as she had a doctor's certificate.***

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The management respects the trade union:

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***They do not dare to start on workers because if they shout at workers we will go to the union.***

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Workers say that they do not face any verbal, physical or sexual abuse in the factory. Sexual abuse can happen outside the factory. Workers heard about one woman who was raped after she left the factory after working a night shift at 3am.

When workers are pregnant the management offers them lighter duties, although some women do not go for this as the pay is less and at a time when they need to earn good money to prepare for the baby.

Rangsey does not know when she will leave the factory but she would like to at some time. She wants to become a seller of snacks nearby the factory. This would cost about US\$1,000 to set up and she is not sure if she can achieve this. Her co-workers also have a similar dream. One single woman says this is just a dream as she has to have enough money to send some home to her family. But still the workers dream of having a small business such as selling snacks or make up. Then they could please themselves when they work and no one can control them. Most of the mothers hope their children will have more choices in life and the ability to support them in their old age.

## Case Study Seven – Sovann

Sovann, 28 years old, is getting married in a few days. She has been in Phnom Penh ten years. She met her fiancé in Phnom Penh during the water festival. She is happy at the factory and with her fiancé.

Her family is happy she is working in the garment industry because she sends home US\$20–US\$30 each month. She is the second eldest of seven children. All her brothers and sisters are still farming the land in her home province but she left as she did not like farming and finds factory work easier.

Sovann has worked in three factories. The first she left because she got sick. The second was very strict:

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***We had to queue up for lunch, this took 30 minutes and there was only one hour for lunch; the factory was too hot and we got sick; there were problems with going to the toilet; and the management spoke to us impolitely.***

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Sovann's third factory, where she works now, was recommended by her friend when she heard about the problems she was having. She rents a room not far from the factory which she shares with two others. She walks to work which takes about fifteen minutes.

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***This factory treats workers much better than other factories. I do not get sick at this one. I can go to the toilet when I want to. If I arrive five minutes late the management does not deduct my attendance bonus (US\$5 per month). They give priority to pregnant women – they allow the women to go in 15 minutes early and leave 15 minutes early so they do not get caught up in the rush. There is no air conditioning but it is a cooler factory. If you have a headache you can ask permission to leave for 15 minutes without producing a medical certificate. If you are unwell the supervisor lets you go home.***

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However, the management often insults them – calling them crazy. The Floor Manager bad mouths them almost everyday. Sovann feels angry about this and before did not know how to deal with it. When a supervisor bad mouthed them the whole line – 60 workers – went to the management but they were not usually interested. Now workers go to the union and the management call in the supervisor and the workers see some improvement.

There is a clinic in the factory with two nurses as there are two shifts. Yet the workers are not confident in them. They say they use Indian medicines and always the same medicine

despite the symptoms. However, it is hard to get a plaster if a worker gets a needle injury.

Also if a worker faints the management does not assist the worker, they leave her alone, other workers have to help her and take her to a nearby clinic for an injection which costs US\$5.50. One to two workers faint a day because they do not eat healthy food or do not eat enough.

There is a union in the factory. The owner likes the trade union but the General Manager does not. There are 4800 workers of which 3135 are trade union members.

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*I may stay working at the factory as I am happy here. I do dream though of owning a small shop in my home town if I can earn enough to start this.*

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*Workers leaving a garment factory on the outskirts of Phnom Penh*

## 5. The European Union and the Garment Industry

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The overarching goal of European Union co-operation and support to Cambodia is the sustainable reduction of poverty through the provision of general budget support and support to basic education.<sup>29</sup> Assistance in these two sectors is complemented by limited support to Trade-Related Assistance, and Governance and Human Rights.

The EU has played a role in encouraging financial liberalisation and integration of Cambodia into world trade flows. From 2001–2003 the EU provided support to Cambodia's preparation for WTO membership. In 2004 the World Bank and the International Financing Corporation, in partnership primarily with the EU and International Monetary Fund, supported the Cambodian Government to form a Working

Group on trade facilitation and investment climate<sup>30</sup> to better coordinate efforts in this area.

Whilst the rapid liberalisation of trade and investment has resulted in industrialisation, that has clearly brought wealth into the country, it is concentrated in a few urban areas and in the main remains heavily dependent on imports. As a result the benefits have largely by-passed the rural economy and the majority of the poor.

Rapid integration into the global economy has also made the country heavily dependent on external demand, weakening the government's control over money and fiscal policies. The economy is a dollar economy but since most people have savings in domestic currency they lose out when the Cambodian Riel depreciates

creating greater inequality between the rich and poor.

The EU is the second largest importer of Cambodian textiles (22% of exports in 2005). The garment industry has benefited from a number of preferential agreements with the EU to promote economic and trade relations. For example in 1997 Cambodia signed a framework agreement with the EU that allowed access to EU markets under the Generalised System of Preferences and in 1999 a three and a half year EC-Cambodia 'Textile Agreement' which gave Cambodia duty and quota free access to EU markets for textile and garment goods subject to rules of origin requirements being met.

Unfortunately the EU (unlike the US) has failed to link the trade to improved labour standards, missing an opportunity to promote decent work and all the benefits it can bring. In 2004 the Asian Development Bank noted that despite the importance that the garment industry has in the Cambodian economy, and the fact that the majority of garment industry employees come from a disadvantaged sector of society, the industry and its employees have yet to figure prominently in the active assistance agenda of international donor organisations.<sup>31</sup>

The European Commission's May 2006 Communication acknowledges what this research has illustrated, that 'economic growth does not necessarily create new jobs or improve existing jobs, thereby reducing poverty.'<sup>32</sup>

The new European Commission Cambodia Country Strategy paper makes several references to the promotion of decent work – *EC co-operation with Cambodia is in line... with the 2005 UN Summit conclusions on human and social development and the promotion of productive employment and decent work as key instruments for poverty reduction.*<sup>33</sup> This is a welcome step but more needs to be done to ensure it is implemented, monitored and coherent with Cambodia's trade and investment policies and co-ordinated across programmes and policies of EU member states and other donors.



Transport to garment factory

## 6. Conclusions and Policy Recommendations

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### Conclusions

The emergence of a rapidly developing textile and garment industry over the past decade has provided a large number of poor Cambodian women with much needed work and enabled them to send money back to support their families in the countryside. However although wages in the industry are usually higher than elsewhere, average earnings in the textile sector are still too low to lift women and their families out of poverty.

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***Poverty means working for more than 18 hours a day, but still not earning enough to feed myself, my husband, and my two children.***

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***I cannot think of the industry as a good or bad thing to have been involved in. My family need the money to pay off debts in the countryside so whatever I feel I must force myself to work here – I have no choice. (35 year old mother of three daughters)***

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In many cases the industry still fails to provide decent work and many workers:

- ▶ Work long hours, often forced, for low wages
- ▶ Work under harsh conditions, often without holidays, proper overtime pay and in some cases no pay at all

- ▶ Lack job security – laid off and taken on as orders fluctuate, paid irregularly and often with no formal contract
- ▶ Lack opportunities for social dialogue – with very weak organising and bargaining power and little chance of influencing conditions for the better. Those that do risk joining trade unions face intimidation, threats and harassment
- ▶ Lack adequate social protection in work – many suffer from very poor health and nutrition; are exposed to health and safety hazards; and face high medical costs and no health insurance
- ▶ Lack social protection outside work with no pensions or unemployment insurance

The need to work long hours under tough conditions to make only just enough money (worth less all the time) to send a little home raises questions over how long these women will be able to remain in the industry and how viable dependence on ever decreasing remittances is for alleviating rural poverty. In addition the industry itself is vulnerable with the end of the quota system, no backward linkages and dependence on foreign owners who can move their capital easily if another country becomes a more attractive business proposition.

These factors raise questions over how far the industry, as it is currently structured, is genuinely contributing to the country's attainment of the MDGs and confirms the EC's own analysis that *'economic growth does not necessarily create new jobs or improve existing jobs, thereby reducing poverty'*.

The case studies show that the industry can and has played a positive role, with huge potential to alleviate poverty and improve the lives of women and their families. Given the limited alternatives the disappearance of the industry would be a disaster and it needs to be protected and improved. The case studies demonstrate that women who work in factories with better conditions have a far better quality of life, can invest in their future and provide education and opportunities for their children and families.

## Recommendations

Based on the findings of this research the following recommendations must be urgently implemented to promote decent work within the garment industry in Cambodia:

### The European Union (and other institutional donors):

- ▶ **Ensure coherence** – international commitments endorse decent work but this is not always coherent with trade and investment policies. More must be done to ensure that aid, country strategies and investment coherently support the creation of decent work.
- ▶ Ensure that **decent work is a key component within the Asia Europe Meeting (ASEM) and EU and Association of South East Asian Nations (ASEAN)** negotiations and agreements, both in relation to trade and development issues
- ▶ Promote and support the creation of a **labour court** in Cambodia
- ▶ Promote and support the development of an **independent trade union movement**
- ▶ Link trade with respect for international Core Labour Standards
- ▶ Provide technical (skills and technology) and financial assistance in support of labour standards compliance, inspection capacity and capacity building more broadly (including supporting the Cambodian Garment Training Centre)

### The Cambodian Government:

- ▶ Include goals, targets and indicators around decent work in Poverty Reduction Strategies
- ▶ Train and support the Labour Inspection Department to enforce labour law
- ▶ Penalise companies that contravene labour law
- ▶ Prevent the abuse of short term contracts and promote and support literacy vocational training programmes

- ▶ Promote and support the development of backward linkages in Cambodia
- ▶ Establish a national health, pension and social insurance scheme
- ▶ Ensure that systems are in place to ensure foreign investors observe national labour laws
- ▶ Prosecute companies and members of the security forces that commit violence, or that threaten violence against workers or trade unionists seeking to exercise human rights in the workplace
- ▶ Conduct independent investigation into the murders of Free Trade Union leaders Chea Vichea, Hy Vuthy and Ros Sovannarith

### Garment companies:

- ▶ Respect labour laws and protect the health of their workers
- ▶ Establish crèches or payment of child care to workers
- ▶ Encourage the development of trade unions
- ▶ Provide proper contracts for all employees
- ▶ Educate workers on their rights in the workplace
- ▶ Facilitate literacy training for workers
- ▶ Maximise use of domestic inputs into production processes
- ▶ If relocating then ensure the rights of workers are respected
- ▶ Share good practice within the industry

### Buyers:

- ▶ Work with the government, trade associations, suppliers, trade unions and the ILO to ensure that decent work exists in their supply chain
- ▶ Where issues of non-compliance are noted via the Better Factories monitoring that corrective action plans are put in place to ensure these are redressed
- ▶ Work closely with the ILO to ensure the Better Factories programme develops

into a more rigorous, credible and all-encompassing monitoring programme for the garment industry in Cambodia

- ▶ Address the length of contracts as an issue in Codes of Conduct
- ▶ Promote within their supply base the advantages of decent work to their suppliers and the workers in the factories producing their goods
- ▶ Ensure that their suppliers educate workers on their rights

Already perceived by some and promoted by many as an 'ethical source' the Cambodian garment industry needs to do more to translate this claim into practice and to promote decent work for all workers in the garment sector.

If decent work is supported and promoted in Cambodia and the garment industry better integrated within the local and national economy then workers and their families will have a better chance to live free from poverty and have a more secure future. With these conditions in place Cambodia will be closer to attaining its Millennium Development Goals.



Workers outside a garment factory.



May Day demonstration of garment workers

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## Further Resources

**Clean Clothes Campaign**  
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**Labour Behind the Label**  
[www.labourbehindthelabel.org](http://www.labourbehindthelabel.org)

**Free Trade Union of Workers of the Kingdom of Cambodia**  
[www.ftuwkc.org](http://www.ftuwkc.org)

**The European Commission's Delegation to the Kingdom of Cambodia**  
[www.delkhm.ec.europa.eu](http://www.delkhm.ec.europa.eu)

**Better Factories Cambodia, International Labour Organisation**  
[www.betterfactories.org/ilo](http://www.betterfactories.org/ilo)

**Womyn's Agenda for Change**  
[www.womynsagenda.org](http://www.womynsagenda.org)

## **Jobs Jobs Jobs: Decent Work for Development**

**Jobs Jobs Jobs** is a three-year project which aims to demonstrate that Decent Work is fundamental for development and the eradication of poverty.

Decent Work is a concept developed by the International Labour Organization, and supported by trade unions, NGOs and other civil society organisations. It brings together the quantity of employment with the quality of the employment created.

The main elements of Decent Work are employment creation, workers' rights, social protection and social dialogue. Decent Work is now recognised as a route out of poverty for millions of people. Not any job is a good job! Half of the world's workers earn less than two dollars a day. They have no job or depend on precarious working conditions. While it is clearly the case that employment is central to poverty reduction, it is only Decent Work that can allow people to fulfil their right for a Decent Life.

# Notes

- 1 First six figures from DFID website (<http://www.dfid.gov.uk/countries/asia/cambodia.asp>), second six figures from ILO, Facts and Figures, 2005 (page 1), the corruption figure is from Transparency International's 2005 *Corruption Perceptions Index*
- 2 UNDP, *Human Development Report*, 2005
- 3 ILO, *Facts and Figures*, 2005 page 1
- 4 ILO, *Facts and Figures*, 2005 page 1 and ILO, *Cambodian Garment Industry One Year Later*, 2006 page 1
- 5 ILO Better Factories Cambodia, *Cambodian Garment Industry, One Year Later*, May 2006 page 1
- 6 <http://daccessdds.un.org/doc/UNDOC/GEN/N05/487/60/PDF/N0548760.pdf?OpenElement>
- 7 <http://www.ilo.org/public/english/bureau/inf/event/ecosoc/declaration.pdf>
- 8 Bringing together 115 smaller unions, the FTU is Cambodia's largest independent union. They provide support to their members, monitor and challenge labour rights abuses and lobby employers for compliance with core labour standards.
- 9 Workers were interviewed from the following factories – Bright Skies, Suntex, Ghian Hwe, Huiying Enterprises, B.C. factory, Kun Kook, High Born, June Textiles, New Island, Magnap, PCCS.
- 10 Meetings were held with Seth Van Dorn, EU Delegation, Helen Appleton Social Development Adviser, UK Department for International Development, Dennis Arnold, Consultant to Oxfam International and representatives from ILO's Better Factories Programme and Womyn's Agenda for Change.
- 11 ILO Better Factories Cambodia, *Cambodian Garment Industry, One Year Later*, May 2006, page 1
- 12 Bargawi Omar, *Cambodia's Garment Industry Origins and Future Prospects*, ODI, October 2005, page 6
- 13 ILO Better Factories Cambodia, *Cambodian Garment Industry, One Year Later*, May 2006, page 2
- 14 Defined as under US\$1 per day <http://www.dfid.gov.uk/countries/asia/cambodia.asp>
- 15 WAC (Womyns Agenda for Change), *Garment Workers*, 2003, page 1
- 16 MPDF, *Business Issues Bulletin Cambodia, No 5*, 2004, page 2
- 17 UNDP, *Cambodia Millennium Development Goals Report 2003*, page 16
- 18 MPDF, *Business Issues Bulletin Cambodia, No 5*, 2004, page 2
- 19 ADB, *Cambodia Garment Industry: Meeting the Challenges of the Post Quota Environment*, October 2004, page 60
- 20 UNDP, *Cambodia Millennium Development Goals Report 2003*
- 21 UNDP, *Cambodia Millennium Development Goals Report 2003*, page 17
- 22 Although with restrictions – excessive eligibility criteria to become a union representative and restrictions on right to strike.
- 23 ICFTU, *Trade Union World Briefing No 1*, January 2004
- 24 UNDP, *Cambodia Millennium Development Goals Report 2003*
- 25 Labour Law Art 186, AC Awards 63/04
- 26 Beer Girls are women employed to promote different brands of beer. They generally work at night in clubs, bars and cafes dressed in the beer company uniforms of a short skirt and top. They are paid very little and it is not uncommon for them to have sex with customers to supplement their income. There is a high level of HIV among beer girls.
- 27 MPDF, *Business Issues Bulletin Cambodia, No 5*, 2004, page 3
- 28 ICFTU, *Cambodia: Annual Survey of Violations of Trade Union Rights*, 2006, page 4
- 29 EC-Cambodia, *Country Strategy Paper, 2007–2013*
- 30 ADB, *Cambodia Garment Industry: Meeting the Challenges of the Post Quota Environment*, October 2004, page 69
- 31 ADB, *Cambodia Garment Industry: Meeting the Challenges of the Post Quota Environment*, October 2004, page 68
- 32 European Commission, *Communication on Decent Work for All*, May 2006
- 33 EC-Cambodia, *Country Strategy Paper, 2007–2013*, page 20

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