

# Country study Cambodia

## Labour Standards in the Garment Supply Chain

Strategic Partnership for  
Garment Supply Chain Transformation



# COUNTRY STUDY CAMBODIA 2016

## Labour Standards in the Garment Supply Chain

By Jeroen Merk, with inputs from Veasna Nuon

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# 1. Introduction

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# 1. Introduction

**The present country study on Cambodia, has been carried out for CNV Internationaal in the context of the Partnership for Supply Chain Transformation. is based on desk and original research on the current status of the industry structure, social dialogue, gender-based violence and living wage debates in the apparel industry in Cambodia for use in the first phase of this project.**

The Fair Wear Foundation with its alliance partners CNV Internationaal and FNV Mondiaal has been selected by the Dutch Ministry of Foreign Affairs for a five year Strategic partnership for Garment Supply Chain Transformation starting 2016 as part of its “Dialogue and Dissent” policy framework. The primary goal of this initiative is to improve the lobbying and advocacy capacity of Trade Unions and labour related NGOs by enhancing their understanding of international RMG supply chains, access to critical information and know-how. Opportunities will be identified to develop pilot experiences in the supply chain resulting in good practices related to living wages, gender-based violence and freedom of association and collective bargaining, which will facilitate more effective social dialogue and monitoring of human rights compliance at the factory level and reinforce the value of NGOs and trade unions to all supply chain stakeholders.

It provides the following information:

**Chapter 2** provides general country information, describes the economic, social, political, and governance situation as well as the general human rights situation, using international indicators and comparing the country to other garment producing countries.

**Chapter 3** lists the main stakeholders that have an impact on labour conditions in the garment/textile industry, or that play an active role in monitoring the situation for workers in the industry. This chapter serves as a reference point for stakeholders and brands that want to engage with or consult a local stakeholder to find further information or help concerning their activities in Cambodia.

**Chapter 4** presents an overview of the situation for the garment industry in Cambodia, including main areas of production, products and prospects.

**Chapter 5** describes the trade union situation in general and specifically for the garment industry. This chapter provides important information for understanding how well challenges regarding working conditions are handled through social dialogue.

**Chapter 6** provides an assessment of the implementation of every core labour standard based on national laws and regulations, as well as different stakeholders’ views on implementation. It also references official statistics on compliance where available.

**Chapter 7** discusses possible areas for the introduction of ‘pilot projects’ resulting in good practices related to living wages, gender-based violence reduction and freedom of association and collective bargaining in Cambodia’s garment sector with various possibilities for cooperation among labour rights advocates.



## 2. Country information

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## 2. Country information

### 2.1 General country information

The Kingdom of Cambodia (hereafter Cambodia) is located in the southern part of Southeast Asia's Indochina Peninsula. The country covers an area of 181.035 km<sup>2</sup> and shares a border with Thailand, Vietnam and Laos. Cambodia's southeastern border lies along the Gulf of Thailand. Its population exceeds 15 million.

### 2.2 Economic indicators

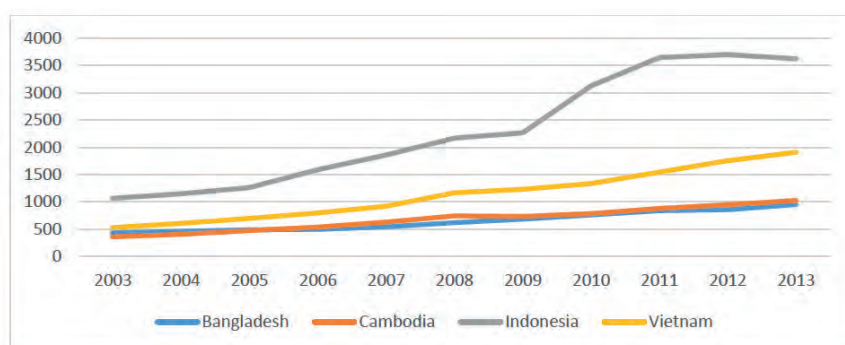
The Cambodian economy has grown consistently from a state of extreme poverty in the early 1990s. Over the period 2010 and 2016, its GDP grew some 6 to 7% on a yearly basis.<sup>1</sup> In 2015, Cambodia's per capita income was \$3,487 (in PPP terms) and \$1,168 in nominal per capita terms.<sup>2</sup> Cambodia's per capita income is comparable to that of Bangladesh, but is less than Vietnam's and Indonesia's. Most Cambodians remain dependent on agriculture for their income and many Cambodians continue to live in poverty. Official state figures indicate that 17.7% of Cambodia's population lives below the poverty line, while the UNDP estimates that almost 70% live in or near multi-dimensional poverty (a more nuanced definition of poverty, beyond mere income-centred poverty measures).<sup>3</sup>

Cambodia's total workforce is 7,974,000,<sup>4</sup> which is relatively small compared to Indonesia, Vietnam and Bangladesh. Its official unemployment rate is negligible, namely, 0.3%.<sup>5</sup> Nearly half of the population, or 48.7%, is employed in agriculture, 19.9% in industry and 31.5% in the service industry. <sup>6</sup> The overwhelming majority – over 80%, of workers aged 15 or older – is employed in the informal sector, with only 17.7% employed in a registered workplace. The share of women wage earners is 80.8%, which is high compared to that of other Asian countries.<sup>7</sup> However, the percentage of women workers in vulnerable employment is higher compared to men (70% and 59% respectively). <sup>8</sup>

Since its transition from a central planning to a market economy in the early 1990s, Cambodia has used the garment industry to promote an export-oriented policy. Manufacturers were lured here from Taiwan, Singapore, Korea and Malaysia to establish factories in Cambodia. These manufacturers continue to dominate Cambodia's garment industry. In 1998, a trade agreement between the US and Cambodia permitted increases in annual import quotas with the stipulation that Cambodia would improve its working conditions. This resulted in the establishment of Better Factories Cambodia, an organisation that monitors working conditions in the garment industry, which factories must officially join in order to get an export license.

Two decades later, the garment industry is still of vital importance to Cambodia's export industry. Approximately 800,000 workers, 90 to 95% of whom are young women (18-35), were in March 2015 employed in 640 registered (formal) garment factories.<sup>9</sup> The industry accounts for 16% of GDP and 80% of export earnings. The garment and footwear sectors account for 77% of all manufacturing employees in Cambodia.<sup>10</sup> Other important industries include tourism, construction and agriculture. Cambodia's footwear industry has grown rapidly in recent years, although it remains relatively small compared to the garment industry. The country is currently seeking to move into higher-value-added global supply chains, such as auto parts and electronics production.





**Figure 1. GDP per capita (current USD) in Selected Garment Producing Countries**

Cambodia's gross domestic product (GDP) per capita is more or less equal to Bangladesh's but remains significantly lower than in Vietnam and Indonesia, both significant garment exporters (figure 1). Cambodia's Human Development Index value for 2014 is 0.555, a medium human development figure, which ranks it at 143rd of 188 countries. Cambodia here too is similar to Bangladesh in terms of HDI value, which put both far behind Indonesia and Vietnam (see table 1).

**Table 1. Human Development Index in Selected Garment Producing Countries, 2014 <sup>11</sup>**

Country	HDI Ranking	HDI Value	Life Expectancy at birth	Expected Years of Schooling	Mean Years of Schooling	Gross National Income per Capita
Bangladesh	142	0.570	71.6	10	5.1	3,191
Cambodia	143	0.555	68.4	10.9	4.4	2,949
Indonesia	110	0.684	68.9	13	7.6	9,788
Vietnam	116	0.666	75.8	11.9	7.5	5,092

## 2.3 Social, political and governance indicators

Cambodia became a constitutional monarchy in 1993, with an elected parliamentary form of government. King Norodom Sihamoni is head of state, but this is mostly a symbolic function with little political power. The Prime Minister, Hun Sen, is the head of government. He has been in power since 1985 and was reappointed in September 2013 for another five-year term. Many human rights observers note that Hun Sen 'has become increasingly authoritarian, using a mixture of electoral fraud, corruption and intimidation to maintain quasi-dictatorial rule'.<sup>12</sup> During the last elections in 2013, wages became a major issue, which dragged the unions into the political debate. Although the ruling Cambodian People's Party (CPP) raised the minimum wage to US\$80 per month prior to the election campaign; its main contender, the Cambodian National Rescue Party (CNRP), promised to raise that figure to US\$150 and US\$250 per month for garment workers and civil servants respectively. The election results were heavily disputed and resulted in months of mass protests and civil unrest.<sup>13</sup> Workers were a major part of the post-election protests, during which some 200,000 garment workers staged a nationwide strike and joined opposition rallies.

In a desperate attempt to quell the uprising the ruling party used lethal force on striking workers and protesters, resulting in five fatalities and some 40 injured by gunshots fired by Cambodian security forces. Many of the victims were employed at garment factories producing for major multinational corporations, including H&M, Puma and Adidas.<sup>14</sup> Twenty-five of the nearly 40 victims suffered gunshot wounds, while another 13 were arrested.



Meanwhile, the government has thus far failed to thoroughly and transparently investigate the deaths, injuries and disappearances that resulted from this violent suppression. In the meantime, the mass arrests of garment workers, trade union leaders and monks continued until late 2014, when brand name garment companies in response to collective union pressure, forced the government to increase the wages to \$128 per month<sup>20</sup> – an increase of 60% increase above the pre-election level of \$80 per month. This increase was considered a relatively successful effort, which the workers have accepted for now. However, they vow to continue their fight for a living wage that ensures basic needs and human dignity.<sup>15</sup>

The World Bank's Government Effectiveness Index of 2014 ranks Cambodia at 25.48 on a scale of 100, slightly higher than Bangladesh (21.63), but far behind Vietnam (52.40) and Indonesia (54.81).<sup>16</sup> Cambodia also scores poorly on the Control of Corruption Index, where it received a 12.50, which is worse than Bangladesh (18.75), Indonesia (34.13) and Vietnam (37.50).<sup>17</sup> Lastly, Cambodia ranks 99th on the Rule of Law Index, worse than Bangladesh (93) Vietnam (64) and Indonesia (52).<sup>18</sup> Table 2 provides country democracy indicators.

	Rank	Score	Electoral Processes & Pluralism	Functioning of Government	Political Participation	Political Culture	Civil Liberties
<b>Bangladesh</b>	86	5.73	7.42	5.07	5.00	4.38	6.76
<b>Cambodia</b>	113	4.27	3.17	5.71	3.33	5.00	4.12
<b>Indonesia</b>	49	7.03	7.75	7.14	6.67	6.25	7.35
<b>Vietnam</b>	128	3.53	0.00	3.93	3.89	4.38	2.94

## 2.4 General Human Rights Situation

Cambodia has significant human rights problems, including a politicised and ineffective judiciary; growing restrictions on freedoms of speech, assembly, and association; and the use of violence and threatened imprisonment to intimidate the opposition.<sup>20</sup> In addition, there are human rights problems related to prisoner abuse, restrictions on press freedom, failure to grant equal access and fair treatment to asylum seekers, pervasive corruption, and human trafficking.<sup>21</sup> Even though the government has prosecuted a few officials for crimes, corruption and most of the abuses continue unabated. Freedom House has designated Cambodia as 'not free' with extremely restricted political rights and civil liberties, with a score of 5.5 (with 1 as best and 7 worst).<sup>23</sup> Although the International Trade Union Confederation acknowledges that respect for fundamental labour rights has improved since the 1990s; it has labelled Cambodia as one of the world's worst countries for workers.<sup>24</sup> And while Cambodia has ratified ILO Conventions 87 & 98, its enforcement is inconsistent; the US State Department noted that '[a]cts of anti-union discrimination, intimidation, and retaliation by employers often went unpunished'.<sup>25</sup> [Chapter six will provide further details on the compliance of Cambodian garment factories with core ILO standards.]

## 3. Stakeholders

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## 3. Stakeholders

**This section provides a brief overview of the stakeholders active in Cambodia's garment/textile industry. The focus is on stakeholders who are active in the formation of the labour conditions and/or the monitoring of conditions in the garment industry.**

### 3.1 Government institutions

The Ministry of Labour and Vocational Training is Cambodia's primary government agency responsible for the monitoring and implementation of the Labour Law and the First Occupational Safety and Health Master Plan 2009-2013. It is also responsible for the welfare of Cambodia's workers.

The Department of Weapons and Explosive Management and Fire Control is the primary authority under the Interior Ministry responsible for the implementation of Fire Prevention and Firefighting laws, which covers all issues related to fire safety.

### 3.2 Employer organisation

Employers registered as garment manufacturing exporters must belong to, and are represented by, the Garment Manufacturers Association of Cambodia (GMAC), which was established in 1996 and registered in 1999. The association's role is to represent the industry at the governmental level and, together with the rest of the actors, to build membership capacity to improve their productivity, to inform members about new regulations related to the sector and to lobby the Government. The GMAC is an influential lobby in Cambodian politics due to the textile industry's dominance in the export sector.

([http://www.gmac-cambodia.org/gmac-version2/about\\_gmac/default.php](http://www.gmac-cambodia.org/gmac-version2/about_gmac/default.php)).

### 3.3 Trade unions

A majority of the 92 union federations are part of one of ten confederations (see chart below).<sup>26</sup> Most federations represent workers in the garment sector, while the remainder mainly represent workers in the hotel, construction, public and informal sectors. Remarkably, a large part of increased union membership occurred in the pro-government unions. Out of the ten confederations, eight are categorised as pro-government (i.e., pro-CPP). This is due to the fact that these confederations typically agree with the CPP's positions, while receiving various kinds of government support in the form of funding, government positions and preferential treatment. One confederation, the CCU, has been closely linked to the opposition party and has been actively engaged in various labour campaigns, as well as broader social issues including corruption. Several presidents of pro-government and pro-opposition unions hold senior positions in the government as well as in the opposition party's hierarchy, and represent their respective parties in election campaigns.

#### **CLC** <sup>27</sup>

The CLC is considered independent and aligned with national and international trade unions, NGOs and solidarity networks. The ruling CPP typically views the CLC as a pro-opposition union because they do not toe the party line. Political neutrality and strong alliances with national and international unions and NGOs gives the CLC the necessary leverage to pursue its goals, especially during their various public campaigns. The CLC often takes the lead in public campaigns covering labour rights and other workers' issues such as wages and benefits.

## **CCAWDU**

The Coalition of Cambodia Apparel Workers Democratic Union (CCAWDU) was established in 2000 as a result of the NIFTUC Federation's dispute with a Cambodian labour NGO called the Cambodian Labour Organization (CLO), which forced some members to break away from the Federation. It claims to currently represent over 50,000 members in over 100 local garment factory unions. The CCAWDU is arguably Cambodia's largest independent national union.

## **CATU**

The Cambodian Alliance of Trade Unions (CATU) was established in 2014 as a garment workers union as part of the opposition-linked national federations, the CCU (Cambodian Confederation of Trade Unions). CATU claims a membership of 10,000 workers in 20 local unions. The union is comparatively small in size, but actively organises and engages with international labour rights organisations such as the CCC and AFW. CATU is also affiliated with IndustriALL.

## **FTUWKC**

The Free Trade Union of Workers of the Kingdom of Cambodia (FTUWKC) is one of the oldest unions active in Cambodia's garment industry. It was founded in 1996 and played an important role in the early years of trade union formation. Its president, Chea Vichea, was murdered in 2004.

## **CUMW**

The Coalition Union of Movement of Khmer Workers (CUMW) was established in May 2010, when its leader broke away from the FTUWKC. The CUMW claims a membership of 30,000 in 50 locally affiliated garment industry unions.

## **Solidarity House**

Solidarity House (SH) was established in 2012 and currently represents some 200,000 workers. SH consists of 7 unions that mostly organise informal economy workers such as farmers, transport workers, youths, beer promotion girls, tuk tuk drivers and food service workers, with a total membership of circa 15,000 members. It should be noted that this union federation formed after many of its members split from the CLC. But it continues to periodically work with the CLC on an ad hoc basis often dealing with national union demands such as trade union laws or wage campaigns.

## **3.4 Labour NGOs**

The labour NGOs, along with international organisations, offer training on rights, effective union leadership, and union organising, and facilitated and aided union activities such as organising, dispute settlement, among others. Their contributions are considered invaluable because union leaders who emerge from the shop floor often lack the adequate knowledge and skills necessary for leading a union. Moreover, these NGOs helped support and to activists and union leaders during a period when the environment was not conducive to union activism.

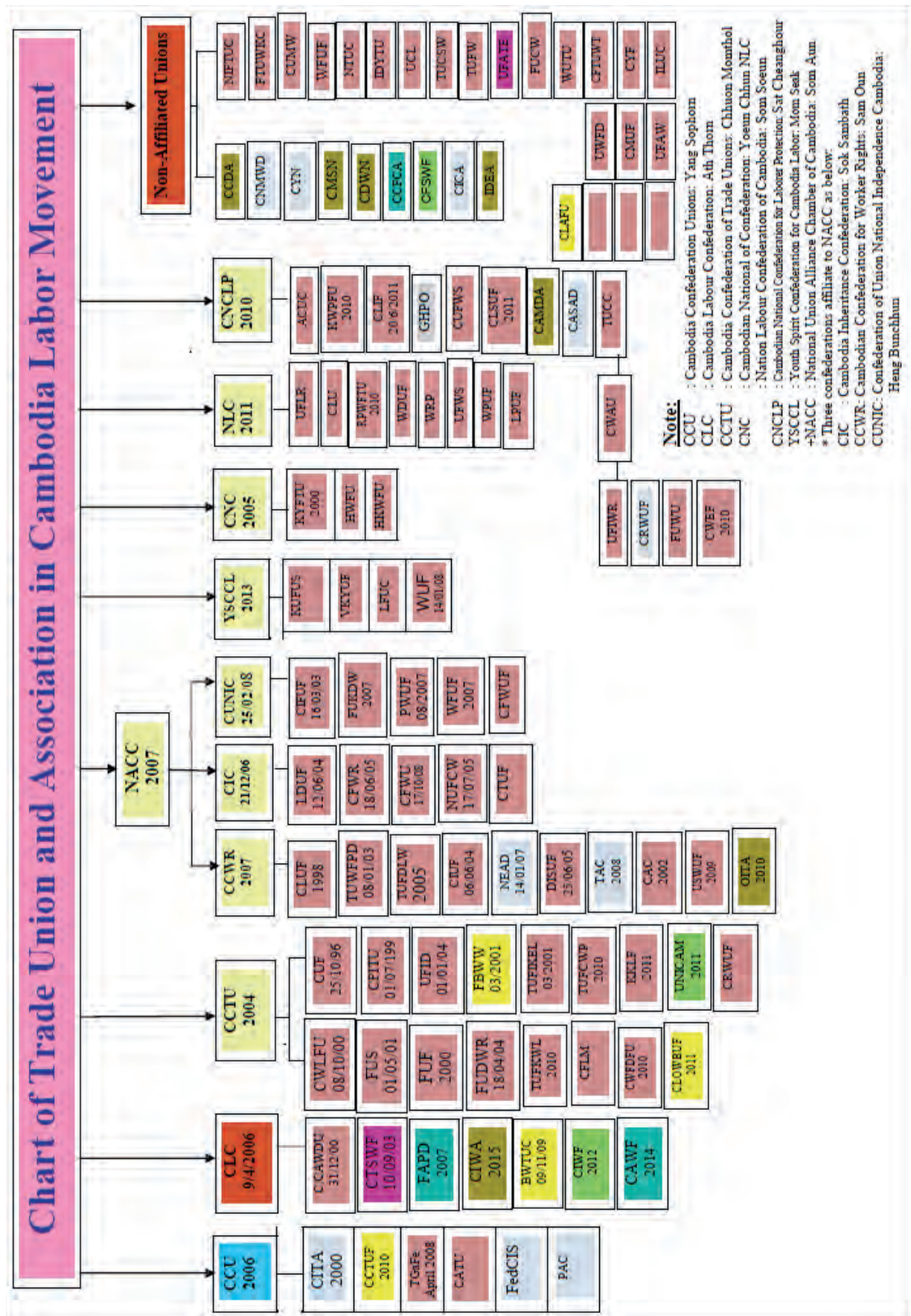
### **CENTRAL: Center for Alliance of Labour and Human Rights**

CENTRAL was established in 2014 to help organise and support the Cambodian workers with legal aid and other appropriate means to demand transparent and accountable governance for labour and human rights in Cambodia ([www.central-cambodia.org](http://www.central-cambodia.org)).

### **CLEC: Community Legal Education Center**

CLEC was created in 1996 as a legal resource centre, promoting the rule of law, justice, and democracy in Cambodia. CLEC legal empowerment activities combine legal awareness, training, legal aid services and advocacy support. Its training is designed to aid a wide range of target groups including local communities and NGOs. The CLEC has a labour program unit and has supported workers in the garment industry. Much of the LPU's current work involves the training of key stakeholders in Cambodia's employment sector, including union members, management, government representatives, police forces, attorneys and judges. The LPU is also actively involved in the production and dissemination of numerous publications and training materials on labour rights, obligations, and other labour-related issues. It is important to note that nearly everyone is working on labour's split from the CLEC and the formation of CENTRAL. Although the CLEC seems to





be continuing its work in areas such as labour training and legal support, there are some doubts about the CLEC's capacity to continue its labour program given that all of its experienced personnel defected to join CENTRAL (<http://www.clec.org.kh/default.php>).

### 3.5 AFW: Asia Floor Wage Cambodia

The Asia Floor Wage Alliance is a global coalition of NGOs and trade unions advocating for a standard wage, calculated on Purchasing Power Parity, to be applied across Asia. The AFW's main effort to date in Cambodia has been to convene a 'People's Tribunal on Minimum Living Wage and Decent Working Conditions as a Fundamental Human Right' in 2012. More recently, it contributed to a report on H&M.<sup>28</sup> CENTRAL coordinates AFW activities in Cambodia.

The AFW Cambodia consists of the following organisations:

- Cambodia Confederation of Trade Unions
- Cambodian Labour Confederation
- Community Legal Education Center
- Cambodian National Confederation
- Cambodia Women Movement Organization
- National Union Alliance Chamber of Cambodia
- Cambodian Confederation Unions
- Cambodia Worker Center for Development
- American Center For International Labor Solidarity

<http://asia.floorwage.org/>.

### 3.6 Gender focus and women groups

#### **Women's union network**

The women's union network of women unionists was only recently established. The group brings together women from various unions and hopes to promote women's leadership skills and address gender concerns and issues relevant to women workers. The organisation is still in its infancy and no definite activities and structures have thus far been announced.

#### **Workers' Information Center**

The Workers' Information Center (WIC) is a women garment workers-based association. WIC supports women garment workers by advocating for their rights. The WIC's long-term strategy focuses on building and strengthening a movement of garment workers and producing an accountable and legitimate leadership within the sector, which responds to women workers' rights and needs. The WIC seeks to create space where women can emerge as leaders within the garment industry and the unions and for women's voices to be heard and responded to nationally, regionally and internationally. The WIC's efforts focus on organising and empowerment through the provision of space where women can meet to discuss workplace issues. It runs six drop-in workers centres in Phnom Penh (<http://wic.unitedsisterhood.org>).

### 3.7 Brands and factories

#### **Action, Collaboration and Transformation (ACT)**

ACT is an IndustriALL initiative, which seeks to improve wages by promoting collective bargaining, improving productivity and addressing purchasing practices. Its particular focus is on the promotion of national collective bargaining efforts in the garment industry. The advantage of pursuing efforts on the national level is that these collective bargaining agreements are legally binding and enforceable, as well as promoting wages that exceed the minimum wage, which usually falls far below living wage benchmarks. Thus far, 17 brands – including Coles, Next, Pentland, C&A, H&M, New Look – have signed the Memorandum of Understanding with IndustriALL.



### **C&A Foundation and GIZ partnership**

The C&A Foundation collaborated with GIZ (the Deutsche Gesellschaft für Internationale Zusammenarbeit) on a program, which aims to 'increase productivity, improve wages, and contribute to better social conditions' in a number of supplier factories. The project was introduced in 13 factories and included 18,683 workers in Indonesia, Cambodia, India and Bangladesh. The partnership claims to have 'achieved significant increases in wages for the workers as the HR systems and incentive schemes were improved for the workers'. However, no actual figures are known to corroborate these claims.<sup>29</sup>

### **Global Framework Agreements with H&M and Inditex**

Global Framework Agreements (GFAs) are agreements signed by a multinational corporation and one or more Global Union Federations that aim to protect the rights and interests of workers employed throughout the company's operations, including its supply chain. The garment industry has two GFAs. IndustriALL, the Global Union Federation that is responsible for the garment industry, has signed GFAs with Inditex (2007) and H&M (2015), both of which have operations in Cambodia (<http://www.industriall-union.org/>).

### **H&M – ILO industrial relations project**

In 2013, H&M established a partnership with ILO Cambodia to offer training and skill development in the area of industrial relations and wages at H&M's suppliers. The purpose is to promote well-functioning industrial relations at supplier factories and 'increase the number of collective bargaining agreements by educating workers, trade unions as well as employers on the importance of solution-oriented, negotiations in good faith'. The project is supported by the Swedish International Agency for Development (SIDA) and the Swedish trade union IF Metall in Cambodia. The project ends in 2016, but H&M is considering a follow-up program, preferably one that involves other buyers as well.<sup>30</sup>

### **H&M-fair wage project**

H&M is also setting up wage projects in Cambodia with the aim to support factory owners 'to develop pay structures that enable a fair living wage, ensure correct compensation and overtime within legal limits. This will be explored by implementing the Fair Wage Method in our role model factories ...' It commenced in 2014 with work involving two 'model factories' in Bangladesh and one in Cambodia. H&M is the sole buyer at these two factories.

## 4. The garment industry

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## 4. The garment industry

**Cambodia was a late entrant in the competitive field of garment production due to the political and social turmoil after the fall of the Khmer Rouge regime. However, the garment sector has since established itself as Cambodia's single largest industrial sector. In 2014, the garment sector accounted for 79% of Cambodia's exports. A few years earlier, in 2008, it was actually 90% of export earnings.<sup>31</sup> The heavy dependence on the garment industry for export earnings does have its risks, however, because it makes Cambodia vulnerable to external shocks.**

Employment in the garment and footwear sectors continues to grow. In March 2015, government figures showed some 605,100 employees working in these sectors. If one includes the informal sector, interviewees estimate that the figure would easily top 800,000 workers.

Cambodia counted 572 formally registered factories at the end of 2014. This figure has continued to grow into 2016.<sup>32</sup> The impact of this industry on Cambodia has been significant especially when one considers that the population of Cambodia is only circa 15.2 million people. The garment industry's sheer size gives it a disproportional influence in Cambodian society.

### 4.1 Organisation of the garment industry

Cambodia's garment industry established itself in the mid-1990s as a key part of the nation's economy and job market. In 2014, its export revenues reached a record \$5.8 billion. The following points sum up the industry's chief characteristics:

#### a. Location

The garment industry is concentrated in and around Cambodia's capital, Phnom Penh, although there are a substantial number of factories scattered throughout the provinces. The finished products are typically transported by train from Phnom Penh to the seaport of Sihanoukville where the garments are shipped to other countries. There is a – slightly outdated – website with a map that shows the locations of at least 558 garment factories operating in Cambodia. Of these 558 factories, 394 are located in Phnom Penh, 82 in Kandal province, 28 in Kampong Speu province and 16 in Sihanoukville province. The remaining 38 are located in the provinces of Kampong Cham, Kampong Chhnang, Kampot, Koh Kong, Siem Reap, Svay Rieng and Takeo<sup>33</sup>.

#### b. Cut-make-trim

Cambodia's garment industry is based on the inexpensive production of basic products. Cambodia's garment factories are generally considered cut-make-trim (CMT) factories. CMT factories do not have input in the production and design of garments; they simply 'assemble' the product, which entails cutting and sewing the material to the buyer's specifications.<sup>34</sup> Raw materials (like fabric) and factory machinery are imported from abroad. The costs of intermediary inputs amounted to \$2,597 million in 2014.<sup>35</sup>

#### c. Low productivity

Cambodia's garment factories are characterised by low productivity,<sup>36</sup> compared to similar factories in China, Bangladesh, Vietnam, India, and Pakistan.<sup>37</sup> Wages are higher than Bangladesh, but lower (generally) compared to Vietnam and Indonesia (see table 3).



Table 3. Monthly minimum wage in selected countries, January 2015 (US\$)	
Bangladesh	\$71
Cambodia	\$128
Indonesia	\$92 (lowest) \$247 (highest)
Vietnam	\$100 (lowest) \$145 (highest)
Vietnam	\$100 (lowest) \$145 (highest)
Source: ILO, 2015, p. 5.	

#### d. Foreign ownership

Over 90% of the garment factories are foreign controlled, mostly by investors from China, Taiwan, Singapore and Malaysia, who moved to Cambodia in the 1990s to take advantage of the low labour costs and the country's quota-free access to US and EU markets. Meanwhile Cambodians own a mere 7% of the garment factories and the majority of these are locally owned, smaller factories.<sup>38</sup> Additionally, the GMAC estimates that 80% of the middle managers at the garment factories are foreign as well.<sup>39</sup> The lack of local supervisory personnel has been identified as a productivity barrier: the excessive use of foreign supervisors is a source of tension, misunderstandings, and conflicts. It also limits the career opportunities of the [ordinary] Cambodian workers.<sup>40</sup>

#### e. Factory size

Factory size varies from a few hundred workers to factories that employ thousands. The factories are characterised by high turnover rates, which is partly due to Cambodia's tax regulations.

#### f. Buyers

The main brands and retailers sourcing from Cambodia are H&M, GAP, Walmart, Levi Strauss, and Adidas.

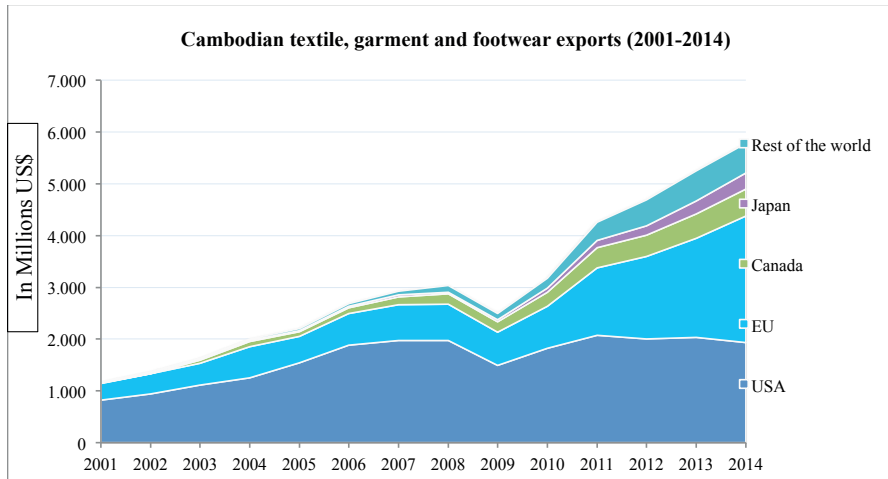
#### g. Market share main export areas

Cambodia was ranked 8th among the top 15 garment exporters, with a market share of 1.8% in 2014.<sup>41</sup> But, compared to Vietnam, Indonesia and Bangladesh, its market share is still relatively small (see table 4)

Table 4. Market share of selected garment exporters, 2014 (in % of total garment and footwear exports in all developing countries)	
Bangladesh	5.5%
Cambodia	1.8%
Indonesia	2.6%
Vietnam	6.9%
Vietnam	\$100 (lowest) \$145 (highest)
Source: ILO, 2015, p. 1.	

## Main export areas

Europe is the main destination for Cambodia's garment and footwear exports, accounting for 42% of total exports in 2014. The United States receives 34%, while the remaining 24% was shipped to the rest of the world, which was mainly Canada and Japan (see figure 2.)<sup>42</sup>



## h. Price purchasing practices

Factory prices for Cambodian garment producers have been falling. The Ministry of Commerce found that prices paid for Cambodian garments dwindled over the 2001-2014 period.<sup>7</sup> Between 2001 and 2014, the price per dozen garments sold to the US market fell by 32%, while the average price paid by EU buyers dwindled by 15%<sup>43</sup>.

## 5. Industrial Relations

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## 5. Industrial Relations

Although Cambodia's labour rights situation has improved since the early 1990s, international labour standards are violated regularly. The ITUC Global Rights Index named Cambodia as one of the world's worst countries for workers.<sup>44</sup> The ITUC awarded Cambodia a rating of 5 (1 = best, 5 = worst), which for workers translates into policies that offer 'no guarantee of rights'.<sup>45</sup> The US Department of State generally uses more euphemistic terms, but also reports that Cambodia's '[e]nforcement of the right of association, freedom from antiunion discrimination, and collective bargaining rights was inconsistent'.<sup>46</sup> This regularly includes the harassment and dismissal of activists and abolition of unions, excessive use of fixed duration contracts and hindering union registration.<sup>47</sup>

Union leaders have also ended up as the victims of violence. For instance, in 2014, a violent crackdown against unionists and workers involved Cambodia's military police shooting into a crowd of demonstrators, killing five demonstrators and injuring dozens. Following these protests, the Garment Manufacturers Association in Cambodia (GMAC) filed complaints against six independent union federations, alleging that they incited workers to violence during the demonstrations. The accused union leaders remain on probation, 'which barred them from joining or organising any protests, and ordered them to report to the court on a monthly basis'.<sup>48</sup>

### 5.1 Union density in country

Overall, unionisation in Cambodia is estimated at 5% of the total workforce; while in the garment industry, some 60% of garment workers belong to a union. The Cambodian garment industry is unique in this respect, compared to other countries where unionisation is typically circa 1 to 10% of the workers. The garment and footwear industries in Cambodia reportedly have the highest percentage of union membership of any industry in all of Asia. However, we must quickly add that many of these unions are far from independent; many are, in fact, controlled by the government.

### 5.2 Collective bargaining agreements (CBAs)

Collective bargaining remains a relatively new phenomenon among the various stakeholders. A number of collective bargaining agreements have been signed, mainly in the garment industry and, to a lesser degree, in the hotel and airport sectors. In late 2014, the government listed some 478 registered CBAs, 425 of which were in the garment and footwear sectors (90% of total registered CBAs), with just 18 CBAs in the hotel/tourism sector and another 13 in the service sector (see table 5).

Most of the registered CBAs are very limited in what they actually cover, barely exceeding that of the existing labour laws. The CBAs commonly include a statute that covers the frequency of wage payments. A few of the better CBAs include, among others, measures that cover bonuses, working hours, health and safety issues, and overtime.

The interviewed stakeholders identified a number of challenges involving CBAs. First, it has been very difficult to simply ensure compliance with the laws and regulations that cover workers' rights and benefits. Second, there are numerous regulatory and practical barriers that hinder the negotiating of a CBA. For instance, the legal stipulations that requires 51% union membership in a factory and a 30% rate of membership dues payments have been difficult to meet. Competition among rival unions (often aligned with the government) in the same industry often leads to confusion, which offers employers the opportunity to avoid negotiating altogether, which, in turn, makes it difficult to draft any sort of agreement between union and factory. Although the law permits multiple unions to enter into the bargaining process, this seldom happens.

## 5.3 Labour Dispute Resolution Process

There are two types of labour disputes: individual disputes and collective disputes, both types are handled by the Ministry of Labour. Individual disputes involve a single employer versus one or more workers. The disputes often involve existing legal rights established by law, regulation or agreement. Another type of individual dispute involves desired workers' benefits. The conciliation process is voluntary for both parties.

Collective disputes, meanwhile, involve one or more employers and numerous employees who are represented not individually but as a group or union. Disputes may involve workers' rights or interests such as benefits. Collective disputes must be referred to the Ministry of Labour for conciliation within 15 days of the initial dispute. If it cannot be resolved by conciliation, then a 'cooling-off period' is necessitated during which both parties are required to engage in arbitration before the Arbitration Council for a maximum period of 30 days before any judicial or labour arbitration decision is made. Unless, of course, a negotiated CBA provides clauses covering alternative dispute-resolution processes.

The Arbitration Council, established in 2003, is a tripartite national institution whose role is to resolve collective labour disputes through conciliation and arbitration. Prior to the commencement of arbitration, the parties must decide on whether to pursue binding or nonbinding awards. A nonbinding award is set in place when one of the parties chooses this type of award. The parties only have a right to appeal a nonbinding award and this must occur no later than 8 days after issuance. Some garment industry unions may, in addition to a formal dispute-resolution procedure, prefer to present their grievances directly to the buyers who purchase from the factory involved in the dispute. This can be a successful method because local proceedings are often seen as time consuming, ineffective and unreliable.

Cambodia has no special labour court system in place and thus is only equipped to adjudicate individual disputes. The main problem is that the entire judicial system is considered by many to be corrupt as it is neither impartial nor transparent.<sup>49</sup>

## 5.4 Social dialogue on the national and sectoral level

The national tripartite Labour Advisory Committee (LAC) was established in 1999 and consists of 28 government, trade union and employers' association representatives. Half of the committee is made up of government officials from various ministries and state agencies; seven are trade union representatives while the remaining seven represent employers. The Minister of Labour chairs the LAC while the vice chairmen consist of one trade union and one employer representative each.

Meanwhile, other non-formal venues that promote dialogue also exist; these, for the most part, involve the national unions and labour-support organisations. For instance, the GMAC – and sometimes the government – will invite involved partner(s) to participate in bilateral or multilateral forums to discuss topics of mutual interest. The ILO also regularly organises forums, offering social partners an opportunity to exchange views and arguments. For example, during the drafting phases of the trade union law, the Ministry of Labour, with the ILO's technical and financial support, has been organising a series of annual workshops since 2010, which brings the stakeholders together in order to discuss the latest drafts of the trade union legislation.

Other labour-support organisations such as the ACILS, CLEC, CENTRAL and FES have also organised seminars, trainings and other information-sharing sessions in which representatives from each of the three parties are invited to take part. It should be noted, however, that these opportunities are often ad hoc, irregular, informal and not that conducive to actual bargaining.

Unions, especially the CLC, sometimes invite government representatives, their union counterparts, employers and concerned NGOs to discuss their positions on various labour issues. For example, during their wage campaigns of 2010 and 2013, the CLC presented their demands and arguments for wage increases in forums organised for that very purpose. Meanwhile, the government-aligned unions, which comprise a large part of Cambodia's unions, often assume a dominant role in the formal tripartite framework, rarely engage in public campaigns and often oppose activities initiated by the independent unions.

**Table 5. Collective Bargaining Agreements Registered with the Ministry of Labour, By Industry and Year**

	GARMENT & FOOTWEAR	BANKING	HOTELS	SERVICE	HOSPITALITY	PLASTICS	EMBROIDERY	MANUFACTURING	PRINTING	EDUCATION	YEARLY TOTAL NUMBER OF CBAs
2003	5										5
2004	12	1	1								14
2005	12		3	1							16
2006	12		2		1						15
2007	13		2								15
2008	20		1	1							22
2009	113	1	3	2		1	1	4			125
2010	45	1	2	3			1				52
2011	62		1	3			1	2		1	70
2012	73	1	1	2			1	1	1		81
2013	29	1	2				1				33
2014	29			1							30
<b>Total</b>	<b>425</b>	<b>5</b>	<b>18</b>	<b>13</b>	<b>1</b>	<b>1</b>	<b>5</b>	<b>7</b>	<b>1</b>	<b>1</b>	<b>478</b>

Source: Ministry of Labour, year 2015



## 6. Implementation of the core labour standards

Strategic Partnership for  
Garment Supply Chain Transformation



## 6. Implementation of the core labour standards

**In this chapter, we examine the implementation of every part of the core labour standards by looking at official statistics on compliance (where available), laws and regulations, as well as different stakeholders' opinions and analyses of implementation. Each section starts with a quote from the ILO core labour standards, which integrated in the the Code of Labour Practices of FWF.**

Since the FWF is not actively engaged in monitoring activities in Cambodia, the data relies on the Better Factories Cambodia (BFC) as well as on interviews with representatives from Cambodian trade unions and labour and women's NGOs.

The BFC is a partnership of the International Labour Organization (ILO) and the International Finance Corporation (IFC). The BFC has been conducting independent assessments of working conditions in Cambodian apparel factories since 2001. The assessments seek to establish a baseline of performance against which participating factories can work with BFC to ensure ongoing improvements of their working conditions. The program is unique in that it offers industry-wide coverage because participation is mandatory for factories exporting garments and footwear. BFC reports on fundamental rights in the workplace, namely those covering child labour, discrimination, forced labour, and freedom of association and collective bargaining. Unlike the FWF, it does not include a standard living wage and restricts itself to monitoring legal minimum wages.



## a. Employment is freely chosen



*There shall be no use of forced, including bonded or prison, labour.  
(ILO Conventions 29 and 105)*

Cambodia has signed both of the relevant ILO Conventions (see appendix 1), and there are no major deficiencies in the regulation of forced labour. The BFC reports have not uncovered any violations in this area over the past few years. Forced labour is illegal in Cambodia. All workers, including domestic, household and agricultural, have the right and the freedom to change jobs whenever they desire.

### Laws and regulations

- Article 15 of Cambodia's Labour Law stipulates that 'forced or compulsory labour is absolutely forbidden in conformity with the International Convention No. 29 on the Forced or Compulsory Labour'.
- Those guilty of violating the Labour Law can receive fines of 61 to 90 days of base daily wages or imprisonment of six days to one month (Art. 369). Art. 16 states that the hiring of other people to work off one's debts is forbidden.

### Stakeholders' opinion and analysis on implementation

There have been no known cases of forced labour in Cambodia's garment industry, although Cambodian migrant workers abroad face these issues in countries like Thailand and Malaysia, where there are reportedly informal garment sectors, estimated at 25%-30% of the total. This sector is not monitored and, hence, little is known about the practices and conditions engaged in here.

## b. No discrimination in employment



*In recruitment, wage policy, admittance to training programs, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies, or handicaps. (ILO Conventions 100 and 111)*

### Laws and regulations

- Art. 31 of Cambodia's Constitution includes a general provision that protects Khmer citizens from discriminatory practices.
- Art. 12 of the Labour Law prohibits discrimination based on race, colour, sex, creed, religion, political opinion, birth, social origin, membership in a union or the exercising of union activities in the hiring, defining and assigning of work, vocational training, advancement, promotion, remuneration, granting of social benefits, and discipline and termination of employment.
- Employers must provide preferences to Cambodian workers when they are hired (Labour Law: Art. 263). Workers excluded from the Labour Law include civil/public servants, domestic workers, and police, army, judicial, seafaring, and flight personnel.
- Labour Law: Art. 106 provides that wages shall be equal for all workers subject to this law, regardless of their origin, sex or age for work of equal conditions, professional skill and output.
- Labour Law: Art. 182 stipulates that all women working in enterprises covered by the LL are entitled to maternity leave. Domestic workers are excluded (Art. 1). Employers are prohibited from laying off women on maternity leave.



## Stakeholders' opinion and analysis on implementation

The most recent BFC report (2015) found 13% of factories engage in discriminatory practices, which shows a significant decrease over earlier reports which noted violations in this area were closer to 20%.<sup>50</sup> Various forms of discrimination were in evidence including:

- Discrimination during hiring (10.6% of factories were reportedly not complying)
- Discrimination related to employment and termination based on sex (a non-compliance rate of 2.4% of factories )
- Discrimination that target union membership (2.4% of the factories failed to comply), and
- Discrimination against pregnant workers (1.93%)<sup>51</sup>.

Some of this data seems to reveal cases of under-reporting of violations. For example, a Human Rights Watch report (2015) found that workers reported discrimination against pregnant workers at nearly half of the investigated 70 factories. Many of these factories fail to pay women either some or all of their maternity benefits. This has been confirmed by BFC's monitoring, which found that only 54% of garment factories were paying women some or all of their maternity benefits. Moreover, the situation seems to be worsening, as this represents an 11% increase from the previous 6-month period and a 20% increase in just a year. Furthermore, very few factories comply with requirements to establish childcare centres, or provide facilities for lactating women, although the law states that workers are entitled to two 30-minute periods for breastfeeding for the first year after giving birth, and childcare in factories with more than 100 female employees. The law makes it possible to replace the childcare provisions by monetary subsidies. In general, it is very difficult for workers to balance family life with garment factory work. Children are often raised in the countryside by extended family members such as grandparents.

In terms of the hiring process, women and male workers are hired for different jobs. Males are typically hired for ironing, cutting, pressing, warehouse and security positions, but are seldom hired to do the sewing. Meanwhile, the women are predominantly hired to do the sewing, and have little opportunity to be considered for other functions in the factories. Although manufacturers would not specify age and/or gender in their job ads, in practice they often hire based on gender. An ethnic division of labour characterises the factories where management is typically foreign (Chinese). This lead to communication problems and means that Cambodian workers have opportunities to be promoted to management positions.

Although there are no migrant workers currently in Cambodia's garment industry, there has been a migration from the countryside to the city (internal migrant). These workers are dislocated from their families and villages and become vulnerable to abuse and exploitation. There are currently no known cases of discrimination based on religion.

There is, however, significant discrimination against trade union members. In terms of employment and hiring, stakeholders note that known trade union activists often find it difficult to find employment because employers regularly blacklist them. In 2010 and 2013, when there were mass dismissals following a national strike for a higher minimum wage, fired workers found it very difficult to find new jobs in the same or other factories. Factories appear to be communicating with each other regarding undesirable union activists. The widespread use of the FDCs means that the contracts of active union members are seldom if ever renewed. Stakeholders have pointed out that BFC has found it difficult to identify these kinds of issues. However, few complaints on discrimination have been brought to the Arbitration Council.

## c. No exploitation of child labour



*There shall be no use of child labour. The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years." (ILO Convention 138) "There shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. [...] Children [under the age of 18] shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals. (ILO Convention 182)*

## Introduction

Cambodia has signed ILO Conventions 138 and 182 and, under Cambodian law, children are permitted to work (in light industries) for a maximum of three hours per day, under conditions that will not interfere with their schooling or their physical, mental or moral development. The BFC reports that factories with confirmed underage workers is 3% (June 2015).<sup>53</sup> In the period between May 2014 and June 2015, BFC found 28 cases of children under age 15 working in garment factories. Stakeholders point out that the number of child labourers is much higher at unregistered factories, which are not monitored by the BFC.

## Laws and regulations

- The legal minimum age to work in a factory in Cambodia is 15, while those aged 15 to 17 shall not work overtime or engage in heavy labour. They are also required to get the consent of a guardian (Labour Law: Art. 181).
- There is an exception in the area of light work: workers between ages 12 and 15 are prohibited from performing jobs that may interfere with school attendance, among other provisions (Labour Law: Art. 177(4)).
- Children under age 12 are totally prohibited from working. School is compulsory for nine years and primary and secondary schools are free. Employers must maintain a registry of all minors employed by them and must have legal proof of age for all employees on file, which may consist of an identification card, birth certificate, wedding certificate, family book, employment card, diploma, voter registration card or equivalent documents (Labour Law Art 170. Notice 11/03).

## Stakeholders' opinion and analysis on implementation

Stakeholders currently believe that child labour is not a major issue in registered factories, although the widespread use of fake IDs means that the problem is likely underreported. Others point out that the ban on overtime for 15- to 17-year-olds is generally not very strictly enforced. In 2013, a 13-year-old worker died when the ceiling at a Wing Star Shoes factory collapsed. Some stakeholders believe that the employment of under-aged workers is much larger at unregistered factories, but the lack of reliable data makes it difficult to verify these claims.

## d. Freedom of association and the right to collective bargaining



*The right of all workers to form and join trade unions and bargain collectively shall be recognised. (ILO Conventions 87 and 98) Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions. (ILO Convention 135 and Recommendation 143)*

Cambodian garment workers are free to join a union. Union membership is high in the garment sector, with about 60% of workers being unionised. However, independent unions have a difficult time establishing favourable conditions and it remains difficult for members to operate freely in the factories. Worker participation in independent unions is often restricted by factory management. Factory-level unions are generally initiated by the national unions. Employers often attempt to control union activities at their factories. Moreover, there are many 'management-controlled' or 'government' unions that do not truly and independently represent the interests of the factory workers.

Independent unions often face numerous problems when trying to operate at a factory. They face discrimination, harassment, and illegal dismissal. Once they announce their presence at a factory, management usually attempts to resist by creating obstacles to make it difficult for the union to operate effectively. They often block the formation process by dismissing the elected union members, and discouraging workers to join the union. The create problems for the independent union and the workers joining them. Unionists get a bad treatment.

## Laws and regulations

- Cambodia has ratified C.87 and C.98.
- Cambodia's laws protect freedom of association. Art. 22(1) provides the right to freedom of association, including trade unions. Art. 36 states that Khmer citizens have the right to 'form and be members of trade unions.'
- The law forbids management from intervening in union activities (Labour Law, Art. 280) or threatening or offering incentives to prevent employees from joining a union (Art. 271).
- Management is also prohibited from considering union membership when making decisions such as hiring, promotion, or dismissal of a worker (Labour Law Art. 279).
- The right to strike is guaranteed by the Constitution (Art. 37) and by Labour Law (Art. 319). However, employees can only invoke this right after exhausting all other methods of dispute resolution such as negotiation, conciliation and arbitration (Art. 320 Labour Law). It is illegal to strike with the objective of forcing an employer to revise a mutually agreed-upon collective bargaining agreement (CBA) or an arbitral award which is still in force (Art. 321 Labour Law).
- Collective bargaining is currently regulated by the Labour Law, and relevant Prakas and arbitral awards. Negotiation, conciliation, arbitration as well as a Labour Court are provided by the law. However, this court has yet to be established. The Labour Ministry is currently charged with the resolution of collective labour disputes if the parties cannot agree on an alternative procedure (Arts. 302-308 Labour Law; Prakas 317/01).
- Submitting the dispute to the Arbitration Council is compulsory when conciliation has failed (Art. 309 labour law; Prakas 099/04).
- The Labour Law excludes judges, as well as other categories of civil servants such as teachers, from its scope. These civil servants also do not enjoy the right to collective bargaining under other legislation.<sup>54</sup>

## Stakeholders' opinions and analysis of implementation

BFC monitoring found that 11% of all factories interfered in some way with the FoA, while 3% engaged in union discrimination. But stakeholders contend that this figure is probably significantly higher. They have pointed out that, among other things, the widespread use of FDCs impede union organising activities. Workers are required by law to notify management of impending union elections by providing a list of nominees for union office. This tactic is frequently employed to intimidate, harass, bribe or fire union leaders. In addition, several trade unions have stated that union registration applications are often blocked or endlessly delayed by government agencies. In contrast, pro-government or pro-management unions never face these sorts of registration hurdles.<sup>55</sup>

Collective bargaining remains a relatively uncommon phenomenon, especially if one considers the number of CBAs that actually extend beyond minimum legal requirements. Unions have little experience and capacity to engage in effective bargaining, while employers typically resist entering into negotiations. Employers often use the existence of multiple unions as an excuse to evade negotiation. There are also negotiated MoUs that cover one specific issue.

There were also reports of cases where employers had interfered with a union's right to strike. As noted above, workers are required to give seven days notice after the negotiations breakdown before they can go out on strike, where the breakdown of negotiations is defined as a written statement signed by the two parties to that effect or the employer's refusal to meet after two written requests over a period of 14 days. A report by ACILS noted that employers often draw out the process by refusing to sign a written statement that negotiations have failed, thus forcing the union to wait for a period of several extra weeks before they can legally go on strike. These kinds of situations put unions under great pressure internally by forcing them to contain their membership or engage in an illegal strike, which exposes the union to punitive legal sanctions that may ultimately threaten its very existence and, at the very least, expose its members to police intimidation.



The ITUC reported that the newly adopted trade union law places unacceptable administrative and legal burdens on trade unions 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. While the law purports to stop employer interference in unions, there are no such restrictions on government and political parties interfering in unions, which is a substantial problem in Cambodia.<sup>56</sup>

## e. Payment of a living wage



*“Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income” (ILO Conventions 26 and 131, the Universal Declaration of Human Rights, art 23(3) and art 25(1)). “Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period.”*

Cambodian garment workers receive a minimum wage, which fails to meet living wage criteria. Minimum wages are set annually (since 2014). There is very little workplace-based collective bargaining on wages and so the established minimum wage has become the de facto ceiling. There is no official data on prevailing wages. BFC only monitors minimum wage compliance and does not assess what a living wage would constitute. Their latest assessments show that most factories (circa 98%) pays workers the legal minimum and that overtime is calculated correctly.<sup>57</sup>

While minimum wages have increased significantly over the last five years, a study by the Workers’ Rights Consortium (WRC) shows that wages for garment workers fell in real terms in Cambodia in the period 2001–2011.

### Laws and regulations

- Articles 104–109 of the Labour Code (1997) deal with minimum wage regulation. Art. 104 of the Labour Law states that the minimum wage must ensure every worker a decent and dignified standard of living.
- The minimum wage is currently only set for the garment and footwear sectors, even though the Labour Code speaks of a national minimum wage. Other unions –such as the construction workers union – are campaigning for a national minimum wage in their respective sectors.
- Coverage: The minimum wage is applied nation-wide, even though the law allows for variations in minimum wage levels per region (Art. 107 (1) in Chapter 6 (B)). Minimum wages are paid monthly and cover all workers (e.g., regular, probationary and piece rate). Minimum wages are divided into apprentice, probationary and regular workers (see table 6.).

**Table 6. Minimum Wage for the Cambodian Garment and Shoe Industries (2016)**

1. Apprentice	120,000.00
2. Probationary	540, 000.00
3. Regular	560,000.00 (140 USD)
Source: <a href="http://www.prake.org/home/salary/minimum-wages">http://www.prake.org/home/salary/minimum-wages</a>	

- **Bonuses and benefits:** Several bonuses and benefits paid may increase a worker's income (table 7). Workers are also entitled to a seniority bonus after one year of employment, ranging from US\$2-11 per month, equal to the year of employment, except those who have worked over 11 years; they receive a seniority bonus equal to the 11th year, i.e., US\$11 per month. Other bonuses include a good attendance bonus, a health care allowance, and a housing/transportation allowance.

Table 7. Bonuses and benefits				
	Bonus and Benefits	In USD	Exchange Rate	In Riel
1	Attendance	10	4000	40,000
2	Seniority	2 to 11	4000	8000-44,000
3	Housing/transportation allowance	7	4000	28,000
4	Meals for voluntary overtime work per day	0.50	4000	2000
Source: <a href="http://www.prake.org/home/salary/minimum-wages">http://www.prake.org/home/salary/minimum-wages</a>				

- **Wage revision:** Art. 107 states that the minimum wage should be revised regularly. Between 1997 and 2013, this meant wages were adjusted every 3 to 4 years. But since 2014, it has been decided to revise minimum wage rates annually, based on negotiations and analyses of relevant social and economic data. This institutional framework for wage adjustments is seen as an important step towards the implementation of evidence-based wage policies. Table 8 shows that wages have increased significantly since 2013.

Table 8. Minimum wage in Cambodia since 1997	
	Minimum wage
1997	US\$ 40
2000	US\$ 45
2006	US\$ 50
2010	US\$ 61
2013	US\$ 75 (plus US\$ 5 health care bonus)
2014	US\$ 100
2015	US\$ 128
2016	US\$ 140 (560,000 riel)
Source: <a href="http://www.prake.org/home/salary/minimum-wages">http://www.prake.org/home/salary/minimum-wages</a>	

- **Wage determination:** Although Art. 357 states that the LAC has to conduct research on the minimum wage and advise the Labour Minister; this did not happen until recently. The Labour Minister, who chairs the LAC, de facto established a minimum wage, without any explanation on how he arrived at this figure. Since 2014, however, the LAC has decided to adopt seven criteria for minimum wage calculation (see fig. 6.1).
- **Monitoring and enforcement:** As per Art. 344 of the Labour Code, the labour Inspector should enforce minimum wage compliance. Noncompliant employers may be fined or may face imprisonment. Art. 369 (chapter 16 – Penalties) of the Labour Code, 1997 states that minimum wage violators are subject to a fine of between 61 to 90 days of base daily wages (minimum wage) or face imprisonment of between 6 days to 1 month. Nonetheless, wage violations are commonplace.

- **Social dialogue:** The Ministry of Labour (MoL) is responsible for observing, developing, and implementing the labour law across the nation.<sup>58</sup> It has established a tripartite body, the Labour Advisory Committee (LAC) that consists of 14 MoL representatives, seven employer representatives and seven trade union representatives.<sup>59</sup> A chief role of the LAC is to advise the Ministry of Labour on minimum wage revision, benefits, overtime, and safety and health issues.<sup>60</sup>

### Stakeholders' opinions and analyses of implementation

Although wages have increased significantly in recent years, stakeholders believe that the minimum wage is far from sufficient, failing to meet even survival needs of a single person. This is particularly true in and around Phnom Penh, where the majority of factories are located, because the cost of living is slightly higher than in the provinces. The minimum wage established for garment factory workers in Cambodia, along with those in Bangladesh and Myanmar, are among the lowest in Asia. Several studies have determined that the minimum wage in Cambodia is well below the living wage.<sup>61</sup> The Asia Floor Wage calculates a living wage at 1,630,045 Riel (US\$401 ).<sup>62</sup> A survey of Cambodian garment and footwear workers – supported by IndustriALL – has calculated basic living expenses at US\$ 207. This will very likely become the figure that unions use in future minimum wage negotiations.

In 2010 and 2014, there were massive worker mobilisations to demand increases in the minimum wage. Hundreds of thousands of workers participated in these two strikes.<sup>63</sup> At the factory level, disputes over wages and other benefits are often referred to the Arbitration Council.<sup>64</sup>

It is difficult for independent unions to push for a higher minimum wage due to the composition of the LAC. Not only do the government and business representatives occupy 21 of the 28 seats, the seven remaining union seats are dominated by unions aligned with the government and who always vote in favour of any government proposal. This leaves little bargaining room for independent unions in this forum, even if the massive worker mobilisations of 2014 have had a significant impact on the government's decision to increase monthly wages to US\$ 128 per month – a 60% increase from the pre-election level of US\$ 80 per month.

However, there is not much bargaining activity regarding wages at the factory level. While some unions may succeed in negotiating bonuses and benefits, they usually lack the bargaining power to insist on higher wages at the factory level. There is also some doubt to what extent factories can increase wages unilaterally. For this reason, some stakeholders feel that buyers should be much more involved in the debate, not just regarding minimum wage setting procedures but also regarding bargaining at the factory level. Despite the fact that many major European brands have expressed a commitment to reflect increased wages in their FOB prices, also taking into account productivity and efficiency gains, unions and labour NGOs have declared that brands should increase efforts to create an environment for more meaningful bargaining options.

One suggestion for the BFC program: Assess the impact of purchasing practices of brands and retailers on working conditions, including the possibility of actually paying a living wage. This should ensure that purchasing practices encourage rather than discourage suppliers from becoming decent employers.<sup>65</sup> There are also concerns about how employers deal with sick leave. Human Rights Watch, for example, points out that many workers had their entire monthly attendance bonus, or a large portion of it, deducted if they took even a single day of medically approved sick leave.<sup>66</sup>

## f. No excessive working hours



“Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7-day period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.” (ILO Convention 1)

Normal working hours are 8 hours per day and 48 hours per week, including overtime, while total working hours must not exceed ten (10) hours per day. However, excessive overtime is a serious problem in Cambodia's garment and footwear industries. BFC report that only 6% of the factories do not demand excessive overtime, while 24% require less than two hours of overtime per day.<sup>67</sup>



## Laws and regulations

- Overtime is allowed for exceptional and urgent work (Labour Law: Art. 139). Normal work hours are not to exceed eight hours a day for six days a week – totalling 48 hours per week. Overtime should be restricted to two hours per day and allowed only for exceptional and urgent work.
- Under the Labour Law, workers must receive 50% above normal work hours (time and a half) or 100 percent above the norm if overtime is worked at night or on a rest day, i.e., on the weekly compulsory day off or on a national holiday. The same higher rates must be calculated and applied to the overtime rates of piece-rate employees.
- Overtime is voluntary and employers must obtain permission.

## Stakeholders' opinions and analyses of implementation

This is apparently one of the most commonly violated labour rights in Cambodia's garment and footwear industries. Time and time again, the BFC reports show overtime regulations consistently being violated. Work weeks of 70 hours are not uncommon. Since the minimum wage fails to meet even basic needs, workers often consent to work overtime to supplement their insufficient wages. However, stakeholders also note that refusing overtime is not really an option for workers and would often mean risking to lose one's job.

This has a dramatic impact on female workers with young children who are unable to survive on the basic minimum wage and are often forced to live apart from their children so they can work adequate overtime hours to survive. Long work days also prevent workers from adequate recovery from the previous work day. This means that excessive overtime has a negative impact on the health of the workers and has been identified as one of the causes of mass fainting spells. At one H&M factory where 100 workers fainted in 2012, workers allegedly were working up to six hours overtime.<sup>68</sup> Moreover, the excessively long work days do not allow the development of normal mother-child-family relationships, which, of course, has obvious consequences for the children's education, growth and general sexual reproductive health.<sup>69</sup> Labour rights advocates have pointed out that excessive overtime can only be addressed apart from wage concerns.

## g. Safe and healthy working conditions



*A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimize health risks as much as possible (following ILO Convention 155). Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer are strictly prohibited.*

Occupational health and safety are major issues in the Cambodian garment industry, including unsafe conditions, mass fainting incidents and collapsing factories .

## Laws and regulations

- All establishments and workplaces must maintain standards of hygiene and sanitation necessary for the health of workers and must guarantee the safety of workers (Art. 230 Labour Law).
- Art. 248 of the Labour Law defines work related to accidents (accident or illness which happens on the job, during work hours or while travelling to or from work).

- All employers are responsible for work-related injuries (Labour Law: Art. 249). Workers who usually work alone are not responsible for work-related injuries incurred by fellow workers who occasionally work with them (Labour Law: Art. 251).
- The Labour Law provides for a compulsory insurance system for work-related accidents to be managed under the NSSF (Labour Law: Art. 256).
- Labour Law-issued health and safety regulations do not apply to workplaces run by family members if the work does not involve the use of a boiler, mechanical or electric motors, or an industry that is not classified as dangerous or unsanitary (Labour Law: Art. 228).

## Stakeholders' opinions and analyses of implementation

There are many occupational health and safety concerns in Cambodia's garment industry. It is a topic that requires more attention from employers and employees alike. Many workplaces are hot, noisy, and poorly lit. There is often little ventilation, the uncontrolled and undeclared use of chemicals, excessive dust, as well as a lack of preventive education and little access to personal protective equipment.

A report commissioned by Better Work and IFC on fire safety, building and worker safety risks, identified a number of significant dangers, including: Unprotected fire hazard materials and equipment, fire hazard activities, inadequate automatic fire suppression systems, inappropriate means of escape, improperly maintained electrical installations, lack of emergency awareness and training, ineffective firefighting equipment, substandard building construction and design, and poor building maintenance.<sup>70</sup>

Three safety hazards have been highlighted over the past few years:

**a. Factory collapses:** In 2013, the Wing Star factory, a supplier of Asics, partly collapsed and killed two workers and injured several others. The incident raised concerns about building standards in the sector, especially since a similar accident had happened 17 months earlier, where two workers were killed and seven were seriously injured.

**b. Mass fainting:** Malnutrition has been regarded as one of the possible causes behind mass fainting, together with poor working conditions (for instance, excessive overtime, stress, heat, inadequate ventilation). The mass fainting of workers has become a regular occurrence in garment and shoe factories in Cambodia. Incidences range from dozens to several hundred workers at a time. The incidents have taken place at numerous suppliers, including those supplying Puma, Adidas, H&M and Polo Ralph Lauren. Research suggests there is no single cause for these incidents, but that a number of potential factors play a role, including overheated workplaces, under-nutrition, and the lack of access to quality food. A report by the CLEC and LBL states that fainting can be attributed to the insufficient diets of many Cambodians; in many cases factory workers consume only some 1600 calories per day (at least 500 less than the daily recommendation). The study found that roughly one-third of all workers, who spend, on average, US\$1.50 on food per day, were medically malnourished. Body Mass Index figures indicated that 33% of Cambodian workers are medically underweight and at risk, and 25% seriously so (these kinds of figures have used to diagnose anorexia in the UK).<sup>71</sup> Another research report noted that 67% of the factories have linked poor nutrition to lower productivity. The study also found that many manufacturers are willing to provide meals as long as the associated expenses do not exceed 2,000 riel (€0.36).<sup>72</sup>

**c. Safe transport:** Another concern is the often-unsafe forms of transport that workers are forced to depend on when commuting to and from work, which includes flatbed trucks and minivans, which are annually involved in a high number of traffic accidents. In 2014, for instance, 73 garment workers died in crashes during their commutes, an almost 10% increase over the 67 fatalities recorded in 2013.<sup>73</sup> In 2015, the number of casualties rose dramatically to 130 fatalities and 7,000 injuries.<sup>74</sup> Cambodian law considers these accidents to be work-related.

## h. Legally-binding employment relationship



*“Working relationships shall be legally binding, and all obligations to employees under labour or social security laws and regulations shall be respected.”*

The spread of fixed-duration contracts (FDCs) has been a point of great concern in Cambodia over the last decade. FDCs are short-term contracts that do not include any protections for workers. Under an FDC, the employer can choose whether or not to renew a contract at any time without having to provide any justification or reasoning. Additionally, the employer of an FDC is not required to give seniority bonuses and minimum-wage regulations are less frequently enforced. Employers often use FDCs to suppress wages and to allow for summary dismissals. Employers have fired workers under FDCs for joining unions, undesired pregnancies, and refusing to work overtime<sup>75</sup>.

### Laws and regulations<sup>76</sup>

- An employment contract requires descriptions of the following: wages, working hours, and other working conditions.
- FDCs and UDC: There are two main types of contract. A worker can be hired for a fixed or undetermined duration (Labour Law: Art. 66). A fixed-duration contract (FDC) cannot exceed two years; it can be renewed (in writing) as long as the total period of employment does not surpass two years (confirmed by Arbitration Council in Award 10/03). If these provisions are not respected, the contract is deemed to be for an undetermined period (Labour Law: Art. 67). However, both the government and employer organisations have shown a desire to amend the present law, making it clear that an FDC can be renewed endlessly as long as each contract does not exceed two years. Unions refer to the Arbitration Council rulings that an FDC may be renewed only once if the total length of the employment relation does not exceed 2 years and if an FDC is extended or renewed so the total period of the contract is more than 2 years, then the contract will automatically become an Undetermined Duration Contract (UDC). The employer association has argued that FDCs are necessary to keep the industry competitive. Workers do sometimes prefer FDC because it provides them with compensation of the 5% of the total amount earned from the contract as paid by the employers at the completion of each contract. Unions and NGOs argue that workers do not like FDCs, and that endless FDC contracts have a negative impact on freedom of association and collective bargaining rights and other benefits provided by the Labour Law.
- A probationary employee is one who has a clearly defined probationary period in their contract. The probationary period cannot exceed three months for regular employees, two months for specialised workers and one month for non-specialised workers (Labour Law: Art. 68).
- An apprentice is a person being trained by an employer. An apprenticeship runs for a maximum period of two years (Art. 51 Labour Law). The apprenticeship agreement needs to be in writing (Labour Law: Art. 52).

### Social security system

The Constitution stipulates that the state is obligated to organise social security schemes for every Khmer citizen (Arts. 36, 75), but thus far, the government has only managed to establish a National Social Security Fund (NSSF), which only focuses on providing workers' compensation insurance. NSSF contributions are made by the employer, which is 0.8% of the assumed wage based on the employee's monthly gross salary.<sup>77</sup> Advanced plans have been developed to introduce a health insurance scheme, but pension scheme plans have been put on hold.

### Stakeholders' opinions and analyses of implementation

Stakeholders note that the use of FDCs is common practice in the industry.<sup>78</sup> They point out that the use of FDCs is a serious impediment to successful unionisation. Workers live under the continuous fear that their contracts will not be renewed if they join a union. A Yale report concluded that the 'widespread use of TDCs threatens the basic integrity of the industry, decreasing the potential for collective bargaining and peaceful industrial relations, and limits the ability of workers to enjoy their basic rights under domestic and international law'<sup>79</sup>.

Moreover, as a result of job insecurity, there are few to almost no prospects of promotion or labour mobility within these companies. This, in turn, limits the possibilities for creating a stable, skilled and more productive work force. Furthermore, stakeholders point out that workers worry that their contracts may not be renewed if they refuse overtime or take sick leave. Fixed duration contracts are also used to deny women workers their legal right to maternity leave. The nonrenewal of fixed duration contracts of trade union leaders and activists has been a primary cause of disputes and strikes.



## 7. Possible areas of 'intervention'

Strategic Partnership for  
Garment Supply Chain Transformation



## 7. Possible areas of ‘intervention’

In this chapter we will discuss possible areas for the introduction of ‘pilot projects’ resulting in good practices related to living wages, gender-based violence reduction and freedom of association and collective bargaining in Cambodia’s garment sector with various possibilities for cooperation among labour rights advocates.

The list of interviews can be found in the appendix



### 7.1 Living wage

Garment factories pay the minimum wage, which fails to meet the basic needs of workers and their families. Wages are a key issue for workers and in the past, wage issues have led to massive worker mobilisations.

Below we suggest a number of activities that might help to build ‘bargaining momentum’. In our opinion, it would be best to integrate these activities into a coherent, mutually reinforcing program, however, independent from one another, these activities would also be useful, or they could be linked to other programs and activities.

#### Research on cost of living (or living wage)

Cambodian unions have little experience in setting up and using cost of living and/or living wage research. While this research could help unions with the formulating of collective bargaining demands, they can also be used as input during national minimum wage bargaining negotiations. These activities should be closely coordinated with those of other actors doing similar types of research (see, for instance, IndustriALL’s 2015 research). This research – plus the discussions on methodology, goals, outcomes, translation in demands etc. – could help shape, augment and strengthen the wage debate in Cambodia. Hence, this project should be accompanied by a clear outreach strategy to influence governments and other parties (including government-controlled unions). This research could be helpful in three ways: It strengthens the

position of unions vis-à-vis the government in minimum wage negotiations; it contributes to setting targets in plant-level negotiations; and, lastly, it helps in formulating living wage targets for involved brands.

## Building bargaining momentum towards a living wage

There are three levels (scales) in which progress on wages needs to be made.

### a. Factory-level bargaining

The most practical approach is to focus on the living wage as it exists in already unionised workplaces. Encouragement of the negotiation of collective labour agreements by unions and employers is a long-standing priority in relation to enforcement of the minimum wage and achievements of wage rates above that level.

### b. Sectoral-level bargaining/ACT

ACT (Action, Collaboration, Transformation) aims to improve wages in the industry by establishing collective bargaining agreements in key garment and textile sourcing countries, supported by international manufacturing standards and responsible purchasing practices. Although the ACT process is still at a very early stage and it is probably too early to conclude anything, its support among Cambodian labour groups has, thus far, been unenthusiastic. C.CAWDU has, for instance, pointed out that ACT is a top-down process in which they have had little input. They feel that it might 'take 200 years before it starts to deliver anything' and that it 'has very little to offer at the moment'. Other stakeholders point out that the role of buyers is rather vaguely described under the heading of 'addressing purchasing practices'. However, it is important to note that the initiative is relatively unknown among most of the unions. In June, ACT will host its first workshop in Cambodia. Another problem with this approach – focusing on sectoral collective bargaining – is that it is very unlikely that the GMAC will enter into any bargaining process. Manufacturers will most likely argue that the 'money is in the pocket of the buyer' (Ken Loo) and that wages are already set through annual minimum wage bargaining. Hence, there is a risk of getting 'circular answers', as the ACILS representative puts it, whereby the brands point to manufacturers and manufacturers point to brands, which ultimately mean that very little ends up happening.

Any success in this area will require careful strategising by the Cambodian unions and their allies (local and extra-local) to resolve this conundrum. There may however be some opportunities for Cambodia's unions and their allies to introduce their own agenda into the ACT process and use the 'space' that it creates for the promotion of a more grassroots-driven agenda.

### c. Focusing on brands/H&M

One possible approach to consider here, suggested in a letter from the Asia Floor Wage campaign to H&M, which was signed by 18 Asian unions, including CATU. The letter invites H&M to discuss 'an incremental negotiable percentage payment termed 'Living Wage Contribution' that progressively works towards a minimum living wage within a negotiated time frame'.<sup>80</sup> There has been an effort to build a regional (cross-border/Asian) network dedicated to wage topics.

Obviously, this would make 'buyers' a party to the agreement. The Clean Clothes Campaigns refers to them as 'enforceable brand agreements', whereby the Indonesia FoA protocol or the Bangladesh Accord on Fire and Building Safety represent 'pilot' models. Some US-based labour rights advocates are pursuing a 21st-century version of the 'Jobbers Agreement', whereby the agreement is basically reached with the buyers and imposed upon the 'jobber' (contractor). While this might be a path worth pursuing by campaign groups, brands are likely to resist the idea of being directly involved in any wage-setting mechanism.

One suggestion – supported by the CCAWDU, CATU, WRC and CENTRAL – is to focus on H&M suppliers, by building bargaining capacity at these factories, and possibly, to create a process for negotiating a collective bargaining agreement that simultaneously covers multiple suppliers. C.CAWDU has bargaining power with a significant number of H&M suppliers and a targeted strategy could increase that number within a couple of years. There may also be further possibilities to collaborate on a factory level with other unions in order to increase bargaining leverage and 'most-representative' status. Moreover, focusing on H&M will have strategic advantages (as the largest buyer, already engaged in the industrial relations process and under pressure to show 'progress' on living wages), but the option open for other brands to sign the agreement at a later stage could be kept open. Experiences from the Indonesia FOA protocol and the Bangladesh Accord suggest that at least one 'lead' firm must be on board to kick-start the process.



## 7.2 Freedom of association and right to collective bargaining.



Although union density in the Cambodian garment industry is the highest of all industries across Asia, few plant-level unions have been able to negotiate (meaningful) CBAs and even fewer exceed minimum standards already covered by the labour law.

Factory management's general anti-union attitudes makes it difficult to enter into collective bargaining negotiations. The great number of unions also presents a barrier. It makes it difficult to achieve most-representative status because of the unions that are dominated or influenced by management.

However, most plant-level unions lack essential experiences and skills. Mobilising workers to participate in strikes gives unions some leverage vis-à-vis management, but the recently adopted Trade Union Law will make it much more difficult for unions to strike legally.

Unions also need to engage in capacity building in areas like micro- and macro-economic analysis, that is, the economic dimension of the factory and industry, policy development (covering legal and political dimensions), and advocacy strategies (where to pressurise). Likewise, legal aid, advocacy in legal cases, and an criminal defence of workers and union leaders is needed as well.

### Factory database

Several stakeholders suggested that a database on Cambodian garment factories would be helpful. This should include data on:

- unions registered in those factories,
- background of the factory owner,
- brands sourcing from these factories and
- arbitration of council rulings.

A database would help union strategising and organising efforts. It is also suggested that such a database should be open to all unions (ACILS, CENTRAL, C.CAWDU, CATU).

Some of the data could potentially also be useful for companies where, for example, the data identifies which factories are ignoring AC rulings. This last element should be performed by BFC.

### Capacity building for plant unions

Unions have little bargaining capacity. This is partly because attempts to obtain majority status are being obstructed by factory management – for example, by signing an agreement with a yellow union, by automatically enrolling new workers into a yellow union etc. – or the Ministry of Labour, however, unions also recognise that they lack bargaining capacity and

should increase their resources in this area. Most interviewees emphasise the need for the training of more plant-level union leaders to bargain with management. Furthermore, manufacturers and buyers genuinely need to participate in the conclusion of collective bargaining agreements.

### Agenda setting – social dialogue

Unions could collaborate in a number of areas to develop common positions and policy proposals. These proposals can probably best be drafted by a small group of unions, with the use of expert input. After the proposals are drafted these unions could then reach out to other (government-controlled) unions. Activities should encompass deliberation and coordination among unions, research, collaboration with global unions, roundtables with GMAC, BFC and the Ministry of Labour, lobby etc. Although these activities would be fairly uncontroversial and offer opportunities for building larger alliances, it may be better to let independent unions launch this initiative.

Areas of work could include:

- **Review of the Labour Law:** Develop a union position on ambiguous areas of the Labour-Law (where unions will insist on revisions that will benefit workers/trade unions). But a lack time, resources and preparation hinder these efforts. They should develop proposals, initiate deliberations, support coordination among unions, cooperate with global unions, etc. The labour contract (FDCs/UDCs) could constitute one priority area.
- **Social security:** The recent social security scheme (2010) has undergone some implementation difficulties. In May 2016, a health care scheme was introduced and discussions on a pension scheme were begun. However, unions have had little input on these schemes. So there is a great need to build capacity among unions to further develop a vision and accept input. This would essentially initiate efforts to potentially de-commodify labour power.
- **Other topics could include:** safe transport to and from work; better housing for workers (including measures that would tie rents to inflation).

## 7.3 Gender-based violence



## **Workplace**

Unions play an essential role in improving gender equality and eliminating gender biases, especially through their educational activities.

Workplace concerns: Unions should pay particular attention to issues such as child care. Meanwhile, sexual harassment is underreported in Cambodia. These are just two issues in Cambodia that need more attention from unions and other stakeholders. It is thus advisable to integrate initiatives that combat gender-based violence into broader labour strategies.

## **Maternity leave**

CBAs confirm that maternity leave is ensured by law, but generally fail to address other concerns relevant to female workers. The law requires that employers provide childcare, but compliance on this issue is, alas, rare. Unions should embed maternity benefits, childcare facilities, clean toilet facilities and hygienic conditions and safe transportation into their bargaining efforts. They should also embed activities and regulations that would lead to the creation of a safe environment both inside and outside the factory in order to dramatically curb sexual harassment.

## **Union leadership**

Most trade union leaders in Cambodia are male, despite the fact that the garment industry is 90% women. Estimates of the number women leaders at the factory level vary from 50% to 65%, while at national level, the union leaders are overwhelmingly male (CATU is an exception). Unions should prioritise the recruitment of more women in leadership positions.

## **Community work**

While trade unions mainly concentrate on workplace conditions, some women groups have argued that analysing conditions beyond the workplace, such as living conditions, security in the community, child care, hygiene, access to water and electricity, education opportunities, transport to the factory etc. are also important. Trade unions pay little attention to these areas, even though they are very important to women workers. Some of the worst forms of gender-based violence – gang rape – occur at the community level and cannot be fully addressed by only focusing on the workplace. Unions should thus expand their jurisdiction by including the aforementioned issues that occur outside the factories. However, unions probably have little capacity in these areas and should thus seek out collaborations with NGOs active in these areas. These NGOs have the resources, experience and advocacy expertise to aid the unions in these efforts.

## **Collaboration**

Some unions may find opportunities to work together at the factory level, but the level will no doubt vary from factory to factory. Collaboration between unions on the national level may be a viable option for some and more complicated for others. Some of the unions remain very closely affiliated to various governmental agencies and political parties, with some union leaders even assuming important positions in the government. These unions cannot take independent positions. Relations between unions and labour NGOs are also complicated and sometimes strained. Unions and NGOs, however do work together on campaigns. Unions often receive legal support from NGOs.

Cambodian unions and labour NGOs have been successfully embedded into cross-border, labour solidarity and trade union networks. They are affiliated with Global Union Federations and/or have joined networks like the Clean Clothes Campaign, Asia Floor Wage, and so on. While there is overlap between the different organisations, there is a need for better coordination and integration.



## Appendix

# List of interviews

Interview list		
Tuesday 4	Intern CLC	Brigette Mulder
Friday 6	CCC	Carin Leffler
Monday 9	CENTRAL	Mr. Joel Preston
Monday 9	WRC-AC	Mr. An Nan
Tuesday 10	CCU (CATU)	Ms. Yang Sophorn
Tuesday 10	ACILS	Mr. William Conklin
Wednesday 11	C.CAWDU	Mr. Kong Atith
Wednesday 11	FTUWKC	Mr. Chea Mony
Wednesday 11	WIC	Ms. Mark Channsitha
Thursday 12	Oxfam	Ms. Phearak Ly
Saturday 14	CLEC	Mr. ??
Saturday 14	CENTRAL	Mr. Tola Moeun
Monday 16	ILO-H&M project	Mr. Chhieu Veyara
Tuesday 17	H&M	Ms. Sarah Hopkins
Tuesday 17	CLC	Mr. Ath Thorn

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- <sup>4</sup> CIA World Factbook, Cambodia, [2016], available at: <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2095rank.html#cb>.
- <sup>5</sup> Ibid., available at: <https://www.cia.gov/library/publications/the-world-factbook/geos/cb.html>.
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- <sup>15</sup> Interview CENTRAL, May 9, 2016
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- <sup>24</sup> ITUC 2014.
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- <sup>38</sup> *Sewing Success?*, *supra* note 22, at 256. It explains that although 7% of the factories are owned by Cambodians, those factories only account for 3% of the employment within the garment industry).
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- <sup>46</sup> US Department of State, 2015, 'Country Reports on Human Rights Practices for 2015', p. 28.
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PO Box 2475  
NL 3500 GL Utrecht  
The Netherlands  
[www.cnvinternationaal.nl](http://www.cnvinternationaal.nl)

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