



WOMEN HUMAN RIGHTS DEFENDERS

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The Struggle for Rights and Economic Justice – Cambodia Women Garment Workers’ Experience

Worker’s Information Center

Abstract

In 2018, Cambodia’s garment industry accounted for more than 70% of the country’s total export products, with thousands of factories and workers across the country. In this context, the Worker’s Information Center (WIC) – a women garment workers-based association – through a bottom-up approach advocates for women garment workers’ empowerment, supporting their struggles and movements for labour rights, fair working and living conditions and decent wages. The chapter provides an overview of the country’s garment industry development and challenges, together with concrete examples of women garment workers’ led struggles.

Background

Cambodia is a country bordered by Thailand and the Laos People’s Democratic Republic respectively in the west and north, the Socialist Republic of Vietnam in the east and south-east, and the Gulf of Thailand in the south-west. According to a preliminary result of the 2019 census, Cambodia’s population is about 15,288,489, of which 51.48% are females. The Gross Domestic Product (GDP) growth rate of Cambodia was 7% per annum over the last ten years, and in 2018, there was an increase of GDP to 7.5%.¹ Cambodia’s GDP is largely made up of three sectors, mainly agriculture (18.1%), industrial (34.9%), and services (39.4%).²

Since 1993, the Cambodian Government, in consultation with the World Bank and the International Monetary Fund (IMF), implemented programmes on economic and structural adjustments designed to stabilise the economy and attract foreign investment. Following this, the Foreign Direct Investment Law was passed in 1994 and amended in 2003. The law provides incentives to the investors that include, but are not limited to: exemption from import, export, and profit duties of up to nine years;³ complete foreign ownership of companies; unhampered hiring of foreign citizens in high level positions;⁴ and unrestricted foreign remittances after paying appropriate taxes.⁵

On 1 January 2005, the quota restraints of the Multi-Fibre Agreement (MFA)⁶ expired and brought to an end restrictions on trade in textiles and garments among World Trade Organisation (WTO) members. As a result, WTO governed textile and garments trade, promoting free trade agreement among its members. Cambodia, among the many developed and developing WTO members, is one of the least developed countries that benefits from the European Union's Generalised System of Preferences (GSP).⁷ Under the GSP, Cambodia is part of the Everything but Arms (EBA) initiative that permits all exported products from Cambodia to the European Union (EU) duty free and quota free, except arms and ammunition.

A case on point where incentives for foreign investors were particularly lucrative is elucidated by Singaporean Roger Tan:

*"I first came to Cambodia in 1995 because, quite simply, the Government's incentives were so good ... There are three key factors in the garment business – cheap labour, unused quotas and no exchange controls. Cambodia fulfilled all three. MFA quotas will disappear by early 2005, but the other advantages still promise our industry a bright future."*⁸ – Roger Tan, Deputy Chairman, Garment Manufacturers Association in Cambodia (GMAC).

Cambodian garment industry's exported value was at US\$962 million in 2000 and

increased to US\$3,223 million a decade later in 2010.⁹ In 2018, the industry had accounted for 73.7% of total export products, with a value of about US\$10 billion.¹⁰ Currently, the industry has around 1,153 factories and employs about 840,000 workers,¹¹ 85% are women who mostly migrated from rural areas. The industry continued to be the backbone of the national economy in 2018, with main export beneficiaries being the European Union (46%), the United States of America (24%), Canada (9%), and Japan (8%).¹²

The conditions surrounding women garment workers

Since 2014, there have been legislative expansions aimed at improving working conditions of garment and textile workers in Cambodia. For example, the Tripartite Negotiation Committee on minimum wages established in 2014 enabled an increase in monthly minimum wages every year, from US\$170 in 2018 to US\$182 in 2019.

In 2015, the Government passed the Special Lease Law (the Law on room rental for workers) to refrain landlords from increasing the rental fee for at least two years,¹³ as well as the bill on access to public electricity for garment workers.¹⁴ In 2016, the Government had the National Social Security Fund (NSSF) policy that focused on the risk at work (or work injury) covered by workers' health insurance.¹⁵ From 2017, the NSSF fee was paid 100% by employers, and had expanded

the coverage to maternity benefits for women garment workers, providing 70% of the wage during maternity leave and additional support after delivery (US\$100 for a single child, US\$200 for twins, and US\$300 for triplets). In August 2017, the Government regulated the water price for garment workers at 800 riel or US\$20 cents per cubic meter,¹⁶ as well as workers' free access to public transportation for two years (2018–2019).

Even though there has been a minimum wage increase over the past several years, the working and living conditions of women garment workers have not improved much.¹⁷ The cost of living, including room rental fees and utilities, has significantly increased. Based on a recent study done with workers, women workers spent minimum US\$30 for monthly room rental fees and utilities (water and electricity), and US\$68 for food per month.¹⁸ The enforcement of water price regulation is not effective since workers in many areas continue to access water at high price, for example from 2,500 riels to 5,000 riels (US\$0.63 to US\$ 1.25) per cubic meter.¹⁹

Apart from struggling with living conditions and expenses, women garment workers face tremendous difficulties in the workplace. While production targets in factories have increased, even sometimes doubled, the number of workers (three to five) on the production line has decreased.²⁰ For workers who earn per piece rate, the rate remains low. Therefore, women garment workers have

to double their efforts in production – working overtime to reach targets; and while leaving work late in the evening, many experience verbal harassment and inappropriate behaviour by groups of men. In addition, women garment workers often experience serious psychological violence in the form of intimidation, insults, and threats of dismissal from their supervisors and line managers. And this while receiving time restrictions for toilet breaks and drinking water.

The enforcement of the Fixed Duration Contracts (FDC) in factories is increasingly common, resulting in job insecurity for the workers. Some factories suspended the employment contracts in the main factory, with the rationale of no orders from buyers and then sub-contracted their products to other factories and sweatshops where labour laws and workers' rights are not respected, including the right to basic wages and other fringe benefits.²¹ These sweatshops are not registered, and normally referred to by their location since they do not even have names.²²

The trends and challenges in the garment industry

The contentious strengthened economic and foreign policy ties between Cambodian and Chinese governments are reinforcing reluctant investment ventures in the EU and United States of America.

Some garment factories started closing down as employers attempt absconding all legal obligations to staff, while others become inactive where no orders

are taken and instead, materials for production transported to sub-contracted factories and sweatshops. In the main factories, workers' contracts, both Unspecified Duration Contract (UDC) and FDC, are being terminated, moving to an 'informal contract' within sweatshops, with insecure work conditions and no access to NSSF benefits and protection.

Women garment workers' right to join and form unions is also impeded. The implementation of the Union Law in 2016 and the fact that most articles are related to the arbitrary "Most Representative Union"²³ (30% of the total workers) had resulted in a significant drop of collective cases filed, from 361 cases a year in 2014 to less than 50 cases reported in 2018. Workers and unions face difficulty to access existing labour dispute mechanisms and fair treatment at the workplace.

Since early 2018, the EU started to consider the suspension of Cambodia's EBA status over its records on human rights and democracy. The possible end of the EBA status poses serious concerns among key stakeholders, especially for the garment industry labour market, infamous for unregulated sweatshops and unacceptable labour conditions.

Although workers can organise as a union, the workers' nominated representatives who join the negotiation committee for increasing wages and social protection are usually males. As a result, women's agendas and issues are often not prioritised, even when the union is mainly comprised of women. There are challenges

in ensuring democratic and participatory decision-making processes, collective efforts, and broader consultation within and between the union members and the leadership. For instance, leaders are more likely to decide on behalf of the members with no or little consultation with the larger group; as a result, members are often left behind or not fully informed.

Worker's Information Center

Worker's Information Center (WIC) is a women garment workers-based association in Cambodia that emerged from a workers' empowerment project, Womyn's Agenda for Change (WAC), registered with the Ministry of Interior in 2009.

At the core of its work, WIC considers women garment workers' empowerment and agendas; women-led struggles and movements for labour rights, fair working, living conditions and decent wages; and women's fundamental rights to access basic essential services. WIC also seeks to bring about change in the lives of women and society more broadly, supporting women workers' empowerment towards the realisation of their rights. WIC's work also focuses on the mobilisation of women garment workers to push for change at structural and policy levels – either formally or informally.

WIC aims to create safe spaces for women garment workers by setting up and facilitating Drop In Centres (DICs).²⁴ The attempt is to locate the DICs in areas where women are working to facilitate them to:

i) have a place to take rest; ii) share their experiences and discuss their working, living, and social conditions; iv) access information; and v) build social networks.

WIC has a bottom-up approach, where women garment workers are mobilised and organised in order to define problems and identify root causes through critical analyses; develop a strategic plan with clear demands and solutions; and collectively advocate for structural, systemic and policy change. Workers themselves advocate for policy change through evidence-based advocacy that is documented through participatory action research. These critical analyses on the injustice and violations at work and living places explores the linkages of the impact of neo-liberalism and patriarchy to women's bodies, and labour; and women's participation and leadership in economic, political, and social issues. It is based on the experiences and analysis of context and issues faced by women garment workers who participated in fora, consultative workshops and discussions where fundamental human rights principles and concepts are used as a basis to facilitate collective and women-led campaigns, as well as strategies to reinforce and keep the struggle alive. For this, WIC supports women garment workers' efforts in analysing gaps of the current laws and policies, and strengthening their ability to advocate for the inclusion of women garment workers' needs and demands.

Case study: women workers addressing injustice at workplace

The early 2016 women-led action collective facilitated by WIC to address the working conditions of a factory, highlighted the following:

- Around 2,000 workers had been receiving a mere 50 per cent minimum wage payment in rotation by group and section since early 2015 to March 2016 (with the agreement of the union and factory management);
- The workers undergoing suspension from work at finishing units had been receiving a wage of US\$50 with the approval from the Inspection Department, Ministry of Labour and Vocational Training (MoLVT);
- The suspension of the workers was explained by the factory management as being due to a decline in orders from the buyers.

Women garment workers approached WIC through a DIC. WIC then helped the workers in analysing the factory's background. Through the DIC, they also conducted further investigation on identified loopholes and issues, vis-à-vis Cambodian pertinent laws.

The process started with women garment workers coming together to **discuss and question*** the general situation inside

* *The bold stresses actions taken*

the factory; mainly asking how and why these conditions occurred; what was the rationale provided by the factory for these conditions; what provisions were admissible under the Labour Law for these conditions; and what impacts these conditions have on the work of women garment workers and their lives. This led to the women garment workers **refusing days off with the 50 per cent minimum wage**, as this provision is against the Labour Law. Instead, they **demand to work** and being paid 100 per cent of the minimum wage, since according to the Labour Law it is the employer's responsibility to guarantee minimum wage and job security.

Women garment workers went further by **observing the situation and developing detailed records** of the production process as well as any events in the factory. They used this information and records to **map the flow** of the factory's production processes and **to conduct further investigation** by documenting evidences proving injustice and violations of Labour Law.

Through this investigation and analysis process, women garment workers found that the policy of paying 50 per cent minimum wage in absence of business orders was triggered by an agreement between the union and the factory management. They also found out that the factory had massive sub-contracting and outsourcing of products to other factories and sweatshops.

Women garment workers mobilised their peers in the factory from different sections and units, and nominated and identified their representatives (eight women, and later included one man) to continue their analysis, strategising and monitoring the conditions at the workplace. The representatives managed to mobilise 10 per cent of total workers (with the thumbprint) to reject the provision on 50 per cent minimum wage and instead demand full work, and hence full wage, from the factory management.

Workers also **met the Government agency in charge of labour inspection**, the Ministry of Labour and Vocational Training (MoLVT), and discussed the conditions of employment suspension. Workers' representatives also **brought to the buyers' attention**, with supporting evidence, the violations that occurred in the factory, seeking their intervention to address the situation.²⁵

Women representatives documented all the evidence related to the production line and supply chain, strengthening their negotiation, communication and dialogue skills, working collectively to advocate with different stakeholders, including the factory management, MoLVT (particularly the Inspection and Dispute Resolution Departments), and buyers.

As a result, the factory compensated all workers for the 9-month employment suspension from July 2015 to March 2016, granting 100 per cent minimum wage in light of the 50 per cent loss faced by the workers.

Workers have meanwhile experienced risks and challenges associated with their actions in addressing injustices and violations at the workplace. The scrutiny from administration staff, Chinese management, supervisors and union leaders led to tension and pressure at work. There have been actions of discouragement and demotivation imposed on workers who attempted to mobilise other workers to join and support the struggle to resolve unfair labour practices within the workplace. The low levels of trust and confidence between workers and those involved in the dispute resolution's process, combined with concerns for personal safety and that of their family members, were significant challenges. As a result, workers often had to pause, reflect, and re-analyse the situation and associated risks taken by their team members and fellow workers. Despite these challenges, workers learned that solidarity, mutual care and sharing of relevant work-related information are vital for their analyses and collective action for justice.

Endnotes

1. Trading Economics, "Cambodia GDP Annual Growth Rate" Trading Economics, available at <https://tradingeconomics.com/cambodia/gdp-growth-annual>
2. National Bank of Cambodia, "Financial Stability Review", last modified 2018, available at https://www.nbc.org.kh/download_files/publication/annual_rep_eng/FSR-for-publication-final-22Apr2019.pdf
3. Law on Amendment to the Law on Investment (amended March 2003), article 14.
4. Ibid.
5. Ministry of Land Management, Urban Planning and Construction, Law on amendment to the law on investment of the Kingdom of Cambodia, (Article 14, 18 and 19), 2003, available at http://www.cambodiaip.gov.kh/DocResources/ece9896b-eb95-4663-8b98-06ef2646bfd5_c786a043-b88d-4f64-9429-60a330efdc5f-en.pdf
6. The Multi-Fibre Agreement was a trade pact for World Trade Organisation (WTO) members designed to adjust developing countries' textile and garment imports to the developed countries. The MFA, later modified as the Agreement on Textiles and Clothing (ATC), came into existence in 1974. However, Cambodia was not included in it until the mid-1990s. The MFA imposed quotas on the amount of clothing and textile exported from developing countries to developed countries. The Cambodian garment industry started to grow in the latter half of the 1990s as a result of trade liberalisation and the quota system.
7. The EU GSP removes import duties from products coming into the EU market from vulnerable developing countries. The aim is to support developing countries in alleviating poverty and creating jobs based on international values and principles, including labour and human rights.
8. United Nations Conference on Trade and Development, and International Chamber of Commerce, An investment guide to Cambodia: Opportunities and Condition, 2003, p.20, available at: https://unctad.org/en/Docs/iteiia20036_en.pdf

9. Cambodia Garment and Footwear Sector Bulletin, Issue 7, June 2018
10. The 2018 report of the National Bank of Cambodia
11. Stated by Director of Inspection Department, Ministry of Labour and Vocational Training at Workers' Forum on 26 May 2019. Workers' Page Newsletter, issue #14, Worker's Information Center (August 2019).
12. Ibid.
13. Royal Kram NS/RKM/0715/009, Law on Special Lease, 3 August 2015.
14. Electricite du Cambodge, Letter number 0492, The announcement on direct access for rented house or room in the coverage of Electricite du Cambodge in Phnom Penh, 20 January 2015.
15. For more information on the healthcare system, visit National Social Security Fund page, available at <http://www.nssf.gov.kh/default/health-care-scheme-2/>
16. Ministry of Industry and Craft, The resolution on clean water price regulation, 29 August 2017.
17. Worker's Information Center, "The reality of the national economy backbone", Focus on the Global South, 2017, available at https://focusweb.org/wp-content/uploads/2018/06/backbone_-_final_-3.2_-_high_quality_press.pdf
18. The study on Living and Working Conditions of Women Garment Workers in late 2017, and the report is currently being finalised for publication.
19. Workers' Page Newsletter, issue #12, Worker's Information Center (December 2018).
20. Collection of Stories of Women Workers in Garment Industry in Cambodia, Worker's Information Center (February 2019).
21. When the minimum wage was USD170 in 2018, workers work at sweatshop got between USD100 to USD120 per month (Focus Group Discussion with workers in October 2018).
22. For more information see .Worker's Information Center, Where Do These Materials Go? (Phnom Penh: WIC, 2018)
23. Under the Trade Union Law, Article 54, Most Representative Status (MRS) unions are those that has the exclusive rights to negotiate the collective bargaining or collective labour dispute resolution. MRS is any union that has members of 30 (thirty) percent or more of the total workers, or any union seeking the most support from any other unions with 30 (thirty) percent, in a given enterprise.
24. Currently, Worker's Information Center has five Drop in Centers operating in Phnom Penh.
25. The buyers referred to are clothing companies.