

# First Synthesis Report on the Working Conditions Situation in Cambodia's Garment Sector

November 2001

## 1 Introduction

### 1.1 Project background

On 20 January 1999, the Governments of the Kingdom of Cambodia and the United States of America entered into a three-year Trade Agreement on Textile and Apparel. The Agreement sets an export quota for garments from Cambodia to the United States, while seeking to improve working conditions and respect for basic workers' rights in Cambodia's garment sector by promoting compliance with - and effective enforcement of - Cambodia's Labour Code as well as internationally recognised core labour standards. It offers a possible 14% annual increase in Cambodia's export entitlements to the United States provided the Government of Cambodia supports:

"The implementation of a programme to improve working conditions in the textile and apparel sector, including internationally recognised core labour standards, through the application of Cambodian labour law" (Article 10B, US-Cambodia Textile Agreement)

Under the Agreement, "The Government of the United States will make a determination by December 1 of each Agreement period, beginning on December 1, 1999, whether working conditions in the Cambodian textile and apparel sector substantially comply with such labour law and standards".

Following the signing of the Agreement, the Governments of Cambodia and the United States requested ILO technical assistance to prepare a project proposal to support the implementation of the article of the Trade Agreement concerned with the improvement of working conditions. The ILO consulted extensively with the Ministry of Social Affairs, Labour, Vocational Training and Youth Rehabilitation (MOSALVY), The Garment Manufacturers Association in Cambodia (GMAC), the Cambodian trade union movement and the United States and in May 2000 a technical cooperation project with a budget of US\$ 1.4 million (USA 1 million, GMAC and MOSALVY 200,000 each) over a period of three years was agreed upon. The project commenced in January 2001 under the direction of a Chief Technical Advisor (CTA) appointed by the ILO to manage the project in accordance with the agreed project document.

## **1.2 Project objectives**

The basic objective of the project is to improve working conditions in Cambodia's textile and apparel sector. This will be done by:

- Establishing and operating an independent system to monitor working conditions in garment factories,
- Providing assistance in drafting new laws and regulations where necessary as a basis for improving working conditions and giving effect to the labour law,
- Increasing the awareness of employers and workers of core international labour standards and workers' and employers' rights under Cambodian labour law,
- Increasing the capacity of employers and workers and their respective organizations to improve working conditions in the garment sector through their own efforts,
- Building the capacity of government officials to ensure greater compliance with core labour standards and Cambodian labour laws.

The execution and implementation of the project is guided by a Project Advisory Committee (PAC), which comprises three representatives each from the Government of Cambodia, the GMAC and the Cambodian trade union movement. The PAC meets quarterly, or as otherwise necessary, to discuss progress in project implementation and advise on envisaged activities. The PAC has no direct responsibility for project execution or day-to-day implementation of the project, but is expected to provide guidance and advise on such matters as work plans, implementation of activities, communication with the parties involved, and coordination of project activities with relevant work undertaken by other entities. It is also expected to advise on the operation of the monitoring and reporting system and contribute to the periodic evaluation of that system.

## **1.3 The monitoring system**

The monitoring system consists of the following three main components:

- Registration of participating factories
- Procedures for undertaking monitoring visits and reporting on these visits
- Procedures for reporting on the overall findings of the monitoring

### **1.3.1 Registration of participating factories**

To be able to set up the monitoring system, enterprises in the textile and apparel sector have registered with the project. This registration is voluntary but has been encouraged by a Prakas issued by the Ministry of Commerce which indicates that only registered factories would be eligible to use allocated export quotas and/or buy export quotas through official bidding for the export of textiles to the USA. As of 22 November 2001, 190 enterprises have registered. Registration consists of the signing of a Memorandum of Understanding (MOU) between the ILO and the participating factory. The MOU outlines the duties and responsibilities of both parties. Under the MOU the factory undertakes,

inter alia, to provide full access to ILO monitors to factory premises, allow ILO monitors to freely interact with shop stewards, union representatives and factory workers, both inside and outside factory premises, and provide such access in case of both announced and unannounced monitoring visits. On its part, the ILO undertakes to ensure, inter alia, that monitoring visits are undertaken in a fair and objective manner, that monitoring visits will be undertaken in such a manner as to cause least disruption to factory operations, that basic information is kept confidential and that any allegation of misconduct by any ILO monitor in the execution of his/her duties will be considered in good faith.

### **1.3.2 Monitoring procedures**

The Project, with the advise of the Project Advisory Committee, has recruited 8 monitors to undertake factory visits. These have been provided with intensive training, covering subjects such as Cambodian labour law and international labour standards, interviewing techniques, report writing, and also included a large segment of training visits by monitors to different types of enterprise. In undertaking factory visits, monitors are guided by an extensive checklist prepared by the CTA and approved by the Project Advisory Committee. This checklist consists of 156 questions (excluding sub-questions) most of which relate to articles in the labour code and its implementing regulations and/or provisions in the relevant ILO Conventions.

Monitors normally undertake enterprise visits in pairs, whereby each visit follows a similar procedure, which includes an initial meeting with management, a tour of the enterprise, observation of the working place, interviews with workers and their representatives both inside and outside the factory, collection of relevant documents (payroll, sample contracts, leave records, etc.) and an exit interview with management. After each monitoring visit, monitors will prepare a report for the CTA containing their findings and suggestions for areas of improvement. The CTA will check the report to see that it has been completed in accordance with project procedures. Once approved by the CTA, the CTA and/or the Programme Assistant will discuss the draft report with management in order to secure the agreement of management with the findings and suggestions in the report and gather additional information if necessary. This also includes a short visit of the factory to verify further information received. The final report prepared after this meeting is sent to management with a request to sign and return it. At this point, management can indicate with which points they do not agree. Upon request from management, the project may offer assistance to factories in implementing the suggestions identified in the report.

### **1.3.3 Reporting procedures**

Based on the reports prepared by the monitoring teams, the CTA will prepare a synthesis report every three months that will provide an overview of the overall operation of the monitoring system for the period under review. The synthesis report will be presented to the Project Advisory Committee. The Project Advisory Committee will discuss each synthesis report and the Committee's comments will be recorded and attached to the ILO report. The ILO report and the comments of the Project Advisory Committee will be

made available in both English and Khmer and distributed to implementing and cooperating agencies under the project, and to the parties to the US-Cambodia Textile and Trade Agreement. The report and related comments will also be posted on the ILO website.

#### **1.4 This synthesis report**

The monitoring of factories started on 27 June 2001. This first synthesis report contains an overview of findings for 30 factories. At the time of registration, these factories employed 21, 431 workers of which 19,457 were female and 1,974 male.

While the report contains the full details of the monitoring, the key initial findings indicate the following:

- There is no evidence of child labour;
- There is no evidence of forced labour;
- There is no evidence of sexual harassment;
- Non-correct payment of wages occurs with some frequency;
- Over-time work is not undertaken voluntarily, or not always undertaken voluntarily, in a substantial number of factories;
- Over-time hours extend, either occasionally or frequently, beyond the legal limits in a substantial number of factories;
- Freedom of association, including anti-union discrimination, is a problem in some factories;
- Strikes are not organised in conformity with the legally required procedures.

It is important to underline that the monitoring of factories is not an objective in itself, but part of a process aimed at improving working conditions in Cambodia's garment sector as a whole. The information in this first report reflects initial findings, which cover only 16% of all factories registered with the Project. A central role of the PAC is to advise on the project's work, with the overall goal of improving working conditions. Thus, this report provides the parties, through the PAC, with the opportunity to address the initial findings and agree upon any needed corrective actions.

In this report, factories are not identified by name in the overview of the working conditions situation. With this report and all subsequent reports, factories are given an opportunity to make improvements before the specific findings for their particular factory are made public. Consequently, factories covered by this report will be named in the subsequent three-monthly report, after a follow-up visit to the factory has been made to monitor progress.

Cooperation of all factories with the Project, and especially the monitors, was satisfactory, except for one factory. While monitors were able to conduct a visit, albeit with some difficulty, consequent verbal and written requests to set up a meeting to discuss the draft report with management were not successful, either because meetings

set were cancelled or there was no response to requests made. The information for this factory has been incorporated into this report in as far as available.

## **2 Working Conditions Situation in 30 Factories**

The information in this chapter follows the structure of the checklist used by monitors when undertaking factory visits. Each sub-chapter contains a description of applicable law followed by a description of practice as found by the monitors. The description of the law is limited to the most relevant articles for each subject. For some subjects there are no specific legal provisions that regulate its application (sick leave, certain safety and health issues). This is indicated for each relevant subject. In those cases it should be borne in mind that this information does not represent a specific short coming vis-à-vis a specific article of the law, but rather an indication of the existence of situations that are not conducive to the application of the relevant general provisions.

### **2.1 Working conditions**

#### **2.1.1 Internal regulations**

Law (Art. 23 – 25, Notice 9/97):

Enterprises must have internal regulations specifying terms and conditions of employment. These must be developed in consultation with workers' representatives. Provisions in internal regulations that do not comply with the law are null and void. Internal regulations must be in Khmer, placed in a proper and accessible place and be legible.

Practice:

Twenty-five factories have internal regulations that comply with the law. Two factories have clauses in the internal regulations that are outdated, in that the minimum wage is indicated as 40 US\$ rather than 45 US\$ or that the attendance bonus is 2 US\$ rather than 5 US\$. There were 2 factories that had submitted (amended) internal regulations to MOSALVY but these had not yet been returned. One factory was in the process of translating draft internal regulations in preparation for submission to MOSALVY.

In 6 factories the internal regulations were not posted in the workplace, while in one they had been posted but were not legible.

In the period between the monitoring visits and the discussion of the draft report, 2 factories had posted the internal regulations in the workplace.

#### **2.1.2 Employment contract**

Law (Art. 9, 10, 65, 66, 68, Notice 06/97):

A labour contract establishes working relations between the worker and the employer. It is subject to ordinary law and can be made in a form that is agreed upon by the contracting parties. It can be written or verbal. A verbal contract is considered to be a tacit agreement between the employer and the worker under the conditions laid down by labour regulations, even if it is not expressly defined. Everyone can be hired for a specific work on the basis of time, either for a fixed duration or for an undetermined duration.

In accordance with the stability of employment, it is distinguished between regular workers and casual workers. Regular workers are those who regularly perform a job on a permanent basis. Casual workers are those who are contracted to: perform a specific work that shall normally be completed within a short period of time, perform a work temporarily, intermittently and seasonally. Casual workers are subject to the same rules and obligations and enjoy the same rights as regular workers, except for the clauses stipulated separately. A contract for a probationary period cannot last longer than three months for regular employees. The maximum contract period for an apprentice is two months.

Practice:

Most factories have documents that workers have to sign in order to get a job. This can be an application form or a contract of some type. Since there are four different categories of workers (apprentice, probation, regular, and casual) within factories, there are different arrangements in the factories. For example, workers enter into a verbal contract for the apprentice and probation period but sign a contract when they become regular workers (2 factories). Elsewhere, workers sign a separate contract for the different categories (6 factories), or workers sign a contract, which covers their apprentice period and/or their probationary period as well as the following period when they become regular workers (15 factories). In one factory, sample contracts analysed did not indicate the category of the worker. In 6 factories, only verbal contracts were concluded. This is allowed under the law. In one factory, workers signed written contract as of January 2001 where previously only verbal agreements were concluded.

In 6 factories, written contracts used contain stipulations that do not comply with the law. These stipulations included outdated references to the minimum wage (1 factory), hours of work, mostly over-time, beyond the legal limit or at the discretion of management (3 factories), unclear indications of wages for the different categories of workers (1 factory) and a wage indication below the minimum for casual workers (1 factory).

In 3 factories, workers were given a copy of the contract. In one factory, workers had been given a copy of their contract as of January 2001 where they had previously not. In 5 factories, workers indicated they understood their terms of employment. In 25 factories, workers indicated that they did not understand, or did not understand entirely, the contents of their employment contract.

In 4 factories, some workers indicated they had to pay someone a certain amount of money in order to get a job.

During the discussion of the draft report, one factory presented a new sample employment contract, which they would start using for new workers who would also be given a copy.

### **2.1.3 Collective agreement**

Law (art. 96-98, Prakas 197/98)

The collective agreement is a written agreement to determine the working and employment conditions of workers and to regulate relations between employers and workers as well as their respective organisations. It is signed between an employer, a group of employers or one or more organisations representative of employers and one or more representative trade union organisations. When there is no trade union, a collective agreement can be made between the employer and duly elected shop stewards. Collective agreements cannot be contrary to the provisions of the law. Rules and procedures applicable to the conclusion of a collective agreement include that it must be in Khmer, properly registered with MOSALVY and posted throughout the establishment.

Practice:

Twenty-four factories indicated that they did not have a collective agreement. In the 4 factories that indicated they did have a collective agreement, this amounted to either a collective dispute settlement agreement (1 factory), an agreement outlining the modalities of inter-action between the factory and the resident union and an agreement dealing with specific issues such as production quotas and seniority payment (2 agreements in 1 factory), or an agreement reconfirming provisions of the labour law (2 factories). These 5 agreements were not in conformity with the law in terms of applicable rules and procedures for concluding a collective agreement. In 3 factories, paragraphs in these agreements were not in conformity with the law because, respectively, the minimum wage was indicated below the current legal minimum, over-time was specified beyond the legal limits, and rules for dismissal for incompetence did not conform to applicable rules. One factory has an agreement, which partly restates provisions of the law and partly provides for better conditions than the law but the agreement has not been concluded in accordance with the relevant rules and procedures. One factory has an agreement, which partly restates provisions of the law and partly provides for better conditions. This agreement had been submitted to MOSALVY.

### **2.1.4 Wages**

Law (Art. 102-119, Prakas 017/00 and 006/97):

The term “wage” means the remuneration for the employment or service that is convertible in cash or set by agreement or by national legislation, and that shall be given to a worker by an employer, by virtue of a written or verbal contract of employment or service, either for work already done or to be done. Wages include, inter alia, actual wage or remuneration, overtime payments, bonuses, holiday pay, and maternity leave pay. Any

written or verbal agreement that would remunerate the worker at a rate less than the guaranteed minimum wage shall be null and void. For piecework, the wage must be calculated in a manner that permits a worker of mediocre ability to earn, for the same amount of time worked, a wage at least equal to the guaranteed minimum wage. Minimum wages established by virtue of this law must be permanently posted in the workplace and in payment and recruitment offices. The wage must be paid directly to the worker concerned and shall be paid in coin or bank note.

The minimum wage set for the garment sector is 45 US\$ for regular workers, 40 US\$ for workers on probation and 30 US\$ for apprentices. If a piece rate worker's output falls below 45 US\$, the employer is obliged to make up the difference. Workers are entitled to a 5 US\$ bonus for regular attendance. Normal overtime is paid at 1.5 times the normal rate. Work on Sunday and public holiday is paid at 2 times the normal rate. Nighttime, set by MOSALVY practice to be the period between 2200 and 0500 hours, is paid at 2 times the normal rate. Workers are entitled to a 1,000 Riel meal allowance, or a meal, when working 2 hours overtime.

Practice:

In 4 factories, the minimum wage was posted in the factory while in 26 it was not.

In 8 factories, workers indicated they received the wages they were entitled to and understood their wage calculations. In 14 factories, wage calculations were not clear to workers. Specific reasons indicated in this respect were that the payment sheet does not indicate the calculation but only the total amount (3 factories), the payment slip was in a language other than Khmer (5 factories), it showed only the total amount for each category (basic wage, overtime, etc.) without indicating the calculation for each category (1 factory), they did not know the appropriate wage rate for night work (1 factory), casual workers did not know their over-time calculation (1 factory), deferment of an incentive payment until the end of the year (1 factory) and that no pay slip was provided (3 factories). In 2 factories, workers indicated they understood their wage calculations following the introduction of a specified pay slip this year.

In one factory, pay slips in Khmer were being developed where they were previously only provided in another language. In one factory, individual pay slips were being developed where they had previously not been provided at all.

In 15 factories, workers indicated that they did not receive the wages they were entitled to. Situations indicated in this respect were that they continued receiving a probation salary when working for longer than three months, they only receive their piece-rate including over-time when this falls below the minimum wage, incorrect over-time calculations, including meal allowance, non payment of attendance bonus and over-time to regular or probation or casual workers, non-payment of the attendance bonus when workers refused to work over time, payment of a daily wage below the minimum wage to casual workers, and calculation of minimum wage of 45 US\$ as to consist of 40 US\$ basic wage and 5 US\$ attendance bonus .

In one factory, workers received the attendance bonus since June 2001 following a strike. In one factory, workers received the attendance bonus after having been employed for three months.

In 4 factories, indications were that the piece rate was not set at a level that permits a worker of mediocre ability working normally to earn, for the same amount of time worked, the minimum wage.

### **2.1.5 Return fare**

Law (Art. 188):

All workers who were recruited far from the workplace and whose trip to the workplace was paid for by the employer are, at the expiration of the contract or during leave period, entitled to a return trip to the place of recruitment at the expense of the employer.

Practice:

All factories covered by this report recruit workers locally and are therefore not obliged to pay workers a return fare.

### **2.1.6 Hours of work**

Law (Art. 137, 139, 144, 147, Prakas 90/98, 80/99, Notice 014/99):

The number of hours worked by workers of either sex cannot exceed eight hours per day, or 48 hours per week. Overtime can only be undertaken for exceptional and urgent jobs. Overtime must be undertaken voluntarily and workers should not be punished for refusing to work overtime. Overtime hours cannot exceed 2 hours per day. Night work has been set by MOSALVY practice as to be work undertaken between 2200 and 0500. Weekly time off shall last for a minimum of twenty-four consecutive hours. All workers shall be given in principle a day off on Sunday.

Practice:

In 26 factories, the official working hours amount to 8 hours. In 3 factories, a system is applied whereby they provide lunch to workers in return for a 9<sup>th</sup> hour of work. The Ministry of Labour allows this practice, as long as workers agree with this arrangement and the value of the lunch approximates the equivalent of one hour of over-time work. In one factory, normal working hours were 9 hours whereby workers indicated that one hour is not registered on their time card.

In 27 factories, over-time hours extend beyond the 2 hours allowed under the law or over-time work is not exceptional. While for 10 factories this appears to be occasional, for 17 factories it appears to be frequent/for several weeks or months in a row. In 5 factories, over-time hours occasionally extend beyond midnight.

Workers in 13 factories indicated that working over-time is not voluntarily undertaken or not always voluntarily undertaken.

During the discussion of the draft report, one factory presented an over-time sheet for workers to sign, which they would start using in the coming months.

All factories covered by this report have Sunday as their designated 24 hours off. In 25 factories, work was undertaken on Sunday, either occasionally (18 factories) or frequently/for several weeks/months in a row (7 factories). In 15 factories, workers indicated that working on a Sunday was undertaken voluntarily, while in 10 factories, workers indicated this was not voluntarily undertaken or not always voluntarily undertaken.

### **2.1.7 Leave**

Law (Art. 161, 166, 171, Prakas 76/98, 77/98) :

Each year, MOSALVY issues a Prakas determining the paid public holidays for workers of all enterprises. Payment for work on these days shall be 2 times the normal rate. All workers are entitled to paid annual leave at the rate of one and a half work days per month of continuous service, i.e., 18 days per year. The right to use paid leave is acquired after one year of service. The employer has the right to grant workers up to 7 days special leave during the event directly affecting a worker's immediate family, such as the worker's wedding, the worker's wife giving birth, the wedding of the worker's son/daughter, sickness or death of the worker's spouse/children/parents. If the worker has not yet taken his annual leave, the employer can deduct the special leave from the worker's annual leave. Workers are entitled to paid sick leave.<sup>1</sup>

Practice:

In all factories, workers indicated they were aware which days were public holidays. In 25 factories work was undertaken on public holidays. While for 20 factories this appears to be occasional, for 5 factories it appears to be frequent. In 17 factories, workers indicated that working on a public holiday was undertaken voluntarily, while in 8 factories they indicated this was not undertaken, or not always voluntarily undertaken.

All factories covered by this report officially provide 18 days of annual leave. In 2 factories, the practice is that annual leave was imposed during periods of low production. In 7 factories, annual leave is converted into a cash payment. MOSALVY allows this as long as workers have agreed. In one factory, workers can choose between taking annual leave and receiving cash compensation.

All factories covered by this report officially provide 7 days of special leave. In 9 factories, workers indicated it was not clear to them how many days special leave they are entitled to. In 23 factories, special leave taken was, as is allowed under the law, deducted from the annual leave. In 2 factories special leave was not deducted from the

annual leave nor from the wage. In 2 factories, special leave was deducted from the wage and in 1 factory from the attendance bonus. In 2 factories neither management nor workers could provide sufficient information on special leave.

In 15 factories, paid sick leave was provided when a medical certificate could be provided by the worker, though in some these had to be from designated clinics or had to be verified by factory medical staff. In 4 factories, paid sick leave was provided when so determined by the factory medical staff but no pay was provided with a medical certificate from outside. One factory provided sick leave when a medical certificate could be provided indicating a serious injury but no paid sick leave was provided for minor illnesses regardless of whether a medical certificate was provided. In one factory, 50% of wages was paid when a medical certificate was provided.

In 5 factories, wages are not paid regardless of whether workers have a medical certificate or not. In 2 factories, sick leave is deducted from annual leave when the worker has balance left and in one factory sick leave was considered as special leave. For one factory not enough information was available.

### **2.1.8 Maternity leave**

Law (Art. 182 and 183):

Women are entitled to a maternity leave of 90 days. Women having a minimum of one year uninterrupted service, are entitled to 90 days maternity leave with half their wage. The employer is prohibited from laying off women in labour during their maternity leave or at a date when the end of the notice period would fall during the maternity leave.

Practice:

In 24 factories, maternity leave is provided in accordance with the law. In one factory, workers are entitled to 6 months maternity leave with 3 months half pay and three months without pay. In one factory paid maternity leave is provided for 90 days but with less than half pay and payment is made after the worker had returned to work. In one factory, 90 days leave were provided but without half pay. In one factory, maternity leave had never been requested and workers were not aware that they have this right. In one factory, documents showed a discrepancy between payment slips and the payroll ledger for women on maternity leave in that the payroll ledger indicates half pay while the pay slip indicates full pay. In one factory, it is unclear whether workers understand they have the right to maternity leave.

### **2.1.9 Breast-feeding**

Law (Art. 184):

From one year from the date of child delivery, mothers who breast-feed their children are entitled to one hour per day during working hours to breast-feed their children. This hour

may be divided into two periods of thirty minutes each, one during the morning shift and the other during the afternoon shift.

Practice:

In one factory, time-off for breast-feeding is provided. In all other factories covered by this report, such time-off is not provided.

In the period between the monitoring visit and the discussion of the draft report, one factory had made an announcement, through the shop stewards, informing workers they are entitled to time-off for breast-feeding. No requests had been received.

### **2.1.10 Nursing room/day-care centre**

Law (Art. 186)

Enterprise employing a minimum of 100 women or girls shall set up, within their establishments or nearby, a nursing room and a day care centre. If the company is not able to set up a day care centre for children over 18 months of age, female workers can place their children in any day-care centre and the charges shall be paid by the employer.

Practice:

No factory covered by this report had a nursing room/day-care centre. Also, none of them pay for the cost of private day-care centres.

In the period between the monitoring visit and the discussion of the draft report, one factory had set up a day care centre which was not yet operational and had a limited capacity.

### **2.1.11 Sexual harassment/indecent behaviour**

Law (Art. 172):

All form of sexual violation (harassment) is strictly forbidden. All employers and managers of establishments in which child labourers or apprentices less than 18 years of age or women work, must watch over their good behaviour and maintain decency before the public.

Practice:

In none of the factories covered by this report, workers indicated they had experienced sexual harassment. In 10 factories, workers indicated they sometimes felt mistreated by supervisors. Examples given by workers include chiding, (2 factories) cursing (3 factories), shouting (3 factories), throwing cloth at workers (1 factory), and twisting ears (1 factory).

### **2.1.12 Discrimination**

Law (Art. 12):

No employer shall consider on account of race, colour, sex, creed, religion, political opinion, birth and social origin to be the invocation in order to make a decision on hiring, defining and assigning of work, vocational training, advancement, promotion, remuneration, granting of social benefits, discipline or termination of employment contract.<sup>2</sup>

Practice:

In 29 factories covered by this report, workers indicated that there was no discrimination. In one factory, workers claimed that management, in general, preferred not to recruit male workers and that, specifically, Cambodian men were not recruited while Vietnamese men were. Management denied this and said that recruitment depended on qualifications. The factory employs 220 workers of which 208 females and 12 males. Out of 6, non-management, male staff recruited, 4 are Vietnamese and 2 are Cambodian.

### **2.1.13 Forced labour**

Law (Art. 15, ILO Convention No. 29):

Forced or compulsory labour is absolutely forbidden in conformity with the ILO Convention No. 29 (1930) on Forced Labour as ratified by the Kingdom of Cambodia on February 24, 1969. Convention No. 29 defines forced or compulsory labour as all work or service, which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.

Practice:

No indications were found in any of the factories covered by this report that forced labour was imposed.

### **2.1.14 Child labour**

Law (Art. 177):

The minimum age for wage employment is set at 15 years. The minimum age for any kind of employment or work, which, by its nature, could be hazardous to the health, the safety, or the morality of an adolescent, is 18 years. Children from 12 to 15 years of age can be hired to do light work provided that the work is not hazardous to their health or mental and physical development and the work will not affect their regular school attendance or their participation in guidance programs or vocational training approved by a competent authority.<sup>3</sup>

Practice:

No indications were found in any of the factories covered by this report that child labour was practiced.

## **2.2 Safety and Health**

Note: The Labour Code of Cambodia contains a general chapter on health and safety. Thus, article 229 stipulates that all establishments must maintain the working conditions necessary for the health of the workers, while article 230 stipulates that all establishments must be set up to guarantee the safety of workers. Inclusion of specific safety and health issues in the checklist, which was approved by the Project Advisory Committee and is used by monitors when undertaking factory visits, is based on these articles of the Labour Code. Considering the general nature of the legal provisions with regard to safety and health, it is important to emphasize that, where no indication of a specific article of the law is provided with regard to one of the sub-sections below, the information under that sub-section does not represent a specific short-coming vis-à-vis a specific article of the law, but rather an indication of the existence of situations that are not conducive to guaranteeing the health and safety of workers.

### **2.2.1 General**

#### **2.2.1.1 Safety and health policy**

Law:

There are no specific legal requirements with regard to the development and implementation of a safety and health policy.

Practice:

There was one factory that had a safety and health policy. In the 5 factories that indicated they did have such a policy, this was a reference/references to safety and health issues in the internal regulations. There are 24 factories that do not have a safety and health policy.

#### **2.2.1.2 Work related accidents**

Law (Prakas 58/98):

Owners or managers of enterprises and establishments of industry shall notify in writing any work related accident to the Department of Social Security of MOSALVY, if the enterprise is located in Phnom Penh, or to the provincial or municipal Inspectorate.

Practice:

In 20 factories, the number of accidents/illnesses was recorded. None of the factories that keep a record transmit it to the relevant authorities. In 10 factories, no record was kept.

#### **2.2.1.3 Compensation for work related accidents**

Law (Article 248, 253, 254):

An accident is considered to be work related, regardless of the cause, if it happens to a worker working or during the working hours, whether or not the worker was at fault. Equally, accidents happening to the worker during the direct commute from his residence to the work place and home are also considered to be work related. Victims of work related accidents shall be entitled to medical assistance (benefits in kind, medical treatment and medicine as well as hospitalisation) and to all surgical assistance and prostheses deemed necessary after the accident. Compensation for fatal accidents or for accidents causing permanent disability is paid to the victim or his beneficiaries as an annuity.

Practice:

In 23 factories, indications were that the employer did provide compensation. In one factory, compensation is limited to 50% of the actual cost. In 6 factories, indications were that the employer did not provide any compensation. In one factory, both management and workers said that no major accident had ever happened and that they therefore did not know.

In 2 factories, workers had died in car accidents on their way to/from work. In one factory, full compensation was paid to the beneficiaries, while in the other management claimed that a payment was made to the beneficiaries but no documents were available for verification of its correctness.

#### **2.2.1.4 Emergency arrangements**

Law:

There are no specific legal requirements with regard to emergency arrangements.

Practice:

In 17 factories the emergency exits were open, clearly marked and easily accessible. In 5 factories one or more emergency exits were locked. In 5 factories they were not clearly marked and in 2 factories they were not easily accessible. In one factory, all emergency doors were locked. In 14 factories, regular emergency drills were held and/or workers were aware what to do in case of an emergency, while in 16 factories this was not the case.

In 24 factories, an appropriate number of fire extinguishers was available that were within easy reach of workers. In 5 factories, while an appropriate number of fire extinguishers were available, these were not all within easy reach. In one factory, an insufficient number of fire extinguishers were available of which some were not in easy reach. In 11 factories workers and/or other personnel had been trained in the use of fire extinguishers.

#### **2.2.1.5 First aid**

Law:

There are no specific legal requirements with regard to the availability of first aid kits in the work place.

Practice:

An appropriate number of properly stocked and easily accessible first aid boxes were available in 5 factories. In 7 factories, first aid boxes were not available in an appropriate number, and in 5 factories they were not properly stocked, in 5 factories they were locked without someone being present directly on the work floor that had the key. No first aid boxes were available directly on the work floor in 15 factories. They were available in offices in 2 factories but in one instance these were not properly stocked.

During a monitoring visit, monitors observed staff at one factory replenishing the first aid kits. During the time between the monitoring visit and the discussion of the draft report, 5 factories had installed (additional) first aid boxes but in one instance these were empty. One factory had properly stocked the first aid kits where they were previously not.

#### **2.2.1.6 Infirmary**

Law (Art. 242, 244, Prakas 330/00):

All enterprises employing at least 50 workers shall have a permanent infirmary on the premises. This infirmary shall be run by a physician assisted by one or more nurses, based on the number of workers. During working hours, both day and night, there shall always be at least one nurse present. The infirmary shall be supplied with adequate materials, bandages and medicines to provide emergency care in the event of accidents or occupational illness or sickness during work. Where there are more than 200 workers, the infirmary must include areas for hospitalising the injured and sick. These areas must be able to handle 2 percent of the personnel employed at the site.

Practice:

In 27 factories, infirmaries had been set up. In different instances these were either locked (1 factory), did not have a nurse/doctor on duty during working hours, especially overtime (20 factories), had not recruited a doctor (4 factories), did not have a doctor physically present during the required hours though on call (1 factory), and/or did not

have the appropriate supplies and/or instruments (17 factories). None of the infirmaries had the required hospitalisation capacity. In 3 factories no infirmary had been set up.

During the time between the monitoring visits and the discussion of the draft report, 2 factories had physically set up an infirmary but these were not yet operational. One factory showed us plans to enlarge the capacity of the infirmary.

## **2.2.2 Hazardous substances**

### **2.2.2.1 Storage**

Law:

There are no specific legal requirements with regard to the storage and use of potentially hazardous substances.

Practice:

Because of the lack of capacity within the project to determine whether or not a substance is potentially hazardous, this subject is not covered. The monitors will be provided with the required training shortly.

### **2.2.2.2 Protective measures**

Law:

There are no specific legal requirements with regard to the provision of protective equipment.

Practice:

In the 9 factories where protective equipment was provided to workers who need it, not all workers used it. In 5 factories, not all sections where it was needed were provided with protective equipment. In 16 factories, no suitable protective equipment was provided to workers who need it.

Following a post-visit discussion, we observed that in 4 factories, workers in a particular section had been provided with protective measures where they had previously been not.

In 12 factories, workers were not allowed to wear their own footwear nor were they provided with suitable alternative footwear.

## **2.2.3 Lighting**

Law:

There are no specific legal requirements with regard to lighting.

Practice:

In 27 factories, lighting was of an appropriate level. In 2 factories, the height of the lighting network was not appropriate, while in 1 factory lighting in the warehouse was not appropriate.

During the period between the monitoring visit and the discussion of the draft report, one factory had improved lighting in the warehouse to an appropriate level.

#### **2.2.4 Noise**

Law:

There are no specific legal requirements with regard to noise levels.

Practice:

In 23 factories, the noise level was within appropriate levels. In 7 factories this was not the case. In one factory this was due to noise generated by a small number of machines operated directly by workers, in 4 factories due to the placement of the generator, in 2 factories because music was played or announcements made through an intercom system at an inappropriate volume level, and in one factory workers in one section switched off exhaust fans because of the level of noise they produced.

In the period between the monitoring visit and the discussion of the draft report, one factory had taken measures that had reduced noise levels from the generator, and indicated it had developed plans to further reduce noise to bring it to an acceptable level. Another factory had taken measures that had reduced the noise level from the generator to within acceptable levels.

#### **2.2.5 Machine safety**

Law:

There are no specific legal requirements with regard to machine safety.

Practice:

In 20 factories, the condition of machines and wiring systems were of an appropriate standard, while in 10 factories this was not the case.

#### **2.2.6 Ventilation and heat**

Law:

There are no specific legal requirements with regard to ventilation and heat.

Practice:

In 12 factories, the temperature and measures taken to ensure ventilation and air circulation were of appropriate levels. In 18 factories this was not the case, either for the entire factory (5 factories) or for certain sections (13 factories).

After the discussion of the draft report, we observed that two large exhaust fans were being installed in one factory. Also, one factory had installed additional exhaust fans to reduce temperature in one particular section and we were informed that workers in that section would be provided with light clothing. In one factory, additional ceiling and standing fans had been provided in two particular sections.

### **2.2.7 Housekeeping**

Law:

There are no specific legal requirements with regard to housekeeping.

Practice:

In 11 factories, cleanliness was of an appropriate level, while in 19 factories, floors and/or walls and/or windows and/or ceilings were not clean.

In 17 factories, the storage of, or waste from, products in process was not appropriate in terms of blocking the free flow of people and production materials. In 2 factories, equipment blocked the free flow of people and production materials. In one factory, a steam exhaust pipe leaked onto a passage-way outside the factory building frequently used by workers.

In 5 factories, equipment to transport heavy and/or bulky material was not available and in 3 factories this equipment was not available in appropriate numbers.

In the period between the monitoring visit and the discussion of the draft report, workplace organisation had improved in one factory and the storage of products in process was of an appropriate standard.

### **2.2.8 Welfare**

#### **2.2.8.1 Drinking water**

Law (Prakas 054/00):

Employers shall provide sufficient and hygienic beverage to their workers. To maintain hygiene and sanitation, the beverage must be kept in a container with a cover and a faucet. The container must be placed near the workplace. The employer shall arrange, in

a hygienic and sanitary manner, to make available cups and glasses or other sanitary means to the workers.

Practice:

In all 30 factories drinking water was provided to workers. In 24 factories the water provided was of an appropriate quality and quantity. In 2 factories, the water was placed, in general terms, in a non-hygienic environment, while in one factory it was placed too close to the toilets, and in another factory next to containers for washing substances. In one factory, workers claimed that the water sometimes made them sick and that there was sometimes not enough. In another factory, water was not available on all floors.

In 20 factories, no or not enough cups were provided (17 factories) and/or these were not clean (3 factories).

In the period between the monitoring visit and the discussion of the draft report, 2 factories had purchased additional cups.

#### **2.2.8.2 Sanitation facilities**

Law (Prakas 052/00):

Enterprises should establish hygienic and appropriate toilets for workers. The number of toilets to be established depends on the number of workers in the enterprise. Toilets must be built according to certain specifications, which include waterproof floors and walls, a door with a latch, appropriate lighting, and appropriate and hygienic drainage. Toilets should be cleaned at least once a day.

Practice:

In 21 factories, the number of toilets was in line with, or above, the legal requirements. In 9 factories, this was not the case, partly because in 2 factories some toilets were not functioning. In 11 factories, the cleanliness of the toilets was of an appropriate level, while in 19 factories this was not the case. In 3 factories the timing, frequency or length of toilet breaks was monitored/regulated.

After discussion of the draft report, one factory showed us that it had built additional toilets bringing the total number of toilets beyond the required number.

#### **2.2.9 Seating**

Law (Prakas 053/00):

Every enterprise should provide suitable chairs according to the needs of the workers. Workers undertaking their work in a standing position should be provided with suitable chairs close to the workplace in case they need them.

Practice:

In all 30 factories, the seating arrangements for workers who undertake their work sitting down were not appropriate in that heights could not be adjusted or lacking backrest.

Workers who undertook their work in a standing position were not able to sit down when taking a break because they were either not allowed to do so (9 factories) and/or no, or not enough, chairs/benches were provided for this purpose (19 factories).

In the period between the monitoring visit and the discussion of the draft report, one factory had provided benches for workers who undertake their work in a standing position.

## **2.3 Labour Relations**

### **2.3.1 Workers' freedom to organise**

Law (Art. 266, 267, 280 ) :

Workers and employers have, without distinction whatsoever and prior authorisation, the right to form professional organisations of their own choice for the exclusive purpose of studying, promoting the interests, and protecting the rights, as well as the moral and material interests, both collectively and individually, of the persons covered by the organisations' statutes. Workers' unions and employers' associations have the right to draw up their own statutes and administrative regulations, as long as they are not contrary to laws in effect and public order, to freely elect their representatives and to formulate their work programme. Acts of interference are forbidden. Acts of interference are primarily measures tending to provoke the creation of worker organisations dominated by an employer or an employers' organisation, or the support of worker organisations by financial or other means, on purpose to place these organisations under the control of an employer or an employers' organisation.

Practice:

In 11 factories, no union was present. In 15 factories, 1 union was present, in 3 factories, 2 unions were present and in one factory 3 unions were present.

In 22 factories, there were no indications that there were circumstances that hampered workers in freely organising, while in 8 factories such indications were present. In this respect, workers in these factories indicated that workers complaining to management were dismissed without valid reason, workers trying to set up a union were dismissed without a valid reason, and they were afraid of possible management reaction if they

would set up, or join, a union. Also, in one factory, a union leader claimed her activities were monitored by management. Management denied this.

### **2.3.2 Anti-union discrimination**

Law (Art. 279, 293, Prakas 313/00):

Employers are forbidden to take into consideration union affiliation or participation in union activities when making decisions concerning recruitment, management and assignment of work, promotion, remuneration and granting of benefits, disciplinary measures and dismissal. The three most senior leaders of a registered union, including the chairperson, vice-chairperson and the secretary, can be dismissed only after authorisation from the Labour Inspectorate.

Practice:

In 24 factories there were no indications of anti-union discrimination. In 5 factories, such indications were present such as the firing of union leaders/activists without a valid reason or the transfer of a union leader to a different position. In one factory, workers claimed that a union leader had been fired without a valid reason, but, in fact, the worker's contract showed that it had not been renewed beyond the specified termination date.

### **2.3.3 Shop stewards**

Law (Art. 283, Arts. 285, 287, 288, 292, 293, Prakas 659/98):

In every enterprise where at least 8 workers are normally employed, the workers shall elect a shop steward to be the sole representative of all workers who are eligible to vote. The number of shop stewards is set in proportion to the number of workers in the establishment as follows: from 8 to 50 workers one official shop steward and one assistant shop steward; from 51 to 100 workers two official shop stewards and two assistant shop stewards; more than 100 workers: one extra official shop steward and one extra assistant shop steward for each group of one hundred workers.

Procedures applicable to shop steward elections include that the election shall take place during working hours, that the ballot is secret, that elections for stewards and assistants are separate but at the same time, that the shop stewards are elected from the candidates nominated by the workers/representative union organisations within each establishment, that the employer organise the elections, and that the Labour Inspectorate is notified of the election results. Shop stewards can only be dismissed after authorisation from the Labour Inspectorate.

The dismissal of a shop steward or a candidate for shop steward can take place only after authorisation from the Labour Inspectorate.

Practice:

In 13 factories, the elections of shop stewards and shop steward assistants were held in accordance with the applicable rules and procedures and the appropriate number of shop stewards and assistants were elected. In one of these factories, ILO monitors observed shop steward elections. In 13 factories, such elections were not held in accordance with the applicable rules and procedures because workers/unions were not allowed to nominate their candidates (6 factories), and/or the workers were not given the required time to decide who to vote for (4 factories), not enough stewards were elected (1 factory), and/or only one electoral body was created (4 factories), and/or election procedures were not announced long enough in advance (1 factory), and/or the number of votes exceeded the number of workers (1 factory). In one factory, a shop steward election certificate was provided to us, but not the minutes of the election, and workers in this factory said there were no shop stewards in the factory. In 4 factories the term of office for shop stewards had expired.

In one factory where previous elections had not been held in accordance with relevant procedures, new elections had been held in the period between the monitoring visit and the discussion of the draft report. Though some of the applicable procedures had been followed, not enough information was provided to verify whether the whole process had been correct.

#### **2.3.4 Liaison officer**

Law (Sarachor 021/99):

Every enterprise should recruit at least one independent officer who is responsible for solving complaints and other issues brought forward by employees. This officer will be paid by the employer and agreement concerning a candidate should be obtained from the union or worker representatives prior to recruitment.

Practice:

In 29 factories, a liaison officer had not been recruited. One factory had recruited a liaison officer but no agreement had been obtained from the union/worker representatives prior to recruitment.

#### **2.3.5 Collective disputes (last 12 months)**

Law (Art. 302, 303, Prakas 144/97):

A collective labour dispute is any dispute that arises between one or more employers and a certain number of their staff over working conditions, the exercise of the recognised rights of professional organisations, the recognition of professional organisations within the enterprise, and issues regarding relations between employers and workers, and this dispute could jeopardise the effective operation of the enterprise or social justice. The

parties shall communicate the collective labour dispute to the Labour Inspector of their province or municipality for conciliation.

Practice:

In 14 factories, no collective dispute occurred during the last 12 months, while in 16 factories collective disputes did occur. At one factory, one dispute, which concerned production quotas, was discussed with the shop stewards but no agreement was reached. At one factory, two disputes, which concerned a management decision to reduce over time from 4,5 to 2 hours a day, was discussed with shop stewards but no agreement was reached.

Where collective disputes led to strikes they will be discussed under paragraph 3.6.

### **2.3.6 Strike/lock-out (last 12 months)**

Law (Art. 318, 320, 323, 324, 330, 332, 333, 337):

A strike is a concerted work stoppage by a group of workers that takes place within an enterprise for the purpose of obtaining the satisfaction for their demand from the employer as a condition of their return to work. The right to strike can be exercised when the union representing the workers deems that it has to exert this right to enforce compliance with a collective agreement or the law. It can also be exercised, in a general manner, to defend the economic and socio-occupational interests of workers. The right to strike can be exercised only when all peaceful methods for settling the dispute with the employer have already been tried out. A strike shall be declared according to the procedures set out in the union's statutes, which must state that the decision to strike is adopted by secret ballot. A strike must be preceded by prior notice of at least 7 working days and be filed with the enterprise and MOSALVY. A strike must be peaceful. The worker shall be reinstated in his job at the end of the strike. The employer is prohibited from imposing any sanction on a worker because of his participation in a strike. The Labour Court or, in the absence of the labour Court, the general court, has sole jurisdiction to determine the legality or illegality of a strike.<sup>4</sup>

A lockout is a total or partial closing of an enterprise by the employer during a labour dispute. The right to a lockout shall be exercised under the same provisions as the right to strike.

Practice:

In 14 factories, no strike occurred during the last 12 months. In 7 factories, 1 strike occurred during the last 12 months, in 7 factories 2 strikes occurred during the last 12 months, and in 2 factories 3 strikes occurred during the last 12 months.

The reasons for strikes held were the dismissal of a union leader(s)/shop stewards allegedly without a valid reason (4 factories), the dismissal of a union leader with a valid

reason (2 factories), the dismissal of (individual) workers (2 factories), the dismissal of worker activists (non-elected) during a strike (1 factory), non-compliance with various provisions of the law (6 factories), in solidarity with striking workers at another factory (2 factories), partial payment of wages with deferment of the remaining wage payment to next month (1 factory), demand for payment of 45 US\$ minimum wage following the issuing of the relevant regulation (2 factories), non-payment of over time and meal allowance (1 factory), and to ensure that an agreement concerning wages when the factory had no work would be honoured by new management (1 factory).

In the 27 cases of strikes held, 16 agreements were reached/solutions found with the assistance of the Labour Inspectorate and 10 agreements were reached/solutions found without assistance from the Labour Inspectorate. In the case of one strike, negotiations following a strike did not lead to an agreement between the parties but negotiations, with assistance from MOSALVY, following a second strike held for the same reason did lead to an agreement. Of all 26 agreements reached/solutions found following a strike, indications for all of them were that they had been or were, at least to some degree, in the process of being implemented. After 22 strikes, all workers were reinstated in their jobs. In 2 factories, two workers were fired for organising a strike, in one factory, 9 workers (including shop stewards and a union leader) accepted dismissal/resigned with payment of indemnity, in another factory the union leader accepted to be transferred to a different position and in yet another factory the union leader resigned with payment of an unknown sum.

None of the 27 strikes held were organised by workers/unions in accordance with the applicable rules and procedures. All of them were peaceful.

There were no lockouts in any of the factories covered by this report during the last twelve months.

### **2.3.7 Individual disputes**

Law (Art. 300, 301, Prakas 145/97):

An individual dispute is one that arises between the employer and one or more workers or apprentices individually, and relates to the interpretation or enforcement of the terms of a labour contract or apprenticeship contract, or the provisions of a collective agreement as well as regulations or laws in effect. Prior to any judicial action, an individual dispute can be referred for a preliminary conciliation, at the initiative of one of the parties, to the Labour Inspector of his province or municipality.

Practice:

In 24 factories, there were no indications that any individual disputes had been referred to the Labour Inspectorate. In 4 factories, one individual dispute was referred to the Labour Inspectorate. In 2 factories, 2 individual disputes were referred to the labour inspectorate. Out of the 8 individual disputes referred to the labour inspectorate, an agreement was

reached and implemented in 7 cases. One ongoing individual dispute is under consideration by MOSALVY.

Where individual disputes led to strikes, they are also incorporated in section 2.3.6.

### **3. Agreement of Factories with Findings**

Of the 30 factories to which a final report was sent, 15 factories had returned the final report as of 22 November 2001. Of these, 8 factories agreed with all the suggestions for improvement in the report, while the other 7 factories indicated they did not agree with some of the findings/suggestions in the report or provided additional information.

One factory did not agree with findings/suggestions concerning the employment contract, the payment of the attendance bonus, involuntary overtime, the provision of sick leave, the provision of special leave, and the responsibilities of the nurse. Another factory did not agree with the findings/suggestions and provided further information concerning changes made after the discussion of the final report with management with regard to the employment contract, wage deduction for taking leave, working hours, nursing room, compensation for accidents, first aid kits, protective measures and shop stewards. Another factory did not agree with findings/suggestions concerning the provision of a return fare, the transmission of a record of accidents/illnesses to the relevant authorities, protective measures, sanitation and the availability of a nursing room/day care centre. One factory did not agree with suggestions made with regard to housekeeping and shop stewards. One factory provided further information with regard to housekeeping, the payment of 5 US\$ attendance bonus, and the provision of a breast-feeding break. One factory did not agree with the suggestion concerning the recruitment of an independent liaison officer. Another factory did not agree with findings/suggestions concerning the sanitation facilities, the infirmary, ventilation and heat and shop stewards.

The information provided by factories will be discussed during the first follow-up visit to the relevant factory.

### **Concluding Remarks**

This report shows that situations in factories differ, sometimes dramatically, illustrating that, while no factory is perfect, measures can be taken to ensure that profitability goes hand in hand with decent working conditions. While the onus in this respect is on individual employers, it will require the support of all parties involved to bring about change where change is required.

It is hoped that this report, by illustrating that shortcomings in the application of the law by factories exist, will provide a base from which all parties that have a role to play in making positive changes from which they can work, both individually and collectively,

towards improving working conditions in the garment sector. Action to be taken in this regard will include law enforcement, dialogue between factory management and their workers, the provision of advice on how changes can be made, education on applicable legislation, and peer pressure.

For its part, the ILO will continue working with all parties involved to bring about this change. It will do so, inter alia, by providing the names of the factories covered by this report to the Labour Inspectorate so that a dialogue can be set up and appropriate action can be taken, by assisting factories which make specific requests in order to improve working conditions, by developing tools that factories can use to make changes, and by training Government officials, employers and trade unions on the content of the law and on the role they can play in implementing it.

## **Statement of the Project Advisory Committee on the Release of the First ILO Synthesis Report on the Working Conditions Situation in Cambodia's Textile and Apparel Sector**

On 20 January 1999, the Governments of the Kingdom of Cambodia and the United States of America entered into a three-year Trade Agreement on Textile Products and Apparel. The Agreement also provides for the implementation of a programme to improve working conditions in the textile and apparel sector, including internationally recognised core labour standards, through the application of Cambodian labour law. It sets an export quota for textile products from Cambodia to the United States and offers a possible 14% annual increase in export entitlements, provided the Royal Government of Cambodia supports the implementation of a programme to improve working conditions in the textile and apparel sector.

The Royal Government of Cambodia and the Government of the United States of America requested ILO technical assistance to set up a project to implement the Agreement, specifically the article concerning working conditions. On 4 May 2000, a technical cooperation project with a budget of US\$ 1.4 million (USA 1 million, Royal Government of Cambodia and GMAC 200,000 each) over a period of three years was agreed upon. The Project commenced in January 2001.

The execution and implementation of the project is guided by a Project Advisory Committee (PAC), which comprises three representatives each from the Government of Cambodia, the GMAC and the Cambodian trade union movement.

On 21-22 November 2001, the PAC met in Phnom Penh to review and endorse the first ILO Synthesis Report on the working conditions situation in Cambodia's textile and apparel sector as follows:

The members of the Project Advisory Committee welcome the release of the first quarterly report on the ILO labour conditions monitoring programme. The PAC appreciates the work of the ILO project team in completing this first report.

We believe that the joint decision of the PAC to support the ILO programme has brought positive benefits to all of the parties in Cambodia and has led to improved working conditions and greater respect for the rights of workers. At the same time, all parties recognise that additional work remains to be done before labour standards throughout the garment sector are fully acceptable.

We are pleased that with regard to the fundamental labour standards of the ILO, the initial ILO report did not find child labour, forced labour, or discrimination to be matters of concern in the factories surveyed. And although more work remains to be done to ensure that workers' rights to organise are fully enforced in Cambodia, we also note that in a majority of factories covered by the first report no violations of trade union rights were indicated. We also note that the number of trade unions and trade union members have grown considerably in recent years and now comprise 8 federations and over 200 factory level unions. The report also suggests some areas, including those pertaining to wages and overtime work, where more work needs to be done in the implementation of Cambodian labour laws, and all parties will undertake further efforts towards that objective.

The PAC notes that several new Prakas (Ministerial Regulations) have been issued by the Ministry of Social Affairs, Labour, Vocational Training and Youth Rehabilitation, especially with regard to the representativeness of unions and a number of safety and health issues.

All members of the Project Advisory Committee remain fully committed to the continuation of the ILO monitoring project, and pledge their full cooperation to the ILO in this regard. At the same time, we hope that our unique effort on labour standards in Cambodia will receive continued and higher levels of support and recognition from the U.S. Government. We also express our request that U.S. buyers demonstrate their support for the efforts underway in Cambodia through expanded and long-term commitments to sourcing from our garment industry.

We look forward to our continued collaboration and to building an effective and positive partnership on behalf of the Cambodian garment industry and its workers, and hope that the working conditions situation in Cambodia's textile and apparel sector will improve from day to day.

Phnom Penh, 22 November 2001

---

1. Sick leave is not further regulated with regard to length, conditions and percentage of wage payments.

2. Discrimination on the basis of union membership or union activities is included in Article 12 of the Labour Code but has been left out of this section of the report since it is covered separately by section 3.2 on anti-union discrimination.

3. Article 177 stipulates that Prakas will define what types of employment or work would constitute hazardous and light work. These have not been issued yet.

4. Cambodia does not have a labour court system.