



*Tracking Study of Cambodian Garment Sector Workers
Affected by the Global Economic Crisis*

**Second Tracking Survey
Final Report**

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Table of Contents

Executive Summary	4
Part I: Overview	8
1. Background	8
2. Methodology	8
Part II: Survey Findings	9
3. Workers Not Found	11
4. Workers Found	12
4.1 Long-Term Employed	12
4.2 Long-Term Unemployed	15
4.3 Workers Employed from First Tracking	18
4.4 Workers Unemployed from First Tracking	21
4.5 Recently Unemployed	23
4.6 Recently Employed	25
5. Conclusions	28

List of Figures and Table

Figures

Figure 1: Map of Workers Tracked.....	9
Figure 2: Categories of Workers.....	10
Figure 3: Any changes in salary over the last three months? (Long-Term Employed Workers).....	12
Figure 4: Employed At New Job by Sector.....	18
Figure 5: What is your new job? (Recently Employed Workers).....	25

Tables

Table 1: Summary of Interviews for Second Tracking Survey.....	8
Table 2: Workers Not Found in Tracking 2.....	11
Table 3: Where Are Missing Workers Doing Now?.....	11
Table 4: Trend of Hardships (Long-Term Employed Workers).....	13
Table 5: Over the past three months, have you had to reduce spending? (Long-Term Employed Workers)	14
Table 6: Trend of Coping Strategies of Long Term Employed Workers.....	14
Table 7: What have you been doing over the past 3 months? (Long-Term Unemployed).....	15
Table 8: What do you plan to do over the next three months?.....	16
Table 9: Trend of Coping Strategies of Long-Term Unemployed Workers.....	16
Table 10: Has your family sent another member to find work? (Long-term Unemployed).....	17
Table 11: Over the past 3 months, any changes in salary? (Workers Employed from First Tracking).....	18
Table 12: Hardships of Workers Employed from First Tracking.....	19
Table 13: Over the past three months since the first tracking survey, have you had to reduce spending (Workers Employed from First Tracking)?.....	20
Table 14: Coping Strategies of Workers Employed from First Tracking.....	20
Table 15: What have you been doing over the past three months since the first tracking?.....	21
Table 16: Over the past three months, have you reduced spending? (Unemployed from First Tracking).....	21
Table 17: Over the past three months, how are you financing your unemployment?.....	22
Table 18: What do you plan to do over the next three month? (Number of Workers).....	22
Table 19: Due to your terminations, have you had to reduce spending? (Recently Unemployed).....	23
Table 20: How are you financing your living costs during unemployment? (Recently Unemployed).....	24
Table 21: Contract Duration by Sector (Recently Employed Workers).....	25
Table 22: Type of Employment by Sector (Recently Employed Workers).....	26
Table 23: Changes in Salary by Sector (Recently Employed Workers).....	26
Table 24: Compared to previous job, how are the working conditions at your new job? (Recently Employed Workers).....	27
Table 25: Compared to previous job, how are opportunities to earn extra income at your new job? (Recently Employed Workers).....	27
Table 26: Over the past three months since the first tracking, how are you coping with your hardships? (Recently Employed Workers).....	27
Table 27: How did you get information about the job opportunity? (Recently Employed Workers).....	28
Table 28: Net Employment Three Months After First Tracking Survey.....	28

Executive Summary

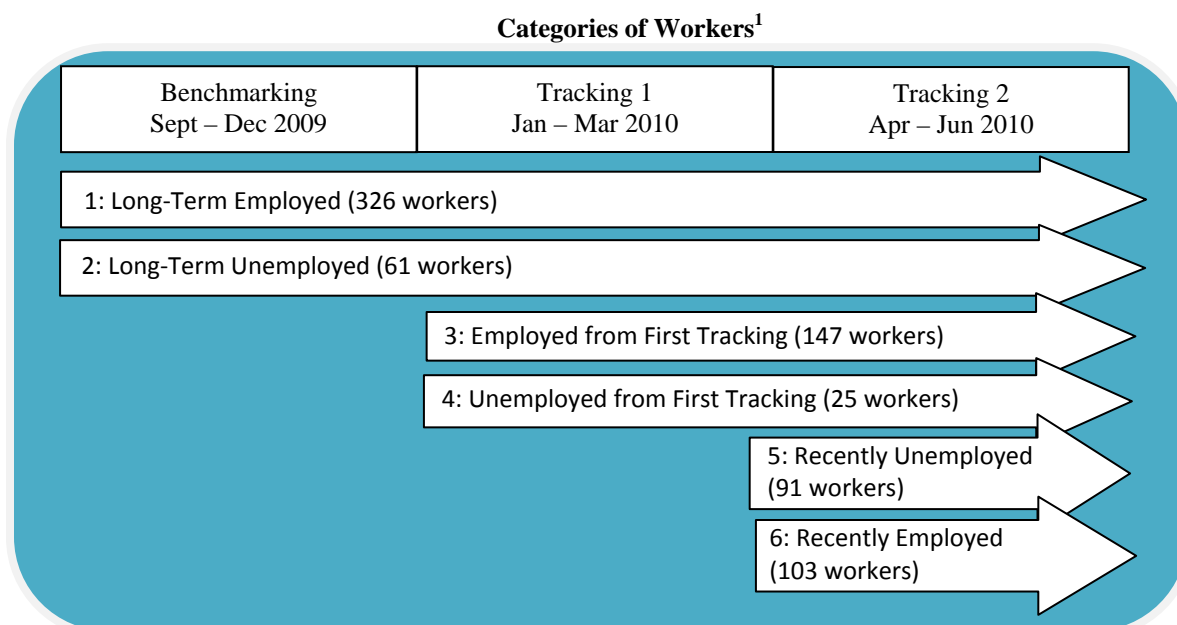
Background

ILO is undertaking a 6-month tracking survey of 2000 garment workers (1200 employed, 800 unemployed) in order to learn about the hardships workers are facing as a result of the global economic downturn, and their coping and job seeking strategies. The survey is supported by UNDP and implemented by the Cambodia Institute of Development Study (CIDS).

The project consists of a benchmarking survey, followed by two tracking surveys. The initial benchmarking was conducted between September and December 2009 with workers from 199 garment factories in and around Phnom Penh. The first follow-up interviews with the same workers were conducted three months later, between January and March 2010. The second tracking was carried out from April to June 2010. This report presents the findings from the second tracking survey.

Survey Findings

The objective of this second tracking is to monitor the changes in hardships and coping strategies of workers three months after the first tracking. From the original 2,000 workers interviewed in the benchmarking survey, the team found 1,008 workers during the first tracking. Of the 1,008 workers, the team was able to follow up with 712 workers for this second tracking. Among them, 576 are currently employed and 136 are unemployed. To analyze the trend in hardships and coping strategies of workers, workers are categorized as following:



¹ The sum of workers exceeds 712 workers surveyed in the second tracking because 41 workers in the Recently Unemployed group have already found a job and are thus, also in the recently found new job group.

Long-Term Employed

Long-term employed refers to workers who remain employed at the same garment factory throughout the 9-month project. At benchmarking, many workers in this group encountered a decline in income due to significant reduction in overtime. At the first tracking, their overtime and income, in general, slightly increased. At the second tracking, most of these workers are earning stable income, around \$91 per month for a 58-hour work week. Despite recent improvements, many workers are still trying to financially recover from the earlier drop in income, in which they accumulated debt. Employed workers have coped with their cash shortages by reducing their spending on basic needs such as on food, transportation and healthcare, as well as by borrowing from private money lenders, friends and family.

Overall, their hardships at the factory have lessened, but many still perceive health/safety services and asking for days-off as problems. Regarding health and safety, the evaluation of some workers may have been related to their overall personal situation rather than only to the situation at the factory. However, some workers indicated specific changes in the factory such as fewer doses of medicine from the factory clinic, or poor air ventilation due to disconnection of air conditioners.

Long-Term Unemployed

Long-term unemployed refers to workers who remain unemployed throughout the 9-month project. Over the course of the project, we see a continuous migration of unemployed workers going **back and forth** between their home province and Phnom Penh. At the second tracking, some workers have gone back to the province after failing to find a job, while some workers have returned to Phnom Penh to try again. The majority of jobseekers are looking for a garment factory job.

As unemployment continues, personal savings run out and income from spouses becomes insufficient, pushing more workers to borrow from family and friends as well as from money lenders who charge interest. Also, more unemployed workers take on temporary side jobs such as driving tuk-tuk, tailoring and selling desserts as their unemployment lengthens.

Over the next three months (after this second tracking), the current jobseekers plan to continue looking, and some of those who have gone back to the province plan to return to Phnom Penh to look for a job.

Employed from First Tracking

This group refers to workers still working at the job they found during the first tracking survey. At the second tracking, 147 workers are still working at the same job, of which 90.5% are garment jobs. Hardships at the factory have lessened for the most part, though workers still complain that health and safety services are poor, and it is difficult to ask for days-off. In some cases, these perceptions regarding health and safety services may have been related to their personal situation outside the factory; while in some cases, it was directly related to changes at the factory such as fewer doses of medicine from the factory clinic and poor air ventilation due to disconnection of air conditioners. Some workers have received assistance from their trade union in requesting days off from management.

During the first tracking survey, most of these workers entered their new job earning relatively lower income than their previous job. Over the past three months since the first tracking, the majority of workers have not experienced any improvements in income, earning around \$59 per month. To overcome the financial shortages, half of the workers have had to reduce spending on food and healthcare. Many workers resorted to borrowing from external sources such as friends, family and private money lenders.

Unemployed from First Tracking

Workers in this group were retrenched at the first tracking, and remain unemployed over the past 6 months. The majority of the 25 workers in this group have stopped looking for a job; some have returned to work on the farm or take care of their children. Over the past three months since the first tracking, many of these workers have been supported by their spouse.

Recently Unemployed

Recently Unemployed workers are those who were terminated or left their jobs between the first and second tracking. A total of 91 workers fall into this category. Many of them quit on their own for personal reasons such as to get married, give birth, help their parents on the farm, or due to illness.

Due to their termination and in the absence of income, many of these workers have coped by reducing spending on basic needs, especially on food, as well as by cutting remittances to their family. Unemployed workers have also borrowed from family and friends and from money lenders. Some have used their savings and/or sold assets such as cell phones, etc. At the household level, 16 families have sent another family member to find work to fill the income gap.

Seventeen of the 91 workers were laid-off by their factory due to closure and downsizing, some before the end of their contract. The majority of them did not get any **advance notice** from their employer. Not one of the 17 workers received **lay-off compensation** from their employer, although some of them were legally entitled because they worked at the factory for over 6 months. On this matter, workers sought help from trade unions.

Recently Employed

Over the past three months since the first tracking, 103 workers have found a job - 77% in the garment sector, 16% in services, 2% in construction, 1% in tourism and 5% in other sectors. Most workers learned about the job on their own by driving around town. Overall, the situation of these workers has improved, with the majority earning the same or higher income than at their previous job (around \$84 per month). Those working outside the garment sector, especially in the tourism, construction and services, earn significantly more than garment workers.

Despite improved incomes, job security remains low: most workers are hired as casual workers on short-term contracts. Most of these workers accumulated debt over the past three months to bridge the unemployment period.

Conclusions

While this second tracking survey clearly shows that the garment industry has absorbed some unemployed workers since the first tracking, *net employment in the sector has slightly decreased during this period.*

Workers who have been employed during this period generally have seen their hardships ease, and their income has been stable or increased over the past three months, largely due to more overtime. However, most workers are still trying to financially recover from the earlier drop in income, in which they accumulated debt.

For unemployed workers, non-compliance with termination regulations related to advance notice and lay-off compensation is still a significant problem. The majority of workers laid-off by the factory did not get any advance notice, and none of them received lay-off compensation.

The coping strategies used by workers to deal with their financial hardships follow the same general patterns as in the benchmarking and first tracking. Workers have coped with income loss by using their savings, reducing their spending on basic needs such as on food, transportation and healthcare; borrowing from private money lenders, friends and family; relying on their spouse's income; and selling assets such as cell phones and necklaces. Also, more unemployed workers have taken on a temporary side job such as driving tuk-tuk, tailoring or selling desserts as their unemployment lengthens.

As seen in the benchmarking and first tracking, workers mainly get information on job opportunities by driving around town. Some workers turn to their friends and/or relatives for information. The long-term unemployed have migrated back and forth between their home province and Phnom Penh over the past 6 months since the benchmarking survey to find a job.

This second tracking survey highlights the need to address three issues:

- **Job-Seeking Services:** The main strategy of workers to find a job is to drive around town, which is costly and timely. From this study, it is clear that the creation of the **National Employment Agency** is necessary. The key question is how to **connect these services to the demand** such as the district, commune and village levels. Future research needs to address this crucial question.
- **Compliance with Termination Procedures:** Non-compliance with termination regulations such as lay-off compensation and advance notice is a significant problem in the garment industry. To protect workers in the long run, it is necessary to increase awareness about the regulations and **strengthen enforcement** in this area.
- **Credit for Business Start-Up:** The data suggest that the longer a worker is unemployed, the more likely they are to start their own income generating activities such as tailoring, washing clothes, selling desserts, etc. Credit for business start-up can help these workers build a stronger foundation for sustaining and expanding their income generating activity.

Part I: Overview

1. Background

ILO is undertaking a 6-month tracking survey of 2000 garment workers (1200 employed, 800 unemployed) in order to learn about the hardships workers are facing as a result of the global economic downturn, and their coping and job seeking strategies. The survey is supported by UNDP and implemented by the Cambodia Institute of Development Study (CIDS).

The project consists of a benchmarking survey, followed by two tracking surveys. The initial benchmarking was conducted between September and December 2009 with workers from 199 garment factories in and around Phnom Penh. The first follow-up interview with the same workers was conducted three months later, between January and March 2010. The second tracking was carried out from April to June 2010. This report presents the findings from the second tracking survey.

2. Methodology

This tracking survey was implemented in two rounds. In Round 1, the team conducted phone interviews. Phone numbers of the interviewee and/or an alternative contact person were collected during the Benchmarking Survey. A portion of the sample was unreachable by phone, as their phones had been disconnected.

In Round 2, the team focused on locating workers who could not be contacted by phone. The team tried to locate these workers by returning to the original sources of information and points of contact: factory-level trade union leaders, local informants and landlords who helped mobilized workers during the Benchmarking Survey. The team also asked neighbors as to the whereabouts of the missing interviewees.

After exhausting all possible means of tracking workers, the team completed 712 interviews, as summarized in Table 1.

Table 1: Summary of Interviews for Second Tracking Survey

Status At Benchmarking	Tracking #2
Employed	458
Unemployed	254
Total	712

Part II: Survey Findings

Figure 1: Map of Workers Tracked

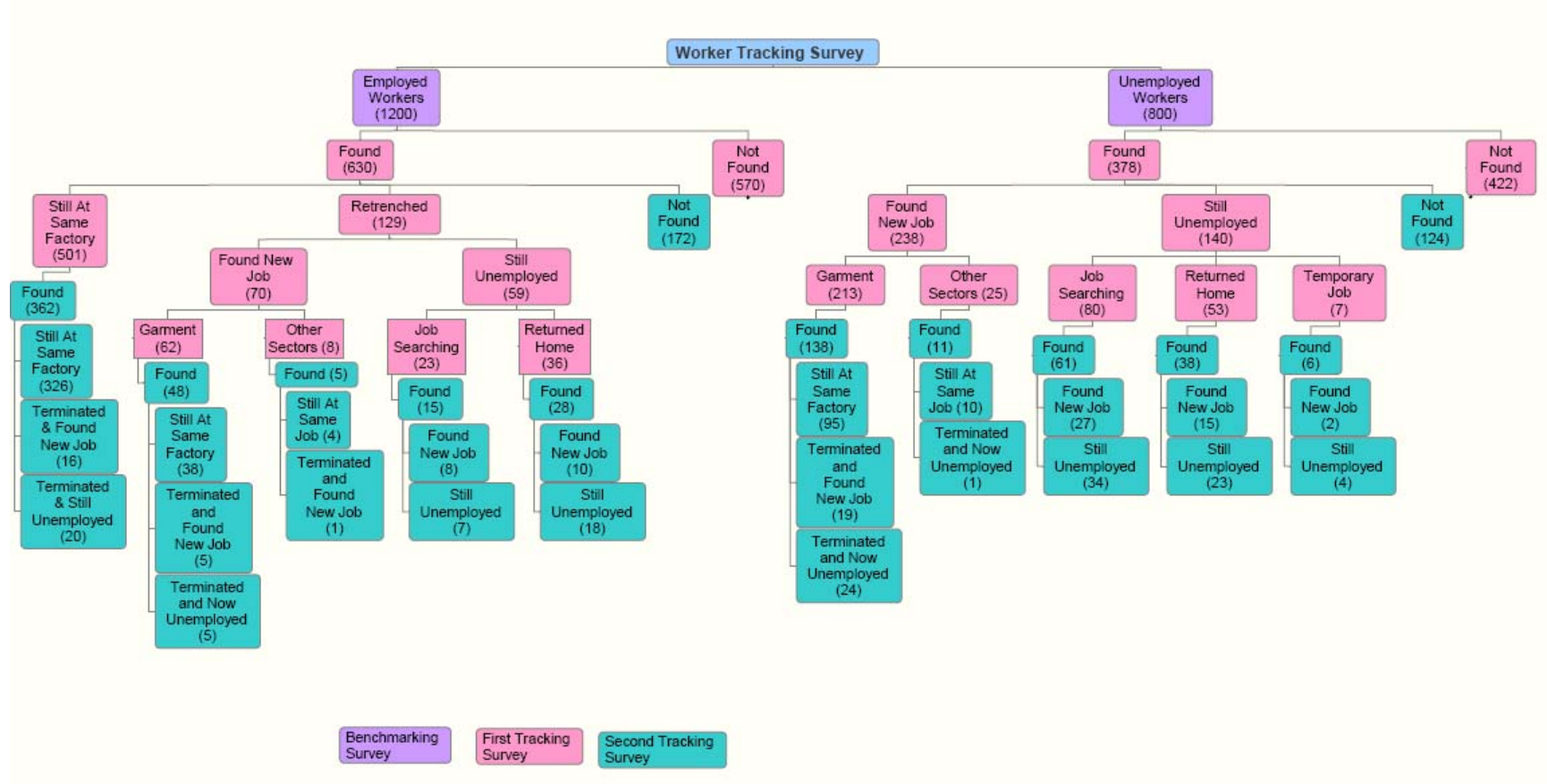
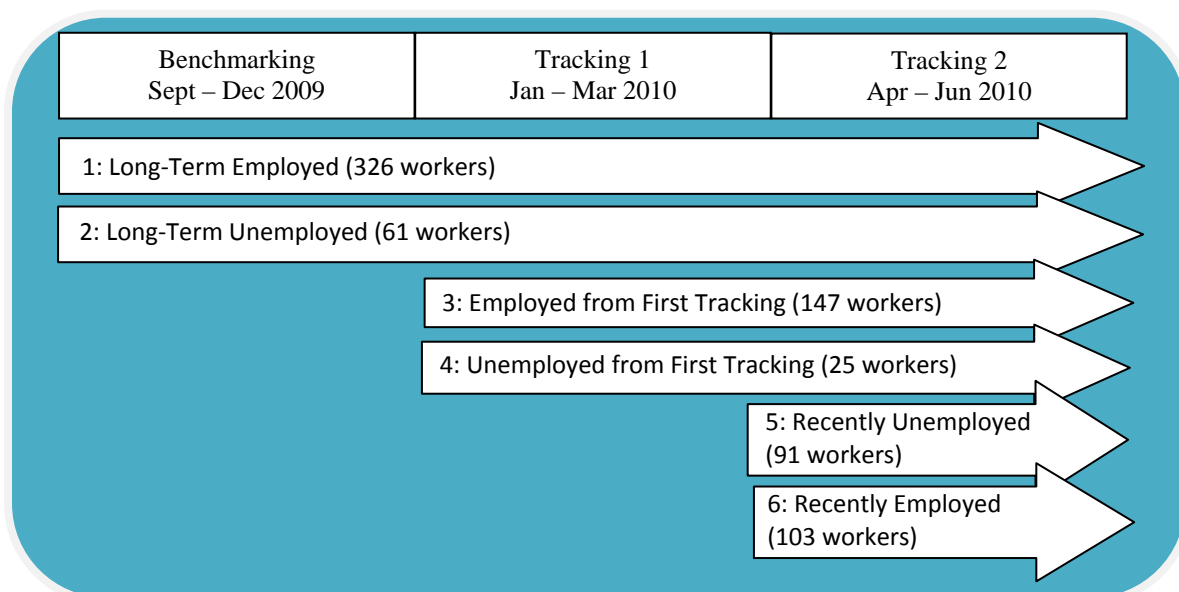


Figure 1 is a map summarizing the tracking results, and illustrates the changes in the employment status of workers from benchmarking to first tracking and to this second tracking. To analyze the trend in hardships and coping strategies of workers, it is useful to categorize workers into the following groups (illustrated in Figure 2):

- **Long-term Employed** – refers to workers who remain employed at the same factory throughout the 9-month project from benchmarking to first tracking to second tracking (326 workers)
- **Long-term Unemployed** – refers to workers who remain unemployed throughout the 9-month project from benchmarking to first tracking to second tracking (61 workers)
- **Employed from First Tracking** – refers to workers still working at the job they found during the first tracking survey (147 workers)
- **Unemployed from First Tracking** – refers to workers who were retrenched during the first tracking and remain unemployed (25 workers)
- **Recently Unemployed** – refers to workers who were terminated or left their jobs between the first and the second tracking (91 workers)
- **Recently Employed** – refers to workers who found a job between the first and the second tracking (103 workers)

Figure 2: Categories of Workers²



In the remainder of this report, we present the findings for each group of workers, focusing on their situation at the time of the second tracking survey.

² The sum of workers in each group exceeds 712 workers surveyed in the second tracking because 41 Recently Unemployed workers are also in the recently found new job category.

3. Workers Not Found

After a series of phone calls and physical tracking of workers, the team was unable to find 296 workers who had been included in the first tracking survey (summarized in Table 2). The main reasons why these workers were untraceable were 1) changed / disconnected phone and 2) moved housing (either to a different dormitory or back to the province).

Table 2: Workers Not Found in Tracking 2

Status At Benchmarking	Status At Tracking 1	# of Workers Not Found in Tracking 2	
Employed	Still At Same Factory	139	172
	Found New Job in Garment	14	
	Found New Job in Other Sector	3	
	Terminated & Unemployed	16	
Unemployed	Found New Job in Garment	75	124
	Found New Job in Other Sector	14	
	Still Unemployed	35	
		Total	296

However, we are able to develop educated guesses as to where these workers might be now based on the information we gathered during our tracking excursion, as well as data from the original benchmarking and first tracking surveys, as summarized in Table 3.

Table 3: Where Are Missing Workers Doing Now?

	Employed in Garment Factory	Employed in Other Sectors	Unemployed
Number of Missing Workers	228 workers	17 workers	51 workers
Where Are They Now?	Still working at factory: 163 workers Terminated from factory: 65 workers	Still Employed: 17 workers	Still Unemployed: 51 workers

Of the 296 workers not found in the second tracking, 228 were employed in a garment factory during the first tracking, 17 were employed in other sectors and 51 were unemployed. From the workers found for this second tracking survey, we know which factories closed and laid-off workers. Thus, it is a fair assumption that the missing workers who were employed at these factories have been retrenched. This evidence suggests that 29% (65 workers) of the missing workers employed in the garment industry during the first tracking have been terminated from

their factory job, while the remaining 71% (163 workers) are most likely still working at the same factory.

Based on the data of workers found in this second tracking, we know that most workers employed in other sectors are still working at their new job. We also know that the majority (58%) of the long-term unemployed workers are still unemployed and are either back in their home province working on the farm, staying at home to take care of their children and/or parents (some still in Phnom Penh and some have gone back to province), or doing a temporary income generating activity to earn daily cash such as selling perfume and driving a tuk-tuk. From this information, it is probable that the missing workers who were employed in other sectors during the first tracking are still working at their new job, while the unemployed are still unemployed.

4. Workers Found

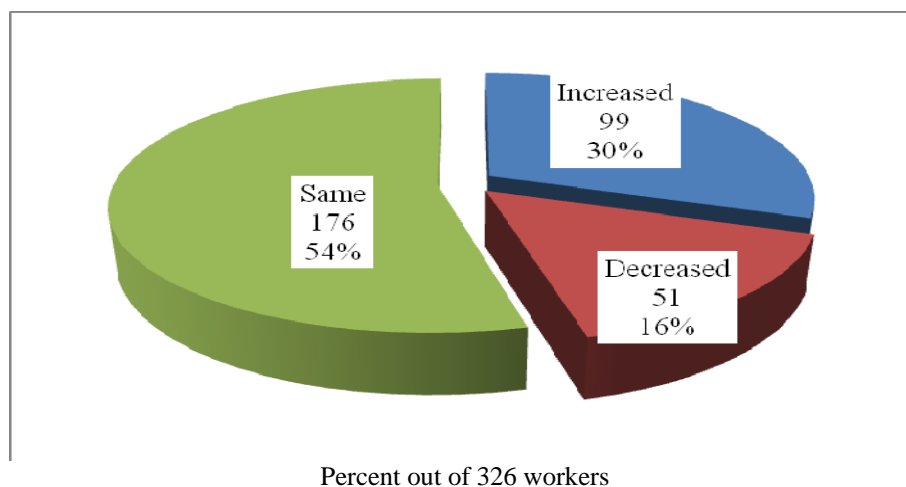
4.1 Long-Term Employed

Long-Term Employed refers to workers who have been employed at the same garment factory throughout the project (benchmarking-first tracking-second tracking). In this second tracking survey, 326 workers found fit into this category.

➤ Trend of Hardships

At benchmarking, many workers in this group encountered a decline in income due to significant reduction in overtime. At the first tracking, their overtime and income, in general, slightly increased. Over the past three months since the first tracking, long-term employed workers earned \$91 per month and worked 58 hours per week, on average. More than half of them (54%) said their income is the same as it was during the first tracking survey, while 30% have seen an increase due to more overtime and 16% have experienced a decrease due to less or no overtime (see Figure 3).

Figure 3: Any changes in salary over the last three months? (Long-Term Employed Workers)



The stable income over the past three months is a reflection of factories returning to normal operations. During the benchmarking survey, the main hardship raised by workers was the reduction or elimination of overtime (52%, Table 4). From the data, we see that this hardship has lessened over time, down to 25% at the first tracking and to 22% at the second tracking. Incidents of late salary payment, reduced working hours, shorter work week, unpaid compulsory leave and work suspensions are also down. Workers still perceive safety and health services at the factory to be poor (47%), and asking for days off as a problem (32%). Regarding health and safety, the evaluation of some workers may have been related to their overall personal situation rather than to the situation at the factory. However, some workers indicated specific changes in the factory such as fewer doses of medicine from the factory clinic, or poor air ventilation due to disconnection of air conditioners.

Seventy-two percent of the long-termed employed are members of a trade union. Three out of ten have received assistance from their union over the past three months, specifically help in asking for days-off from management.

Table 4: Trend of Hardships (Long-Term Employed Workers)

Trend of Hardships	BM		Tracking 1		Tracking 2	
	Frequency	%	Frequency	%	Frequency	%
Decrease in safety and health	132	40.5	107	32.8	154	47.2
More difficult to ask for days off	153	46.9	123	37.7	103	31.6
Reduced / no overtime	170	52.1	80	24.5	71	21.8
Paid compulsory leave	98	30.1	45	13.8	33	10.1
Restrictions on unionization	27	8.3	22	6.7	15	4.6
Late payment of salary	34	10.4	23	7.1	6	1.8
Reduced working hours	11	3.4	5	1.5	3	0.9
Shorter work week	13	4.0	5	1.5	3	0.9
Unpaid compulsory leave	11	3.4	6	1.8	3	0.9
Work suspensions	44	13.5	27	8.3	2	0.6
Reduction or elimination of bonuses	20	6.1	7	2.1	2	0.6
Change in type of contract		0.0	1	0.3	1	0.3
Deductions in salary	3	0.9	0	0.0	0	-
Duration of contract shortened ³		0.0	1	0.3	0	-

Percent out of 326 workers

³ Throughout this project (benchmarking, first tracking and second tracking) it is obvious that workers do not fully understand the concept of employment contracts and do not follow up on the status and conditions of their contracts. This is likely the reason behind the low response to issues related to their contracts. According to trade unions, the duration of contracts have shortened.

➤ Coping Strategies of Long-Term Employed

Despite recent improvements, many workers are still trying to financially recover from the earlier drop in income, in which they accumulated debt. Many workers still had to reduce spending on transportation (48%), food spending (36%) and healthcare (15%). The majority of employed workers (51%) have reduced the amount of money sent to their family. (See Table 5)

Table 5: Over the past three months, have you had to reduce spending? (Long-Term Employed Workers)

Items	At Tracking 1		At Tracking 2	
	Frequency	Percent	Frequency	Percent
Money sent to family	177	54.3	167	51.2
Transportation	144	44.2	155	47.5
Food	156	47.9	118	36.2
Healthcare	39	12.0	50	15.3
Utilities	34	10.4	10	3.1
Housing	7	2.1	6	1.8
Children's Education	7	2.1	3	0.9

Percent out of 326 workers

To deal with their cash flow problems, employed workers continue to rely on loans from money lenders, family and friends. Over the past three months since the first tracking survey, there has been an increase in the number of workers borrowing from private money lenders (50% compared to 43.9% at the first tracking). Slightly more workers are doing side income generating activities such as selling perfumes, cosmetics and manicure services. (See Table 6)

Table 6: Trend of Coping Strategies of Long Term Employed Workers

Coping Strategies	Tracking 1		Tracking 2	
	Frequency	Percent	Frequency	Percent
Borrow from money lender	143	43.9	163	50.0
Borrow from family / friends	109	33.4	111	34.0
Borrow from Tongtin	29	8.9	30	9.2
Family Support	5	1.5	19	5.8
Use Saving	52	16.0	16	4.9
Sell Assets	17	5.2	15	4.6
Side job	9	2.8	12	3.7
Use Spouse's Income	15	4.6	11	3.4
Borrow from bank	3	0.9	3	0.9
Support from Relatives	0	0.0	1	0.3
Borrow from community fund	1	0.3	0	0.0
Borrow from factory	1	0.3	0	0.0

In addition, households are also coping with the financial shortfalls. At the second tracking, 32 households have sent another member to find work. Again, the majority (88%) are looking for job in garment sector.

4.2 Long-Term Unemployed

Long-Term Unemployed means workers who have been unemployed throughout the project (benchmarking-first tracking-second tracking). A total of 61 workers surveyed in this second tracking are long-term unemployed.

Over the past six months since the benchmarking survey (from first tracking to second tracking), these long-term unemployed workers have been migrating **back and forth** between their home province and Phnom Penh. Six workers who were looking for work during the first tracking survey have gone back to the province at the time of the second tracking, while 7 workers who returned home during the first tracking are back in Phnom Penh looking for a job. (Summarized in Table 7)

Table 7: What have you been doing over the past 3 months? (Long-Term Unemployed)

At Tracking 1 (3 Months After Benchmarking)	At Tracking 2 (3 Months After Tracking 1)			
	Job Searching	Returned to Province	Other	Total
Job Searching	21	6	7	34
Returned to Province	7	5	5	17
Other	1	0	9	10
Total	29	11	21	61

Since the first tracking, 48% of the long-term unemployed workers have sought a new job but have been unsuccessful. Eighteen percent have gone back to the province to work on the farm. A few workers have taken a side income generating activity such as selling perfume, driving tuk-tuk or tailoring. Twelve unemployed women have decided to stay at home to take care of their children or parents; some are currently staying in Phnom Penh and some in the province.

Among the 29 workers who have been searching for a job over the past 3 months, 83% of them are looking for a garment factory job, while 17% are looking for service jobs such as at restaurants, food vendors, etc. Almost all of these workers (83%) plan to continue looking for a job over the next three months, while 3 workers say they will do some temporary income generating activities such as selling cosmetics and driving tuk-tuk, and 2 workers will get training on cosmetics and designing clothes.

Sixty-four percent (or 7 of 11 workers) who returned home over the past three months since the first tracking plan to return to Phnom Penh to look for work, while the remaining workers plan to stay in the province to help raise pigs, do agriculture work, sell cosmetics, or help mother run small business. One person will migrate to work in South Korea. Many of the workers who

have been doing other things over the past 3 months such as temporary side jobs or taking care of their children plan to start looking for work over the next three months. (See Table 8)

Table 8: What do you plan to do over the next three months?

Activity 3 Months Before Tracking 2	Plan for Next 3 Months After Tracking 2			
	Look for Work	Move elsewhere to Look for work	Other	Total
Look for work	24	0	5*	29
Returned to province to work on farm	0	7	4**	11
Other	9	1	11***	21
Total	40	1	20	61

Notes: *Includes doing temporary side jobs to sell cosmetics, drive tuk-tuk, study skills in cosmetics and designing clothes; **Includes doing agriculture work, helping mother run small business, migrating to work in South Korea; *** Includes taking care of child at home, tailoring services, selling food and don't know

➤ Coping Strategies of Long-Term Unemployed

Over the course of 6 months – from benchmarking survey to this second tracking survey – we can get a clearer picture of how workers facing long term unemployment cope. As shown in Table 9, we see that at the start of their unemployment (benchmarking) a greater percentage of workers financed their living costs with their personal savings. As their unemployment continues (tracking 1 and tracking 2), their savings run out and more workers borrow from family and friends as well as from money lenders who charge interest. We also see that as the unemployment period lengthens, more workers take on temporary side jobs such as driving tuk-tuk, tailoring, washing clothes and selling desserts until they can find a more stable job.⁴

Table 9: Trend of Coping Strategies of Long-Term Unemployed Workers

Coping Strategies	Benchmarking		Tracking 1		Tracking 2	
	Frequency	% of 61	Frequency	% of 61	Frequency	% of 61
Borrow from friends / family	27	44.3	29	47.5	26	42.6
Use Spouse's Income	14	23.0	12	19.7	19	31.1
Side job	7	11.5	11	18.0	13	21.3
Family Support	8	13.1	7	11.5	13	21.3

⁴ Although it was not uncovered in this survey, some workers from the garment sector have turned to the entertainment sector (working in karaoke bars, as beer promoters, in massage parlors, etc.) or to direct sex work to cope with reductions in income or job loss. See *Addressing HIV Vulnerabilities of Indirect Sex Workers in Cambodia: Situational Analysis and Steps Forward* for a collection of qualitative interviews conducted with 16 ex-factory workers who were laid off during the economic crisis, and who were working in the entertainment sector and selling sex to supplement their income. Available at www.betterfactories.org under Publications.

Coping Strategies	Benchmarking		Tracking 1		Tracking 2	
	Frequency	% of 61	Frequency	% of 61	Frequency	% of 61
Sell assets	0	-	11	18.0	11	18.0
Borrow from money lender	4	6.6	13	21.3	9	14.8
Use Saving	23	37.7	4	6.6	4	6.6
Borrow from bank	0	-	1	1.6	1	1.6
Borrow from Community Fund	1	1.6	1	1.6	0	-
Use Child's Income	0	-	1	1.6	0	-

As the unemployment drags on, families are sending other members to find wage employment. Table 10 shows that at benchmarking only 5% of these households sent another member to find work. Six months later, the figure increased to 31%. Most of the added workers aim for a garment factory job.

Table 10: Has your family sent another member to find work? (Long-term Unemployed)

Added Worker?	At Benchmarking		At Tracking 2	
	Frequency	% of 61	Frequency	% of 61
Yes	3	4.9	19	31.1
No	58	95.1	40	65.6
Don't know	0	-	2	3.3

Case Study: Coping with Long-Term Unemployment

Ms. Houn Nak is a 31 year old married woman from Svay Rieng province. She has worked in the garment industry for 5 years. She was unemployed during the benchmarking and remains unemployed 6 months later at the time of this second tracking survey.

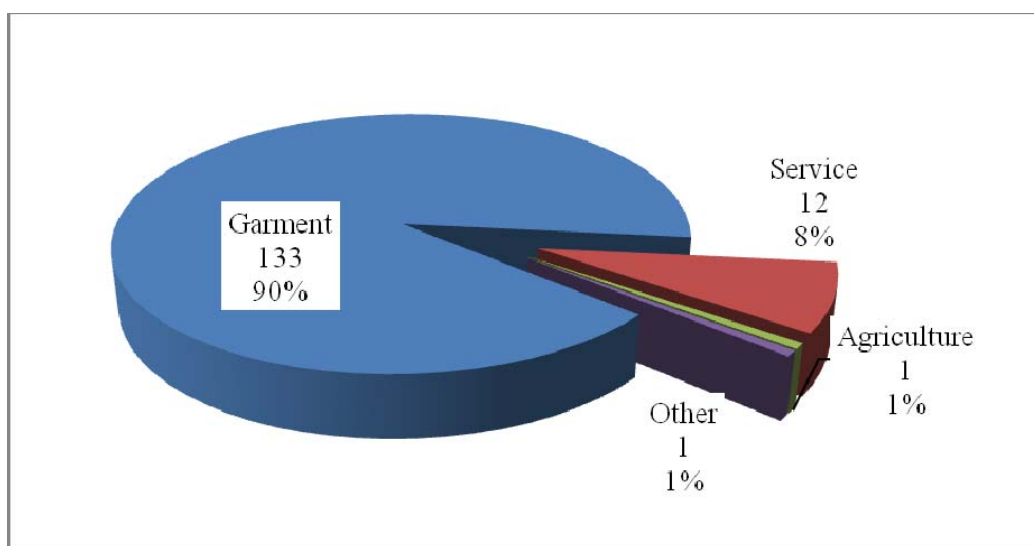
At the moment, she is still living in Phnom Penh with her husband. During the long unemployment period, she has been covering her living cost with her husband's income, who works in a garment factory and earns around \$120-130 per month (inclusive of overtime and other allowances).

In addition, she has coped with less income by providing laundry services. She washes around 30-40 sets of clothes per week, earning roughly 7,000 riels (\$1.75) per week. Since her unemployment, she has bought rice on credit every few months, around 50 kg each time, worth around \$33. She says that it is difficult for her and her family to repay the rice seller and they are constantly in debt.

4.3 Workers Employed from First Tracking

Employed from First Tracking refers to the workers who are still employed at the job they found during the first tracking survey. In total 147 workers found for the second tracking survey fall into this group, of which 90.5% of them are working in the garment sector, 12 in the services (such as selling cosmetics, driving), 1 in agriculture and 1 in other sector. (See Figure 4)

Figure 4: Employed At New Job by Sector



Percent out of 147 workers

During the first tracking survey, most of these workers entered their new job earning relatively lower income than their previous job. Over the past three months since the first tracking, the majority of workers (57%) have not experienced any improvements in income (Table 11). On average, workers are earning \$59 per month and working 59 hours per week. Among this group, garment workers are earning at the average (\$59 per month), while workers in agriculture and other sectors are earning above average (\$70 and \$72, respectively).

Table 11: Over the past 3 months, any changes in salary? (Workers Employed from First Tracking)

Changes in Salary	Sector				
	Garment	Agriculture	Service	Other	Total
Increased	34	0	5	0	39
Decreased	22	0	1	1	24
Same	77	1	6	0	84
Total	133	1	12	1	147
Salary per Month (Average)	\$59	\$70	\$58	\$72	\$59
Work Hours per Week (Average)	59	70	62	72	59

➤ Hardships At Work Place

By sector, the hardships relate mostly to those working in the garment industry. In general, the situation at the factory appears to have improved. The top complaints of garment workers are: decreased in health and safety (32% of 133 garment workers) and more difficulty asking for days off (30.8%). Regarding health and safety, the evaluation of some workers may have been related to their overall personal situation rather than only to the situation at the factory. However, some workers indicated specific changes in the factory such as fewer doses of medicine from the factory clinic, or poor air ventilation due to disconnection of air conditioners. Some workers mentioned reduced or no overtime as a hardship (12%). None or few workers mentioned the problems of work suspensions, shorter work week, reduction/elimination of bonuses, late payment of salary, reduced working hours, unpaid compulsory leave or deductions in salary. (Summarized in Table 12)

Table 12: Hardships of Workers Employed from First Tracking

Hardships	Garment		Agriculture		Service		Other	
	F	% of 133	F	% of 1	F	% of 12	F	% of 1
Decrease in Health & Safety	43	32.3	0	-	4	33.3	0	-
More Difficult to Ask for Days Off	41	30.8	0	-	0	-	0	-
Reduced / No Overtime	16	12.0	0	-	0	-	0	-
Paid Compulsory Leave	11	8.3	0	-	0	-	0	-
Change in Contract Type	6	4.5	0	-	0	-	0	-
Restrictions on Unionization	6	4.5	0	-	0	-	0	-
Work Suspensions	4	3.0	0	-	0	-	0	-
Shorter Work Week	2	1.5	0	-	0	-	0	-
Reduction / Elimination of Bonuses	2	1.5	0	-	0	-	0	-
Late Payment of Salary	1	0.8	0	-	1	8.3	0	-
Duration of Contract Shortened	1	0.8	0	-	0	-	0	-
Reduced Working Hours	0	-	0	-	0	-	0	-
Unpaid Compulsory Leave	0	-	0	-	0	-	0	-
Deductions in Salary	0	-	0	-	0	-	0	-

Among the 147 workers, 43% are members of a trade union. None of the workers working outside the garment sector are members of a trade union. Twenty union members have received assistance from their trade union, mostly helping to talk to management about taking days off.

➤ Coping Strategies of Workers Employed from First Tracking

With no improvement in their income, most workers have difficulties in financing their basic needs. Over the past three months, 50% of these workers have reduced spending on food, as shown in Table 13. Workers have also decreased spending on healthcare, children’s education, housing and electricity & utilities. However, only 3% said they have reduced remittances to their family.

Table 13: Over the past three months since the first tracking survey, have you had to reduce spending (Workers Employed from First Tracking)?

Items	Frequency	Percent
Food	74	50.3
Healthcare	74	50.3
Children's Education	58	39.5
Housing	47	32.0
Electricity & Utilities	45	30.6
Transportation	6	4.1
Money sent to family	5	3.4
Clothes	4	2.7
Phone calls	3	2.0

Percent of 147 workers

To cover their financial shortages, 49% of workers have borrowed from their family and friends, 23% from private money lender, 7% from Tongtin and 1 person from a bank. Ten percent of workers have sold off some of their assets such as their cell phones. Nine percent are supplemented by their spouse’s income. (See Table 14)

At the household level, 23 households have sent another member to find work. Ninety-one percent or 21 of them are seeking work in the garment sector.

Table 14: Coping Strategies of Workers Employed from First Tracking

Coping Strategies	Frequency	Percent
Borrow from Friends and Family	72	49.0
Borrow from Money Lender	34	23.1
Sell Assets	15	10.2
Use Spouse's Income	13	8.8
Side Job	11	7.5
Borrow from Tongtin	10	6.8
Use Savings	10	6.8
Family / Relative Support	4	2.7
Borrow from Bank	1	0.7
Borrow from Community Fund	0	-

Percent of 147 workers

4.4 Workers Unemployed from First Tracking

Unemployed from First Tracking refers to workers who were terminated from their garment factory during the first tracking and who remain unemployed. A total of 25 workers fit into this group.

Over the past three months since the first tracking, most workers have stopped looking for a job (68%). Some of these workers have gone back to their home province to work on the farm, while some are staying at home to take care of their children and/or parents (some of these workers are still in Phnom Penh, some have gone to the province). Only eight workers or 32% have tried to find a new job during this period. (See Table 15)

Table 15: What have you been doing over the past three months since the first tracking?

Activities	Frequency	Percent
Continue looking for new job	8	32
Returned to home province to work on farm	5	20
Take care of children / parents	11	44
Returned to school	1	4
Total	25	100

➤ Coping Strategies

Due to their unemployment, workers have reduced spending (Table 16). The majority of workers have been forced to decrease spending on transportation (88%), housing (60%), electricity & utilities (60%) and food (40%), among other things. Compared to the first tracking survey, fewer workers have reduced spending on food (40% compared to 100%) over the past three months, but more workers have scaled down on transportation, housing and electricity & utilities.

Table 16: Over the past three months, have you reduced spending? (Workers Unemployed from First Tracking)

Items	Tracking 1		Tracking 2	
	Frequency	Percent	Frequency	Percent
Transportation	18	72	22	88
Housing	9	36	15	60
Electricity & Utilities	7	28	15	60
Food	25	100	10	40
Clothes	5	20	7	28
Healthcare	5	20	6	24
Children's Education	3	12	1	4

Percent out of 25 workers

Over the past three months since the first tracking, many of these unemployed workers have been supported by their spouse's income (48%), while 44% have used their savings. Some of them have borrowed from family and friends (24%) and a few have borrowed from private money lender. (See Table 17)

Table 17: Over the past three months, how are you financing your unemployment?

Coping Strategies	Tracking 1		Tracking 2	
	Frequency	Percent	Frequency	Percent
Use Spouse's Income	4	16	12	48
Use Saving		-	11	44
Family Support	2	8	7	28
Borrow from Friends / Family	11	44	6	24
Borrow from Money Lender	4	16	1	4
Sell Assets	5	20	1	4
Side Job	1	4	1	4
Borrow from Bank	1	4	0	-
Borrow from Community Fund	0	-	0	-
Borrow from Tongtin	0	-	0	-

Percent out of 25 workers

As shown in Table 18, the majority of these unemployed workers (68% of 25 workers) do not plan to look for a new job in the next few months. Most of them will stay home for a while to take care of their children (some will stay in Phnom Penh and some will return to the provinces). Five of the eight workers who have been looking for a job in Phnom Penh since their termination three months ago, plan to continue looking in Phnom Penh, while 2 of them will move elsewhere to find work.

Table 18: What do you plan to do over the next three month? (Number of Workers)

Plans for Next 3 Months After Tracking 2	Activity at Tracking 2			
	Job Searching	Returned Home	Other	Total
Job searching in same location	5	1	0	6
Move elsewhere to look for work	2	0	0	2
Other	1	4	12	17
Total	8	5	12	25

4.5 Recently Unemployed

Recently Unemployed refers to workers who were terminated or left their jobs between the first and the second tracking survey. Of the 712 workers found for this second tracking, 91 workers became unemployed: 89 from the garment sector and 2 from other sectors.

Of the 91 recently unemployed workers, 65 workers gave a reason for their termination. Among the 65 responses, 37 of them quit because of personal reasons such as to get married, give birth, help their parents on the farm, or due to illness (37 out of 65 responses). Seventeen workers said they were laid-off from the factory because the factory closed or downsized. Eleven workers quit on their own because their income from working at the factory was not sufficient to cover their living costs.

➤ Coping Strategies

As a result of their termination, many of these workers have had to reduce spending on basic needs. Eighty-two percent have cut back remittances to their family. Three out of four have reduced food spending. Workers have also decreased spending on transportation (56) and electricity & utilities (55%), among other things. (See Table 19)

Table 19: Due to your terminations, have you had to reduce spending? (Recently Unemployed)

Items	Frequency	Percent
Money Sent to Family	75	82.4
Food	69	75.8
Transportation	51	56.0
Electricity & Utilities	50	54.9
Clothes	37	40.7
Housing	32	35.2
Healthcare	15	16.5
Children's Education	2	2.2
Call phone	2	2.2

Percent of 91 workers

Since being unemployed, workers have coped with no income over the past three months by borrowing from family and friends (47%, Table 20), and from money lenders (19%). Some have received in-kind aid from their family in the form of rice and meat. Twelve percent have used their savings and/or sold assets such as cell phones, etc. At the household level, 16 families have sent another family member to find work to fill the income gap.

Among the 91 recently unemployed workers:

- 50 workers (55%) are still unemployed; most of them are not looking for a new job at the moment and have either returned to the province to help out on the farm or take care of their children and/or parents
- 41 workers (45%) have found a new job, 37 of whom have been rehired by another garment factory

Table 20: How are you financing your living costs during unemployment? (Recently Unemployed)

Coping Strategies	Frequency	Percent
Borrowed from Family / Friends	43	47.3
Borrowed from Money Lender	17	18.7
Family Support	16	17.6
Sell Assets	11	12.1
Use Saving	11	12.1
Use Husband's income	5	5.5
Side Job	4	4.4
Income from farm	1	1.1
Borrowed from Bank	0	-
Borrowed from Community Fund	0	-

Percent out of 91 workers

➤ Termination Process

This section on the termination process is only relevant for the 17 workers who specifically stated that they were laid-off by the factory. Among the 17 workers, 4 of them were terminated at the end of their contract, 7 were terminated before, and 6 said they did not have a contract.

Ten out of the 17 workers did not get any **advance notice** from their employer. However, seven of them did get advance notice: 3 workers were informed 7 days prior to termination, 1 worker got a 10-day notice, 1 worker received a 15-day and 2 workers were informed 30 days before.

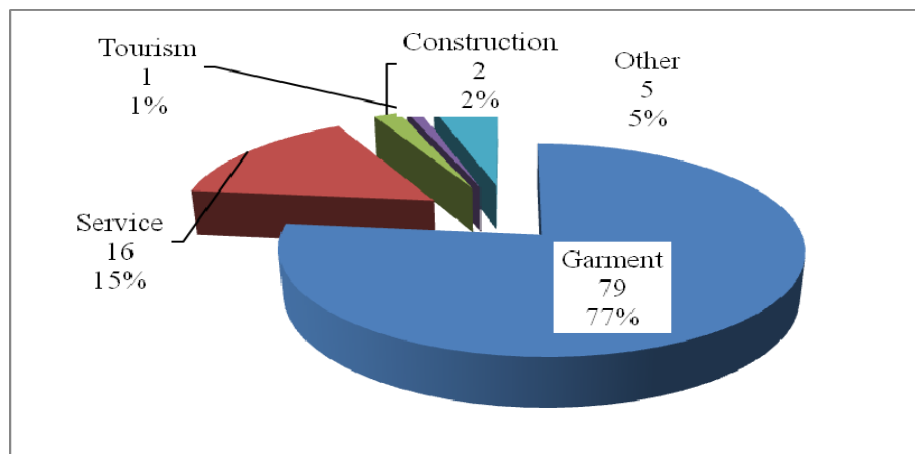
Not one of the 17 recently retrenched workers received **lay-off compensation** from their employer, although 7 workers were legally entitled to payment because they worked at the factory for over 6 months. Three trade union members sought and received help from their trade union in this matter.

4.6 Recently Employed

Recently Employed refers to workers who found a job over the past three months since the first tracking, including those who were recently terminated from their job and those unemployed for a longer period of time. For this second tracking, there are 103 workers in this group.

Among the 103 workers who recently got hired, 77% are working in the garment sector, 16% in services, 2% in construction, 1% in tourism (restaurant) and 5% in others. Service sector jobs include electrician, waitress, tailor, perfume seller, taxi driver, and maid.

Figure 5: What is your new job? (Recently Employed Workers)



Percent out of 103 workers

In general, those working outside the garment sector either do not have employment contracts or are hired on a seasonal basis. For those rehired by the garment sector, contracts are short; 60% have a duration of 6 months or less. Thirty-four percent of garment workers said they do not have a contract, but it is possible that they have a contract without knowing it. (See Table 21)

Table 21: Contract Duration by Sector (Recently Employed Workers)

Duration of Contract	Garment	Construction	Tourism	Service	Other	Total
3 months	38	0	0	0	0	38
6 months	10	0	0	0	0	10
1 year	4	0	0	0	0	4
Seasonal	0	1	0	1	0	2
No Contract	27	1	1	15	3	47
Don't Know	0	0	0	0	2	2
Total	79	2	1	16	5	103

Overall, 45% of the workers recently hired are working as casual workers, while 25% are on probation, 16% regular and 14% fall into other types. A similar distribution is seen in the garment sector, of which 45% are casual workers, 32% probationary, and 20% regular. (See Table 22)

Table 22: Type of Employment by Sector (Recently Employed Workers)

Type of Employment	Number of Workers					
	Garment	Construction	Tourism	Service	Other	Total
Regular	16	0	0	0	0	16
Apprenticeship	0	0	0	2	0	2
Casual	36	2	1	7	1	47
Probationary	25	0	0	1	0	26
Other	2	0	0	1	0	3
Self-Employed	0	0	0	5	2	7
Don't Know	0	0	0	0	2	2
Total	79	2	1	16	5	103

At the new job, 65% of the workers are earning similar or higher income than at their previous job. Among the 103 workers, the average income is \$84 per month with a 60-hour work week. By sector, the higher paid jobs are in tourism, construction and services (\$180, \$114, and \$107 respectively). Those working in the garment and other sectors are earning below this average at \$77 and \$75 per month, accordingly. (See Table 23)

Table 23: Changes in Salary by Sector (Recently Employed Workers)

Changes in Salary	Number of Workers					
	Garment	Construction	Tourism	Service	Other	Total
Higher	19	2	1	10	2	34
Same	31	0	0	2	0	33
Lower	23	0	0	4	1	28
Not yet paid	6	0	0	0	2	8
Total	79	2	1	16	5	103
Average Salary Per Month	\$77	\$114	\$180 ⁵	\$107	\$75	\$84
Average Hours Per Week	58	61	48	69	65	60

In general, workers perceive the working conditions at their new job to be on par or above their previous workplace (69%, Table 24). The majority also feel that opportunities to earn income at the new job are the same or better (54%, Table 25).

⁵ Her basic salary is \$60 per month, plus she earns tips of 12,000–20,000 riels (\$3-\$5) per day.

Table 24: Compared to previous job, how are the working conditions at your new job? (Recently Employed Workers)

Working Conditions	Frequency	Percent
Better	35	34.0
Same	36	35.0
Worse	30	29.1
Don't Know	2	1.9
Total	103	100.0

Percent out of 103 workers

Table 25: Compared to previous job, how are opportunities to earn extra income at your new job? (Recently Employed Workers)

Opportunities to Earn Extra Income	Frequency	Percent
Better	36	35.0
Same	20	19.4
Worse	45	43.7
Don't Know	2	1.9
Total	103	100.0

Percent out of 103 workers

➤ Coping Strategies

Over the past three months since the first tracking, workers have bridged the unemployment period by borrowing money from friends and family (43%). Some have borrowed from private money lenders (24%). Workers have also relied on in-kind support from their family such as sending food. Twelve percent have used their savings. Eleven percent have used their spouse's income. (Shown in Table 26)

Table 26: Over the past three months since the first tracking, how are you coping with your hardships? (Recently Employed Workers)

Coping Strategies	Frequency	Percent
Borrow from Friends / Family	44	42.7
Borrow from Money Lender	25	24.3
Family Support	13	12.6
Use Saving	12	11.7
Use Spouse's Income	11	10.7
Sell Assets	7	6.8
Side Job	2	1.9

Percent out of 103 workers

➤ Job Searching

As seen in the benchmarking survey and first tracking, most workers who recently found a job learned about the job opportunity on their own by driving around town (45%, see Table 27). Some workers were informed by their family/relatives (27%) and friends (23%).

Table 27: How did you get information about the job opportunity? (Recently Employed Workers)

Source of Information	Frequency	Percent
On Own by Driving Around Town	46	44.7
Family / Relative	28	27.2
Friends	24	23.3
Previous Employer	2	1.9
Newspaper / TV / Radio	1	1.0
Labor Recruiting Agency	1	1.0
Trade Union	0	-

Percent out of 103 workers

5. Conclusions

The objective of this project is to gain insight on how the global financial crisis has impacted garment workers, how workers cope with these hardships, and how unemployed workers seek a new job. This second tracking survey, conducted 6 months after the benchmarking, provides a clearer understanding of these issues and how they have evolved.

While this second tracking survey clearly shows that the garment industry has absorbed some unemployed workers since the first tracking, *net employment in the sector has slightly decreased during this period*. Employment in the garment industry fell from 776 workers during the first tracking to 701 at the second tracking. In other sectors, employment increased from 33 workers to 55 workers. The number of unemployed workers increased from 199 workers to 252 workers during this period. (See Table 28)

Table 28: Net Employment Three Months After First Tracking Survey

Status of Worker	Tracking 1	Tracking 2
Employed in Garment	776	701
Employed in Non-Garment	33	55
Unemployed	199	252
Total	1008	1008

Note: These figures are based on the survey findings of workers found and estimation of workers not found.

Workers who have been employed during this period, in general, have seen their hardships lessen and their income has been stable or increased over the past three months, largely due to more overtime. However, most workers are still trying to financially recover from the earlier drop in income, in which they accumulated debt.

For unemployed workers, non-compliance with termination regulations related to advance notice and lay-off compensation is still a significant problem. The majority of workers laid-off by the factory did not get any advance notice, and none of them received lay-off compensation.

The coping strategies of workers to deal with their financial hardships follow the same general pattern as in the benchmarking and first tracking. Workers have coped with income loss by using their savings, reducing their spending on basic needs such as on food, transportation and healthcare; borrowing from private money lenders, friends and family; relying on their spouse's income; and selling assets such as cell phones and necklaces. Also, more unemployed workers have taken on temporary side jobs such as driving tuk-tuk, tailoring or selling desserts as their unemployment lengthens.

As seen in the benchmarking and first tracking, workers mainly get information on job opportunities by driving around town. Some workers turn to their friends and/or relatives for information. The long-term unemployed have migrated back and forth between their home province and Phnom Penh over the past 6 months since the benchmarking survey to find a job.

This second tracking survey highlights the need to address three issues:

- ***Job-Seeking Services:*** The main job-seeking strategy is to drive around town, which is costly and timely. From this study, it is clear that the creation of the **National Employment Agency** is necessary. The key question is how to **connect these services to the demand** at the district, commune and village levels. Future research is needed to address this crucial question.
- ***Compliance with Termination Procedures:*** Non-compliance with termination regulations such as lay-off compensation and advance notice is a significant problem in the garment industry. To protect workers in the long run, it is necessary to increase awareness about the regulations and to **strengthen enforcement** in this area.
- ***Credit for Business Start-Up:*** The data suggest that the longer a worker is unemployed, the more likely they are to start their own income generating activities such as tailoring, washing clothes, selling desserts, etc. Credit for business start-up can help these workers build a stronger foundation for sustaining and expanding their income generating activity.

Following this second tracking, a final report will be developed synthesizing all three surveys – benchmarking, first tracking and second tracking. The final report will summarize the trends in Cambodia's garment industry over the course of the survey, focusing on the impact of the global financial and economic crisis on workers in terms of new hardships, coping mechanisms and job seeking strategies. Based on these findings, the team will provide recommendations on a national employment strategy with a view to setting up social safety nets and social protection that can ease the prevailing hardships faced by current workers and protect workers in future crises.