



JOINT PRESS RELEASE

For Immediate Release
Thursday, March 25, 2010

Employment policy, social protection needed to help garment workers recover from impacts of economic downturn

PHNOM PENH, Cambodia — On the surface, those garment workers who were not laid off as a result of the economic downturn should be considered lucky. But new data from an ILO-led survey shows that even those who kept their jobs were not left unscathed – many have had their salaries significantly reduced and now struggle to cover basic living costs.

The study, which assessed 1200 employed and 800 unemployed Phnom Penh-based garment workers, seeks to better understand the hardships workers are facing as a result of the economic slowdown, as well as their coping mechanisms and job-seeking strategies when they are retrenched.

Preliminary information was gathered between September and December 2009, and follow-up interviews will be conducted at three- and six-month intervals. A full study will be completed during the third quarter of 2010.

The results of the preliminary survey show that employed workers face a range of new hardships, most importantly reduced income in 2009 compared to 2008. Workers now feel they do not have enough money to cover remittances and basic needs such as food, healthcare, and transport. Some employed workers who were retrenched and have since found new jobs are working under less favourable conditions. Many surveyed have sought assistance from trade unions to deal with challenges such as asking for leave and late wage payments.

Most unemployed workers surveyed lost their jobs during factory closures or cutbacks due to reduced orders. One in ten unemployed workers were retrenched two or more times in 2009. While a small percentage of those retrenched have since found new jobs, at the time of the survey, the majority were still looking for work.

The survey also found that laid off workers most commonly look for jobs in other garment factories, although only one in three succeed in finding work. Those who look for work outside the garment sector typically look to the service sector for work as salespeople, tailors, food vendors or tuk-tuk drivers. Very few enrol in training programs, even though many would like to. The families of some workers – both employed and unemployed – have sent additional family members to find work to help cope with reductions in income, mostly

female siblings between 16-28 years of age. Significantly, three quarters of unemployed workers said they would return to their home villages if they could not find work within six weeks.

The results of the benchmarking survey already have proven useful, according to Tuomo Poutiainen, Chief Technical Advisor at ILO *Better Factories Cambodia*. “The information we are gathering through the survey has been helpful in identifying action that can be taken by a range of stakeholders to help struggling workers, strengthen the garment sector, and better prepare the country to deal with future economic setbacks.”

Based on the results of this study and other crisis-related research, ILO is proposing a number of recommendations involving action on the part of government, employers, trade unions, and development partners. Employment policies for promoting productive employment, to enhance social protection, and to work with employers to improve compliance with the labour law are called for. ILO also suggests increased consultation between employers and trade unions during layoffs and closures. Development partners are urged to financially and technically support re-training programs, support social programs for workers, and to help unions provide practical advice and assistance to their members during this difficult time.

The study was commissioned by the International Labour Organization (ILO) with UNDP support and conducted by The Cambodia Institute of Development Study (CIDS).

A Research Snapshot highlights some of the findings gleaned through the worker interviews conducted for the benchmarking survey. The Research Snapshot as well as the full version of the Benchmarking Survey Report are available on the *Better Factories Cambodia* website (www.betterfactories.org). This is the first in a series of Research Snapshots that will be posted online to highlight the ILO’s crisis-related research.

For further information, please contact:

Mr. Bun Ying
Communications Assistant
ILO *Better Factories Cambodia*
012 902 990
ying@ilo.org