

CAMBODIAN GARMENT WORKERS WORRY ABOUT FUTURE PROSPECTS

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Sath Vanny sits anxiously at the door to her tiny one-room hut in the factory district of Cambodia's capital.

PHNOM PENH (AFP) - She left her hometown in the southern province of Takeo seven years ago to work at a women's shirt factory, sending most of her earnings back to help the family farm.

But a slowdown in orders has the 25-year-old worried about her job. Overtime work has fallen off as Cambodia's textile sector, the country's biggest industrial employer, struggles against stiffer global competition and slowing demand.

More than 10 Chinese-owned factories have moved to cheaper markets, leaving hundreds of thousands of garment workers -- mostly young women like Vanny who support their impoverished families -- facing destitution.

"I was told that we didn't have as many orders as we used to, but with the basic wage I don't have money to send to my parents," says Vanny, who now earns less than 60 dollars per month.

"I can't imagine living without a factory job. I am so worried about my family," she adds, wiping away tears.

The garment industry earns 80 percent of Cambodia's foreign exchange earnings and employs an estimated 350,000 people in more than 300 factories.

The industry thrived after a unique labour-friendly deal with the United States in the 1990s.

Under the deal, Cambodia passed new labour laws, encouraged labour unions and allowed the International Labour Organisation (ILO) to inspect factories and publish its findings.

In turn, the United States cut tariffs on Cambodian garment exports, buying 70 percent of all of the country's textiles.



*Cambodian textile workers sit in the room where they live in Phnom Penh
© AFP/File Tang Chhin Sothy*

Cambodia maintained its higher working conditions after the deal expired in 2005, and garment-making has made the economy one of the fastest growing in the region. But it does not look built to last.

The industry grew only 8.0 percent last year after suffering a dismal fourth quarter that saw orders plummet by nearly half, according to the World Bank. It previously enjoyed growth of up to 20 percent.

Apparel exports have declined since October, mainly due to the US economic slowdown, according to Cambodia's commerce ministry.

Exports to the United States slipped 1.44 percent in the first quarter, compared with the same period last year, to some 500 million dollars, it added.

Meanwhile factory owners are looking abroad for greater productivity and lower costs, says Cambodia's Free Trade Union (FTU).

Sok Vannak, who has been working at a factory for almost 10 years, says her Chinese bosses often threaten to move the factory to Vietnam, where costs are cheaper.

"They warn us all the time. I'm afraid that it could come true," says the 27-year-old.

"I have no land to farm. Without the factory we will have a hard time surviving," Vannak says.

Garments are a shifting industry, says Kaing Monika, manager at the Garment Manufacturers Association of Cambodia. Many manufacturers could move to Vietnam, Bangladesh or India, he adds.

"Production costs -- oil and power -- are high in Cambodia, and the demand for higher wages also put the country's garment industry in danger," he says.

Factory owners complain about a proliferation of labour unions and illegal strikes, but workers say they merely want proper wages.



*Cambodian garment workers eating in a room they share in Phnom Penh
© AFP/File Tang Chhin Sothy*

About 27,000 garment workers have quit in the last year in search of higher pay, according to the FTU.

Some have gone to look for work in rural areas where the cost of living is lower, while others have found work at karaoke parlours where they're in danger of falling into prostitution, says FTU president Chea Mony.

Next year will bring even more competition when US restrictions on Chinese textile exports are scheduled to end.

"China and Vietnam are still our direct competitors, and so far we have nothing special to offer buyers. That is why we're very concerned," says Oum Mean, of Cambodia's labour ministry.

"To counter this competition, we must increase productivity, quality and extend our reputation as having high labour standards," he says.