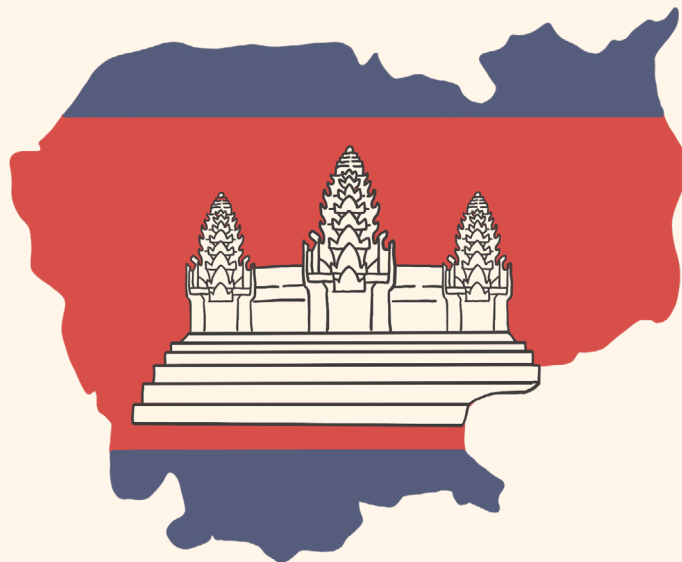


Women Garment Workers Demand the Protection of Their Human Rights in the Special Economic Zones of Cambodia

Labour FPAR Country Briefer

Cambodia's Special Economic Zones and the Aftereffects of COVID-19

Cambodia's garment industry relies heavily on Foreign Direct Investments (FDIs) and trade since its inception in the mid 1990s.¹ The industry employs over one million workers² and generates over US\$ 10 billion annually.³ The largest markets for Cambodian garment exports are the European Union (EU) and the United States (US). The country enjoys trade privileges for export to the EU and the US through the Everything but Arms (EBA)⁴ initiative and the Generalised System of Preferences (GSP)⁵ maintained by the developed countries.⁶ In addition, garments and footwear made from Cambodia are allowed to enter the Japanese market duty free and quota free pertaining to Cambodia's Least Developed Country (LDC) status.⁷ Ninety per cent of the country's garment sector labour force comprises young women.⁸ Many of them are migrants aged 15-35 years, who come from the poor provinces of Cambodia.⁹ They work mostly as line workers and sewing machine operators.¹⁰



Cambodia's garment factories have become a fertile ground for poor working conditions and rampant labour rights abuses. The Cambodian garment industry is infamous for its poor and unreasonable working conditions. The entire country employs low-cost labour, lacks regulation of wages, has excessive working hours and often underpays workers.¹¹ After a series of human rights violations and concerns of fundamental labour rights, early in 2020, the European Commission decided to withdraw part of the tariff preferences provided under EBA.¹² In 2021, around 500 workers in factories supplying big brands such as Nike, Puma and Asics were hospitalised, while 360

¹Asia Floor Wage Alliance. (2021). *Money Heist: Covid-19 Wage Theft In Global Garment Supply Chains*. https://asia.floorwage.org/wp-content/uploads/2022/02/Money-Heist_Book_Final-compressed.pdf

²Apparel Resources News-Desk. (2022, October 13). *Cambodia's Garment Industry On Standstill Due To Lack Of Order*. Apparel Resources. <https://apparelresources.com/business-news/trade/cambodias-garment-industry-standstill-due-lack-orders/>

³Business & Human Rights Resource Centre. (n.d.). *Cambodia: Impacts of Covid-19 on Cambodia's garment sector*. BHRRC. <https://www.business-humanrights.org/en/from-us/covid-19-action-tracker/cambodia/>

⁴The EBA offers Cambodia duty and quota free access to EU's garment and footwear market.

⁵GSP is a US trade programme which provides duty free treatment to certain US imports from eligible developing countries. This remains non-reciprocal in nature and is aimed at boosting economic development in poor countries through trade.

⁶Hong Kong Trade Development Council Research. (2017, March 16). *Cambodia: Manufacturing Relocation Opportunities (1)*. HKTDC. <https://research.hktdc.com/en/article/MzgyODg2Nzky>

⁷Hong Kong Trade Development Council Research. (2017, March 16). *Cambodia: Manufacturing Relocation Opportunities (1)*. Cambodia. HKTDC. <https://research.hktdc.com/en/article/MzgyODg2Nzky>

⁸International Labour Organisation. (2012). *Action-Oriented Research On Gender Equality And The Working And Living Conditions Of Garment Factory Workers In Cambodia*. https://ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---sro-bangkok/documents/publication/wcms_204166.pdf

⁹International Labour Organisation. (2012). *Action-Oriented Research On Gender Equality And The Working And Living Conditions Of Garment Factory Workers In Cambodia*. https://ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---sro-bangkok/documents/publication/wcms_204166.pdf

¹⁰International Labour Organisation. (2012). *Action-Oriented Research On Gender Equality And The Working And Living Conditions Of Garment Factory Workers In Cambodia*. https://ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---sro-bangkok/documents/publication/wcms_204166.pdf

¹¹Warr, .P., & Menon, .J. (2015, October). *Cambodia's Special Economic Zones*. Asian Development Bank. <https://www.adb.org/sites/default/files/publication/175236/ewp-459.pdf>

¹²Business & Human Rights Resource Centre. (n.d.). *Cambodia: Impacts of Covid-19 on Cambodia's garment sector*. BHRRC. <https://www.business-humanrights.org/en/from-us/covid-19-action-tracker/cambodia/>

workers fainted over three days.¹³ The workers were subjected to longer working hours of over 10 hours a day, while the short-term work contracts caused job insecurity among workers while forcing them to work overtime to ensure future work renewals.

The Special Economic Zones (SEZs) were established in Cambodia in 2005 to promote diversification of industries beyond electronics, build an economic linkage between rural and urban areas and promote industrial investment in Phnom Penh.¹⁴ According to an Asian Development Bank (ADB) report, ninety-five per cent of the workers employed in the SEZs are women who are seen as less likely to strike and patient with the 'daily routine'. However, we can see how women workers are being fragmented and divided due to their intensive working hours.¹⁵ Based on pre-pandemic estimates, there were around 50 SEZs in Cambodia that collectively employed

130,000 workers in over 450 factories.¹⁶ The SEZs have brought in a host of labour rights violations along with them. There is also a widespread violation of Freedom of Association (FoA) within the SEZ areas even when trade unions are not explicitly excluded from Cambodia's SEZs.¹⁷ There have also been reports of union members facing extreme violence, intimidation and discrimination within the SEZ areas.

COVID-19 brought in new havoc for the already devastated Cambodian SEZs. By early 2021, after the outbreak of COVID-19, around 265 garment factories suspended operations due to order cancellations and reduced payments.¹⁸ This led to a series of human rights violations for Cambodian garment workers including unpaid wages, union busting in factories, unfair mass dismissals and lack of Personal Protective Equipment (PPE) kits for the workers.¹⁹



¹³Chahal, J. (2022, January 21). *Human Rights Violations Cambodia's Garment Industry*. Durham Asian Law Journal. <https://www.durhamasianlawjournal.com/post/human-rights-violations-in-cambodia-s-garment-industry>

¹⁴Warr, P., & Menon, J. (2015). *Cambodia's Special Economic Zones*. Asian Development Bank. <https://www.adb.org/sites/default/files/publication/175236/ewp-459.pdf>

¹⁵Warr, P., & Menon, J. (2015, October). *Cambodia's Special Economic Zones*. Asian Development Bank. <https://www.adb.org/sites/default/files/publication/175236/ewp-459.pdf>

¹⁶Khmer Times. (2022, November 30). *Special Economic Zones in Cambodia Spurring Development*. <https://www.khmertimeskh.com/501193909/special-economic-zones-in-cambodia-spurring-development/>

¹⁷Cambodian Center for Human Rights. (2018, September). *Fact Sheet: Cambodia's Special Economic Zones and Human Rights*. CCHR. https://cchrcambodia.org/admin/media/factsheet/factsheet/english/Factsheet_SEZ%20ENG_01_10_18.pdf

¹⁸Business & Human Rights Resource Centre. (n.d.). *Cambodia: Impacts of Covid-19 on Cambodia's garment sector*. BHRRC. <https://www.business-humanrights.org/en/from-us/covid-19-action-tracker/cambodia/>

¹⁹Business & Human Rights Resource Centre. (n.d.). *Cambodia: Impacts of Covid-19 on Cambodia's garment sector*. BHRRC. <https://www.business-humanrights.org/en/from-us/covid-19-action-tracker/cambodia/>

Women Workers in the Manhattan Special Economic Zone Come Together Through Feminist Participatory Action Research

The Feminist Participatory Action Research (FPAR) is a collaborative effort between the women garment workers of the SEZ areas and the community organisers from the Worker Information Centre (WIC) to organise and mobilise women workers to be a powerful collective. The FPAR focuses on understanding the working conditions, workers' benefits, minimum wages and other facilities related to health and transportation within the Manhattan SEZ factories.

The Manhattan SEZ is one of the largest areas with 25 companies in the Svay Rieng province. In this FPAR, 79 women workers led the organising within three factories, which are SHEICO (Cambodia) Co., LTD, JIFAS, OK Garment (Cambodia) and San Feng Factory (Cambodia) Company Limited. They created a core group of women workers who monitored their own concerns, including their precarious working conditions.

Key Highlights: Women Garment Workers' Rights Violations Within the Special Economic Zones



Increasing work intensity, decreasing accountability: The increased production targets were coupled with increased overtime work and a reduced number of workers in the production line. FPAR uncovered that the production targets had increased from 1,200 to 1,800 pieces per group in a day for an eight-hour work shift, while unpaid overtime was increased by two hours, including on public holidays and Sundays. From the survey of 79 women workers, 40 garment workers complained that their factories had two hours of overtime work per day (overtime from 16:20 until 18:20), and there was also overtime work during public holidays as well as Sundays. In addition to this, 20 garment workers responded that their factories had also increased production targets. This is in violation of the Cambodian labour law, which requires employers to pay 150 per cent of regular wages for overtime work performed in the day and 200 per cent of overtime work undertaken at night.²⁰ In addition, workers were denied sick leave in the middle of the pandemic. Those who complained of any sickness were given 14 days of leave (because of the quarantine period) and paid only 50 per cent of their wages.

²⁰Asia Floor Wage Alliance. (2021, July). *Money Heist: Covid-19 Wage Theft In Global Garment Supply Chains*. https://asia.floorwage.org/wp-content/uploads/2022/02/Money-Heist_Book_Final-compressed.pdf



Contractualisation Threatens Workers' Security: Based on Article 67 of the Cambodian Labour Law, workers with a specific employment period of two years or less are categorised as Fixed Duration Contract (FDC) workers.²¹ FDC is a form of contractualisation in which the management of companies resort to fixed term contracts to avoid regularising the workers as permanent workers. During the FPAR, a woman worker in the Manhattan SEZ reported that after four years working in the factory, she was still a fixed term contract worker. During the FPAR, it was found that she is one of over 24 workers who have been working under FDCs for over four years while one worker was working under FDC for eight years. There is a constant fear of job loss even among the permanent workforce. A woman worker in the Manhattan SEZ reports, *'Even though I no longer have a fixed duration employment contract, I still worry about unemployment. When they (the employer) do not like us, they will find a way for us to resign. Otherwise, they will transfer us to another workline where we need to learn the skills from scratch. This makes us come across as unskilled on that workline. The employers use this as a reason for us to resign'*.

Employers use FDC to deprive workers of all types of social security benefits such as maternity benefits, paid annual leave and trap them into insecure jobs while curbing their FoA.²² During the FPAR, it was understood that the FDC workers were under a constant threat of job loss and were fearful of even requesting leave during the COVID-19 pandemic period. Another worker from the Manhattan SEZ shared, *'Every day I am worried that my work performance is not good, and they will terminate my contract. Furthermore, when I have a short employment contract, I am also afraid to ask for leave because the team leader would not let me take it'*.

Increased Household Indebtedness: There has already been an accumulation of old private debt which was made worse by new cycles of household debt during the COVID-19 pandemic. As per the FPAR findings, around 68 per cent of garment workers shared that they were already burdened by debt before COVID-19. Workers shared that, *'a monthly income of USD 70 (250,000 - 288.000 Khmer Riels) is not enough to take care of all basic household expenses including food, children's education, personal expenses, wedding expenses and other health related expenditure'*. During the outbreak, workers shared that they were forced to take out new loans to meet the most basic needs: home utilities, health, paying for old debts and meeting other domestic expenditure needs. These new loans were taken from extractive private moneylenders, microfinance institutions, commercial banks and in some cases, close relatives. The interest rates ranged from 5 to 15 per cent per month.

²¹Asia Floor Wage Alliance. (2021, July). *Money Heist: Covid-19 Wage Theft In Global Garment Supply Chains*. https://asia.floorwage.org/wp-content/uploads/2022/02/Money-Heist_Book_Final-compressed.pdf

²²Asia Floor Wage Alliance. (2021, July). *Money Heist: Covid-19 Wage Theft In Global Garment Supply Chains*. https://asia.floorwage.org/wp-content/uploads/2022/02/Money-Heist_Book_Final-compressed.pdf

Limits to Mobilising Women Workers in SEZs: Even though there are no restrictions on forming a labour union within SEZs,²³ it is still difficult in practice for workers to collectivise. These areas are constructed as 'private'²⁴ where administration acts as autonomous and NGOs and trade unions are allowed entry only when permission is obtained from the Zone Manager. A few trade unions exist within the SEZ, but the leadership of these unions are more in the favour of factory management and do not have any genuine worker representation. Workers who joined these unions are unaware of the union's name, what they do or even the importance of unionising. Women workers were even asked to pay a monthly membership fee of 1,000 - 4,000 KHR (USD 0.25-0.98), while they only received a salary of 70 USD per month 'We only became part of the union because the factories made it compulsory for the workers to be a part of the union', said a woman worker in the Manhattan SEZ. Few workers who had previously been a part of a trade union in their previous workplace, shared that their working conditions became better by virtue of their engagement and that their voices and aspirations were represented in the union.

Unreliable Social Protection System: According to the policy, the Government provides a National Social Security Fund (NSSF) as a national social security scheme, covering social insurance, a pension fund, health insurance and free health services for workers at a public hospital. However, even with this scheme, Cambodia's public health sector remains broken and unreliable so much so that public distrust among the majority of workers in the SEZs have increased, urging them to opt for private healthcare despite its higher costs. Some women workers reported that they may overspend from USD 10 to USD 100 for a one-time service in a private hospital. Many prefer buying medication at pharmacies despite the NSSF card ensuring free healthcare. One garment worker stated that, 'When our blood flow is not well, we do the 'coin method'²⁵ ourselves under the sewing machine. We buy medicine from private pharmacies and carry them around'. This is a clear indication that public healthcare services have a bad reputation among citizens. This forces workers to pay high costs for their healthcare, or risk being left unserved.



²³As per the Cambodian Labour Law, Article 266 (1997) workers have the right to form a professional organisation (a union) 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 organisation's statutes.

²⁴Soriththeavy, K. & Amarthalingam, S. (2022, October 21). A Long Road for Independent Unions in SEZs. VOD. <https://vodenglish.news/a-long-road-for-independent-unions-in-sezs/>

²⁵The coin method refers to the 'coin massage' - a traditional South East Asian massage.

²⁶Khmer riels

Expensive and Unsafe Public Transportation: Public transportation is a popular choice among SEZ workers. However, most women feel unsafe using it but they are left with no choice as the companies do not provide transportation facilities. Women workers shared that they spend USD 25 to USD 27.5 per month for public transportation or 40 per cent of their monthly salary (USD 70) while the companies contribute merely USD 13. For those who are only able to access private transportation, they shared feeling unsafe during their commute. There have been many instances of the driver being drunk. In addition, given the limited number of private buses, boarding a private bus forces workers to get up early in order to arrive at the factory on time so that their wages do not get deducted. A woman garment worker who had worked at the factory for almost 10 years said, '(Everyday) I wake up at 04:00 in the morning and the bus leaves at 05:00. Sometimes if the bus break down midway, we must rent another car which costs 10,000 KHR (USD 2.46). On our way back, if we leave at 16:00, we arrive home by 19:00. During overtime we often leave the factory premises by 18:00, and most likely we reach home by 21:00'.



Actions Taken by Women Workers in the Manhattan Special Economic Zone

As a result of FPAR, a core group of women workers from three factories was formed to document the issues at the SEZ. This core group planned to use the various services meant for the workers, such as the NSSF and the available system of transportation, to understand the weaknesses and challenges of these systems and collectivise workers around the issues identified. Following their detailed documentation and due diligence during the FPAR, the women workers plan to gather support and allies among other workers and collectively submit a letter to NSSF at Svay Rieng provincial level suggesting measures to strengthen the quality of health services and other facilities available to garment workers. As a follow up, the core group of women workers will further monitor the NSSF for improvements in the public health care centres.



Recommendations

For the Government of Cambodia:

- 1.** The Ministry of Labour and Vocational Training should end the practice of hiring workers with Fixed Duration Contracts (FDCs) to fulfil workers' rights to full employment and job security. The Ministry of Labour and Vocational Training should coordinate with the Ministry of Public Works and Transport to improve the quality of public transport for workers to ensure safety, security and accessibility of these services.
- 2.** The Ministry of Labour and Vocational Training should ensure that garment workers are provided with living wages that cover the basic needs of workers and their families.
- 3.** The Ministry of Labour and Vocational Training should control and regulate businesses in the SEZs by optimising the labour inspection mechanism to monitor and provide regular feedback. The inspector's responsibility should include supervision of the authority zone and ensure that the zones' authority and employers fully respect and protect workers' rights.
- 4.** The Ministry of Labour and Vocational Training should involve independent trade unions, labour organisations, women's rights organisations, Civil Society Organisations (CSOs) and media in the labour inspection mechanism to strictly monitor and implement labour standards in SEZs.
- 5.** The relevant ministries should take into account household debt as one of the impacts of poverty and must take effective measures to prevent the over indebtedness of SEZs workers. Some of these measures should include: regulation of interest rates for loan / debt repayment; regulation of social market services; regulation of companies to ensure decent work standards including living wages and universal social protection; and making formal financial institutions accessible for women workers.
- 6.** Regulate SEZ companies to provide equal remuneration and annual increment for women workers.
- 7.** Improve access to the NSSF in order to improve workers' access to the public health care system and strengthen the public health service within Health Centres at community level. The current system is inaccessible as it is located far from women's homes or living spaces and provides poor quality health services which forces workers to seek support from private hospitals.

For Employers, Garment Manufacturers Association in Cambodia (GMAC) and buyers:

1. Provide workers with secure and free transportation and good quality medical equipment and facilities in the factory's infirmary.
2. Ensure Occupational Safety and Health (OSH) management by establishing a bipartite OSH committee and ensuring women workers and contractual workers are part of the committee.
3. Brands and their supply chains in SEZs shall ensure that workers' rights are protected as per Cambodia's labour laws and international labour standards. This also means ensuring that suppliers are also responsible for respecting the rights of trade unions, ensuring decent working conditions throughout their supply chains and creating strong codes of conduct so that their products are free from labour exploitation.
4. Extra-territorial responsibilities of developed countries including global buyers and brands should be enshrined in ILO Conventions and subsequently in national laws.



For Existing Unions:

1. Unions should monitor and report on the condition of health facilities and medical equipment in the infirmary to the Government of Cambodia and hold employers accountable.
2. Unions should work closely together to solve issues at the factory, raise demands and create regular awareness raising programmes to strengthen workers' capacity to understand their working conditions, labour laws and labour rights.
3. Unions, with the capacity to do so, should engage in due diligence processes and other human rights and international labour standards mechanisms and share their knowledge and learning to other unions.





About the Workers' Information Centre

The Workers' Information Center (WIC) is a women garment workers based association that was registered at the Ministry of Interior (MOI) in 2009. WIC supports women garment workers to advocate for and realise their rights. WIC's long term strategy focuses on building and strengthening a movement of garment workers towards realisation of accountable and legitimate leadership within the sector, which responds to women worker's rights and needs. WIC seeks to create spaces for women to become leaders within the garment and union sectors and for women's voices to be heard and responded to nationally, regionally and internationally.

Address: #168AZ, Street 27BT, Boeung TomPon I Commune, MeanChey District,
Phnom Penh, Kingdom of Cambodia

Tel: (855)-17-229-500 E-mail: info.wiccambodia@gmail.com

Website: <https://www.unitedsisterhood.org/>

Facebook: Worker's Information Center

About APWLD

The Asia Pacific Forum on Women, Law and Development (APWLD) is the region's leading network of feminist organisations and individual activists. For over 35 years, we have been carrying out advocacy, activism and movement-building to advance women's human rights and Development Justice. This FPAR is part of APWLD's Women Organising Workers Programme. APWLD worked with and supported seven partner organisations from five countries in Asia to conduct Labour FPAR on Special Economic Zones (SEZs) between 2020 and 2022.

Email: apwld@apwld.org

Website: www.apwld.org

This publication was produced with support from the Swedish International Development Cooperation Agency (SIDA), Foundation for a Just Society (FJS) and Wellspring.

Year of Publication: 2023