

INTERNATIONAL LABOUR ORGANIZATION

BETTER FACTORIES CAMBODIA

**ELEVENTH SYNTHESIS REPORT
ON THE WORKING CONDITIONS
IN CAMBODIA'S GARMENT SECTOR**

June 2005

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1 INTRODUCTION

1.1 Project background

Cambodia's garment industry has expanded rapidly since the late 1990s, largely due to favourable trade conditions created by the Multi-Fibre Agreement (MFA). Signed in 1995 under the General Agreement on Tariffs and Trade (GATT), the MFA enabled high-cost garment-producing countries such as the United States and the European Union countries to impose limits on imports from key low-cost manufacturing countries such as China and India.

Cambodia benefited incidentally. Due to the limits on imports, rich-country buyers began to purchase garments from countries not subject to the quota rules. Cambodia was one of these. The garment trade in Cambodia took off so quickly that by 1998, the US government began negotiations to bring Cambodia under the quota system. Through an agreement linking labour conditions to trade privileges, the US allocated bonus export entitlements to Cambodia, as long as the country made gains in improving working conditions.

Better Factories Cambodia (formerly known as the ILO Garment Sector Project), was established in 2001 to help Cambodia's garment sector achieve and maintain improvements in working conditions. The project monitors and reports on working conditions in Cambodian garment factories according to national and international standards, helps factories to improve their productivity, and works with the Government and international buyers to ensure a rigorous and transparent cycle of improvement.

The MFA expired on 31 December 2004, opening all countries to global competition. The Cambodian-US trade agreement also expired at the end of 2004. Smaller producers like Cambodia now must somehow distinguish themselves in the market if they hope to remain competitive. Cambodia has set itself apart to some extent by continuously improving working conditions, and by facilitating access to reliable information regarding factory compliance with international and national labour standards. *Better Factories Cambodia* will seek to build upon the progress that already has been made in both of these areas.

Better Factories Cambodia is guided by a Project Advisory Committee (PAC), which consists of 3 representatives each from the Government of Cambodia, the Garment Manufacturers Association of Cambodia (GMAC) and the Cambodian trade union movement. The PAC advises the project on all its activities including monitoring, remediation and sustainability.

1.2 The monitoring system

The monitoring system consists of three main components:

- Registration of participating factories
- Monitoring visits and reporting on these visits

- Reporting on the overall findings of the monitoring

Registration of participating factories

One reason for the project's success to date is that *all* exporting garment factories in the country have registered with the project. Although registration with the project is voluntary, the Cambodian Ministry of Commerce has required factories to register with the project in order to be granted an export license.

When companies register with the project, they agree to provide full access to the factory premises when ILO monitors visit, and to allow ILO monitors to interact freely with shop stewards, union representatives and factory workers, both inside and outside the factory.

Monitoring procedures

Better Factories Cambodia has a team of 11 monitors, who visit factories in pairs and arrive unannounced. The monitors' checklist, based on Cambodian labour law and core ILO standards, covers more than 500 items. To ensure accuracy, monitors interview workers and management separately and confidentially. Interviews with workers usually take place away from the factory. Monitors also talk with factory shop stewards and union leaders. Management is requested to provide relevant documents (payroll, sample contracts, leave records, etc.) as evidence of working conditions and terms of employment.

Factory managers get written reports of the findings, which include suggestions for improvement. After time for discussion and follow-up action, the monitors visit the factory again to check progress. Upon request from management, the project may provide assistance to factories in implementing the suggestions identified in the report.

Monitors also conduct follow-up visits in pairs, which usually include at least one of the monitors who previously visited the factory. During follow-up visits, monitors focus on the factory's progress in implementing the suggestions. In addition, monitors re-examine core labour standards, such as freedom of association and child labour, and look for any major changes in factory conditions.

Reporting procedures

In addition to providing individual reports to factories, the project also prepares synthesis reports, which provide an overview of working conditions across a group of factories (factories are grouped together into cohorts as they register with the project). Synthesis reports containing findings made during initial monitoring visits to factories do not identify the factories by name, in order to provide a grace period during which the factories can improve working conditions. However, synthesis reports covering follow-up visits to factories do identify the factories included in the report by name. The PAC discusses each synthesis report, and its comments are recorded. Synthesis reports are available in both English and Khmer, and are posted on the ILO website.

1.3 This synthesis report

This eleventh synthesis report contains an overview of findings made during initial monitoring visits to 50 factories. At the time of the monitoring visits, these factories employed 42,937 workers of whom 40,120 were women and 2817 were men.

This group of factories had a low level of compliance with legal requirements, most likely due to the fact that this report contains information gathered during initial monitoring visits. Typically, factories improve their working conditions after receiving their initial monitoring report, and they continue to improve with subsequent follow-up visits.

While the report indicates the levels of compliance across a wide range of issues, the key findings for the 50 factories covered by this report are the following:

Key Findings in the Eleventh Synthesis Report
<ul style="list-style-type: none">❖ There is no evidence of forced labour;❖ In six factories, management dismissed pregnant workers, or forced them to resign, and in one factory, management fired workers or changed their employment status during their maternity leave;❖ In one factory, management did not recruit any men, due to previous experience with men leading strikes;❖ More than half of the factories have problems with line supervisors failing to treat workers with respect;❖ 10 underage workers were found to be working in 4 factories.❖ Many of the factories monitored do not comply with minimum wage requirements; this problem is most prevalent among casual workers;❖ Most factories have problems ensuring that overtime work is voluntary, exceptional, and limited to two hours per day;❖ A few factories have significant problems ensuring freedom of association and refraining from anti-union discrimination;❖ None of the strikes that took place during in this group of factories in the 12 months preceding the monitoring visits were organized in conformity with legal requirements;❖ Significant numbers of factories fail to meet safety and health standards, including the provision and use of protective equipment, the installation of safety guards on machines, proper safety training, and adequate ventilation.

This synthesis report does not identify which factories need to implement the specific suggestions for improvement, since this report addresses conditions observed during initial monitoring visits. Factories are named and their progress on implementation is identified only in reports made after the second visit.

2 WORKING CONDITIONS IN THE 50 FACTORIES

The information in this chapter follows the structure of the checklist used by monitors when they visit factories. Each sub-chapter contains a brief description of the applicable law, followed by a chart. The first column in the chart indicates the suggestions for improvement that were made to factories following the monitoring visits. The centre column in the chart shows the number and percentage of factories at which the corresponding suggestion was made. The last column in the chart shows how many (if any) factories fully or partially implemented the suggestion following the initial monitoring visit, and before the monitoring report was finalised.

Key

The following symbols have been used in Section 2 of the report to identify factories at which a particular suggestion applies only to specific types of workers:

(A) Indicates factories at which the suggestion applies only to apprentices.
 (C) Indicates factories at which the suggestion applies only to casual workers.
 (PR) Indicates factories at which the suggestion applies only to piece-rate workers.
 (PW) Indicates factories at which the suggestion applies only to probationary workers.

The number of factories at which a suggestion applies only to a particular kind of worker is NOT included in the figure representing factories at which no distinction was made. For example:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
pay workers their daily wage on public holidays when they do not work	2 (4%) 2 PR (4%) 4C (8%)	

This suggestion was made to 2 factories that failed to pay workers correctly on public holidays, but no distinction was made as to the type of worker not paid correctly; 2 factories that failed to pay only piece-rate workers correctly on public holidays; and 4 factories that failed to pay only casual workers correctly on public holidays, for a total of 8 factories at which public holiday wage payments were a problem. None of the factories improved their payment of public holiday pay before their monitoring reports were finalised

2.1 Working conditions

2.1.1 Internal regulations

Law (Arts. 22–25, 29, 30, 284; Notice 14/02):

Enterprises must develop internal regulations specifying the terms and conditions of employment in consultation with workers' representatives. Provisions in internal regulations that do not comply with the law are null and void. Internal regulations must be written legibly in Khmer and posted in an accessible location in the workplace. Factories must have their internal regulations approved by the Labour Inspector.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
develop internal regulations	14 (28%)	2
develop internal regulations for apprentices	4 (8%)	0
consult with shop stewards when developing internal regulations	2 (4%)	0
ensure that the internal regulations comply fully with the labour law	8 (16%)	0
get the internal regulations approved by the labour inspectorate	3 (6%)	1
post the internal regulations in the workplace	8 (16%)	1

2.1.2 Employment contract

Law (Arts. 9, 10, 51-53, 65-68, 71-79, 89-91, 116, 126, 166, 167, 260; Prakas 004/00; Notice 06/97):

A labour contract establishes the working relations between the worker and the employer. It is subject to ordinary law and can be written or verbal. Workers can be paid wages based upon hours worked, or based upon the amount of work performed (i.e., piece-rate workers). Employment contracts can be made for a fixed period of time, or for an undetermined duration. Workers must not be required to pay anyone to get a job.

Workers who regularly perform a job on a permanent basis are considered “regular workers.” Casual workers are those who are contracted to perform specific work for a short period of time. Casual workers are subject to the same rules and enjoy the same rights as regular workers. Workers may be placed on probation when they start work, but probation cannot exceed three months for regular employees. The maximum contract period for an apprentice is two months.

When terminating employment contracts, employers are subject to provisions regarding prior notice, indemnities for dismissal, and damages. The applicability of these provisions varies depending upon the type of employment contract and the circumstances surrounding the termination.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
make sure that workers are not required to pay anyone to get a job	11 (22%)	2
make sure that the employment contracts specify the terms and conditions of employment	6 (12%)	0
amend clauses in the employment contracts that do not comply with the law	20 (40%) 1 PW (2%)	1
amend clauses in the employment contracts that do not comply with the internal regulations	1 (2%)	0
ensure that workers understand the terms and conditions of their employment contracts	35 (70%) 1C (2%)	0
not keep workers on probation for more than 3 months	12 (24%)	0
ensure that the apprenticeship scheme complies with the law	8 (16%)	0
ensure that apprenticeship contracts do not exceed 2 months	3 (6%)	0
not arbitrarily change the employment		

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
status of workers (e.g. from regular to probationary)	4 (8%)	0
only employ casual workers for specific work for a short period of time	18 (36%)	1
give workers the correct amount of notice before dismissing them	1 (2%)	0
only terminate workers for valid reasons	4 (8%)	0
pay workers they dismiss the correct indemnity for dismissal	5 (10%)	0
not deduct wages from apprentices and/or probationary workers who fail to give notice when they resign	3 (6%)	0
pay workers damages when there is no valid reason for termination by the employer	3 (6%)	0
pay workers for their accrued annual leave when they resign or are terminated	11 (22%)	0
notify MOLVT before suspending workers' employment contracts due to economic problems	2 (4%)	0

2.1.3 Collective agreement

Law (Arts. 96-98; Prakas 287/01, 305/01)

The collective agreement is a written agreement to determine the working and employment conditions of workers, and to regulate relations between employers and workers. Employers can enter into a collective agreement with one or more representative trade unions. If there is no trade union, duly elected shop stewards can sign an agreement on the employees' behalf. The provisions of collective agreements can provide better benefits to workers than those provided by law, but any provisions that are less favourable to workers than the law are unenforceable. Collective agreements must be written in Khmer, properly registered with MOLVT, and posted throughout the factory.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
ensure that the collective agreement complies with the law	1 (2%)	0
implement the collective agreement	1 (2%)	0

2.1.4 Wages

Law (Arts. 28, 39-41, 102-119, 127, 139, 163; Prakas 10/99, 80/99, 269/01, 100/02; Circular 024/99; Notice 06/97, 017/00):

The wage is the payment given to a worker by an employer for work performed. Wages include overtime payments, bonuses, holiday pay, and maternity leave pay. Workers must be paid the guaranteed minimum wage; any agreement that would result in the worker being paid less is null and void. For piecework, the piece rate must be set at a level that permits a worker of average ability working normal hours to earn the minimum wage. Minimum wage information must be permanently posted in the workplace and in payment and recruitment offices.

The minimum wage set for the garment sector is \$45¹ for regular workers, \$40 for workers on probation and \$30 for apprentices. If a piece rate worker's earnings fall below \$45, the employer must make up the difference, so that the worker is paid at least the correct minimum wage. Employers must pay workers a \$5 bonus for regular attendance. Workers who have worked in the same factory for more than a year must be paid a \$2 seniority bonus per month. Employers must pay normal overtime at 1.5 times the normal rate, and work on Sundays and public holidays must be paid at double the normal rate. Night work (between 22:00 and 05:00) also must be paid at double the normal rate. Workers are entitled to a 1,000 Riel meal allowance, or a meal, when they work overtime.

Employers are not permitted to punish workers by imposing fines or deducting their wages. They must keep a detailed payroll ledger, and pay workers on time and during normal working hours.

¹ All dollar figures are in US dollars.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
post minimum wage information in the workplace	24 (48%)	4
ensure that workers understand the calculation of wages	37 (74%)	1
provide clearly written payslips to workers	14 (28%)	2
explain to workers the items that make up their wages and the terms of payment before the workers start work, and each time the terms, items, or style changes	5PR (10%)	0
explain to workers the rate of normal overtime, night work, and work on Sundays and public holidays	3 (6%)	0
set the piece rate at a level that permits a worker of average ability working normal hours to earn minimum wage	8 (16%)	0
pay piece-rate workers the minimum wage when their piece rate pay, excluding overtime, falls below the minimum wage	4 (8%)	0
pay piece-rate workers overtime based on their piece rate earned when this is more than minimum wage	3 (6%)	0
pay workers from the date they start work, including during the pre-trial period	9 (18%)	1
pay apprentices at least \$30 per month for ordinary hours of work	5 (10%)	0
pay workers on probation at least \$40 per month for ordinary hours of work	5 (10%)	0
pay regular workers at least \$45 per month for ordinary hours of work	5 (10%)	0

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
pay casual workers at least \$45 per month for ordinary hours of work	21C (42%)	0
pay workers 150% their normal pay for overtime work performed on a normal workday before 22:00	7 (14%) 6C (12%) 1PR (2%)	0
pay all workers double their normal pay for work during weekly time off (Sunday)	6 (12%) 1C (2%) 1PR (2%)	0
pay workers who work on public holidays their wage for one day (in addition to their normal daily wage)	5 (10%) 1C (2%) 1PR (2%)	0
pay workers their daily wage on public holidays when they do not work	2 (4%) 4C (8%) 2PR (4%)	0
pay all workers double their normal pay for work at night	8 (16%)	0
give all workers 1,000 Riels for a food allowance or a free meal if they work overtime	7 (14%) 6C (12%)	0
pay workers who work regularly the attendance bonus of \$5 per month	8 (16%) 13C (26%) 1PW (2%) 1A (2%)	0
pay workers the seniority bonus after 1 year of service	6 (12%)	0
not punish workers by imposing fines or deducting wages	13 (26%)	0
not impose fines or deduct wages from workers who do not work overtime, Sundays or Public Holidays	1 (2%)	0
not deduct more than the basic daily wage for an unauthorised absence	2 (4%)	1

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
not charge workers more than the cost of the ID card or other items when replacing them	20 (40%)	1
keep a detailed payroll ledger in Khmer that is easy to understand	9 (18%)	1
include the starting dates for workers in the payroll ledger	6 (12%)	0
ensure that the payroll ledger accurately reflects the actual wages paid/hours worked	4 (8%)	0
correct incorrect wage payments	1 (2%)	0
pay wages on time	4 (8%)	0
pay workers during normal working hours	17 (34%)	0
pay workers a day early when payday falls on a day off (e.g., Sunday or Public Holiday)	3 (6%)	0
pay terminated workers their wages and indemnities within 48 hours after they terminate work	4 (8%)	0
use the correct exchange rate when converting workers' wages from dollars to Riels	1 (2%)	0

2.1.5 Return fare

Law (Art. 188):

If management recruits workers far away from the workplace and pays for a worker to travel to the workplace, management must pay the worker's return fare to the place of recruitment.

Suggestions made for factories: None

2.1.6 Hours of work

Law (Arts. 137, 139, 140, 141, 144, 147, 160; Prakas 10/99, 80/99, 100/02; Notice 004/00):

The number of hours worked cannot exceed eight hours per day, or 48 hours per week. Employers may only schedule overtime work for exceptional and urgent jobs, and they must get permission from the Labour Inspector before workers work overtime. Overtime must be voluntary, and employers may not punish workers who refuse to work overtime. Current practice is for MOLVT to limit overtime to 2 hours per day when it grants overtime permission. Employers must provide transportation for workers who finish work at night (between 22:00 and 05:00), if they have not provided a place for those workers to sleep. Workers must have at least 24 consecutive hours off each week, usually on Sundays.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
ensure that apprentices work only 6 hours per day, 5 days per week	5 (10%)	0
provide workers weekly time-off	4 (8%)	0
ensure that work on Sundays is voluntary	11 (22%)	0
ensure that work on Sundays is exceptional	5 (10%)	0
ensure that work on public holidays is voluntary	9 (18%)	1
ensure that work on public holidays is exceptional	6 (12%)	0
ensure that overtime work is voluntary	32 (64%)	1
ensure that overtime work is exceptional	36 (72%)	0
ensure that overtime work does not exceed 2 hours per day	34 (68%)	0
not punish workers who do not work	5 (10%)	0

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
overtime, Sundays or public holidays		
provide night workers transportation or a place to sleep	13 (26%)	0
consider maintaining a shift pattern for at least 2 weeks	1 (2%)	0
obtain permission from MOLVT before workers work overtime	15 (30%)	1
obtain permission from MOLVT before suspending the weekly break	22 (44%)	0
post the overtime permission in the factory	4 (8%)	0

2.1.7 Leave

Law (Arts. 161, 166-171; Prakas 267/01):

Each year, MOLVT issues a Prakas determining the paid public holidays for that year, which employers must post in the workplace. Employers must provide paid annual leave to workers at the rate of 1½ days per month of continuous service (18 days per year). Workers may use their paid leave after one year of service. Workers earn one extra day of annual leave for every 3 years of service. Employers may grant workers up to 7 days special leave for events directly affecting the worker or the worker's family, including the worker's wedding, the worker's wife giving birth, marriage of the worker's child, and sickness or death of the worker's spouse, children or parents. If the worker has unused annual leave, the employer can deduct the special leave from the worker's annual leave. Workers are also entitled to sick leave. MOLVT's practice is to require employers to provide for paid sick leave in the company's internal regulations.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
post the list of national public holidays in the factory	8 (16%)	2

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
give workers 18 days of paid annual leave each year	9 (18%)	0
allow workers to take their annual leave without imposing unreasonable restrictions	6 (12%)	0
pay workers at least their average daily wage, including bonuses, for each day of annual leave before workers go on leave	5 (10%)	0
not deduct the \$5 attendance bonus when workers take annual leave	1 (2%)	0
get workers' consent to convert annual leave into cash compensation	3 (6%)	0
give workers an extra day of annual leave for every three years of service	6 (12%)	0
consider adopting or amending the Internal Regulations to provide paid sick leave to workers for illnesses certified by a qualified doctor as follows: 100% wage for the first month; 60% wage for the second month; 40% wage for the third month; no wage payment for months 4-6	32 (64%)	1
provide paid sick leave as required by the factory's Internal Regulations	9 (18%) 1PR (2%)	0
not unreasonably restrict workers from taking sick leave	10 (20%)	0
consider giving workers up to 7 days per year of paid special leave for events affecting the worker or the worker's family	35 (70%) 1PR (2%)	1
allow workers to take special leave for events affecting the worker or the worker's family, including the employee's wedding, the employee's spouse giving birth, illness or death in the employee's family, and	8 (16%)	0

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
marriage of the employee's child		
not deduct the \$5 attendance bonus when workers take special leave	7 (14%)	0
not unreasonably restrict workers from taking special leave	5 (10%)	0

2.1.8 Maternity leave

Law (Arts. 182 and 183):

Women are entitled to maternity leave of 90 days. If they have one year of uninterrupted service, they must be paid half their wage, including benefits, either before or during their leave. Employers should ensure that women are aware of their right to maternity leave. For the first 2 months after they return to work from maternity leave, women must be allowed to do light work.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
give workers 90 days of maternity leave	1 (2%)	0
inform workers of their right to maternity leave	6 (12%)	0
pay women on maternity leave, who have worked for more than one year, half their benefits in addition to half their wages	15 (30%)	0
pay workers on maternity leave their maternity benefits before or during leave	8 (16%)	0
allow workers to do light work during the first two months after their maternity leave	1 (2%)	0

2.1.9 Breastfeeding

Law (Art. 184):

Mothers are entitled to one hour of paid time-off per day to breastfeed their children, until the child reaches one year of age. This hour may be divided into two 30-minute periods, one during the morning shift and the other during the afternoon shift. Employers should ensure that mothers are aware of their right to time-off for breastfeeding.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
make sure that workers are aware of their right to one hour of time-off per day with pay for breast-feeding during the first year after the baby is born	25 (50%)	0
provide workers one hour of time-off per day with pay for breast-feeding during the first year after the baby is born	10 (20%) 1PR (2%)	0

2.1.10 Nursing room/Day-care centre

Law (Art. 186)

Enterprises employing at least 100 women must set up a functional and accessible nursing room at or near the workplace. They also must set up a day-care centre, or pay the childcare costs of women employees.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
set up a functioning and accessible nursing room	46 (92%)	0
set up a day care centre at or near the workplace, or pay the childcare costs of women employees	46 (92%)	0

2.1.11 Sexual harassment/Indecent behaviour

Law (Art. 172):

Sexual harassment and indecent behaviour are forbidden.

Suggestions made for factories:

There were no reported incidences of sexual harassment.

Management,	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
including line supervisors, should treat workers with respect	29 (58%)	1

2.1.12 Discrimination

Law (Arts. 12, 182; ILO Convention No. 111):

Employers may not consider an employee's race, colour, sex, creed, religion, political opinion, birth or social origin when making decisions regarding hiring, work assignments, vocational training, advancement, promotion, pay, granting of social benefits, discipline, or termination of employment contract.² Therefore, for example, employers may not dismiss pregnant workers or force them to resign. Employers also may not fire workers or change their employment status or seniority during their maternity leave or upon their return.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
not dismiss pregnant workers or force them to resign	6 (12%)	0
not fire workers or change their employment status/seniority during maternity leave	1 (2%)	0
not discriminate on the basis of gender when recruiting workers	1 (2%)	0

² Discrimination on the basis of union membership or union activities is covered separately below.

In six factories, management dismissed pregnant workers, or forced them to resign, and in one factory, management changed the employment status of workers during their maternity leave. In one factory, management did not recruit any men, due to previous experience with men leading strikes.

2.1.13 Forced labour

Law (Art. 15; ILO Convention Nos. 29 & 105):

Forced labour is prohibited under ILO Convention Nos. 29 and 105 on Forced Labour, both of which have been ratified by the Kingdom of Cambodia, in 1969 and 1999 respectively. Convention No. 29 defines forced labour as involuntary work exacted from a person under threat of penalty.

None of the factories showed any indication of forced labour.

2.1.14 Child labour

Law (Arts. 177, 179; Notice 11/03):

The minimum age for wage employment is 15 years. The minimum age for work that could be hazardous to young workers is 18 years. Children from 12 to 15 years of age can be hired to do light work, if the work is not hazardous and will not affect their school attendance or their participation in training programs. Employers should use reliable documents to verify the age of workers prior to hiring.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
not employ underage workers	1 (2%)	0
verify the age of workers against relevant and reliable documents during recruitment	5 (10%) 1C (2%)	0

After monitors verified the ages of workers who appeared to be underage by checking age-verifying documents in the appropriate commune offices, four factories were found to have a total of 10 underage workers. The lack of a universal birth registration system and falsification of documents by workers are substantial problems in Cambodia.. Four of the under-age workers were placed in vocational training programs paid for by their employers, and provided a monthly stipend of \$45 until they were re-hired at the age of 15. Three had left their employment, one had reached age 15 by the time monitors discussed the issue with management following the monitoring visit, and two other workers turned age 15 within 2 months after monitors verified their ages.

2.2 SAFETY AND HEALTH

The Labour Code of Cambodia contains only general provisions on health and safety. Article 229 states that factories must be clean and hygienic, and maintain working conditions necessary for the health of the workers. Article 230 requires employers to guarantee the safety of workers in the workplace, and Article 250 requires factories to employ someone to prevent work-related accidents. The specific safety and health issues identified below have been included in the checklist used during monitoring visits, which was approved by the Project Advisory Committee. These issues reflect the specific conditions considered necessary to comply with the broad worker health and safety guarantees found in the Code.

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.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
develop a health and safety policy	47 (94%)	1
post the health and safety policy in the workplace and explain it to the workers	1 (2%)	0
post safety and health information (e.g. posters and signs) in the workplace	3 (6%)	0

2.2.1.2 Work-related accidents and illnesses

Law (Prakas 243/02):

Employers must notify MOLVT's Department of Social Security in writing of any work-related accident if the factory is located in Phnom Penh, or the provincial or municipal Inspectorate, if the factory is outside the capital.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
keep a record of work-related accidents/illnesses	16 (32%)	2
notify the relevant authorities of work-related accidents or illnesses within 48 hours of their occurrence	25 (50%)	1
provide a summary report of work-related accidents/illnesses to the relevant authorities	4 (8%)	0

2.2.1.3 Compensation for work-related accidents

Law (Arts. 248, 249, 253, 254; Prakas 243/02):

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. If a worker has an accident while commuting directly to or from work, this also is considered to be work-related. Victims of work-related accidents are entitled to medical assistance (medical treatment and hospitalisation) and daily compensation. Employers must pay compensation for fatal accidents or for accidents causing permanent disability to the victim or the victim's beneficiaries as an annuity.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
compensate workers for work-related accidents/illnesses, including accidents that happen on the way to and from work	22 (44%)	0
pay correct compensation for work-related accidents or illnesses, including disability payments if the worker is temporarily or permanently disabled	1 (2%)	0
pay workers their regular daily wage when work-related accidents or illnesses cause them to miss work	13 (26%)	1

2.2.1.4 Emergency arrangements

Law:

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

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
hold regular emergency drills	31 (62%)	3
ensure that all exit doors are open/unlocked during working hours, including overtime	12 (24%)	1
install enough exit doors for workers to get out quickly if there is an emergency	1 (2%)	0
clearly mark all emergency exit doors	6 (12%)	0
ensure that all exit doors are accessible	2 (4%)	0
install a sufficient number of fire extinguishers	2 (4%)	1
ensure that fire extinguishers are within easy reach	4 (8%)	0
ensure that fire extinguishers are regularly serviced	6 (12%)	2
train an appropriate number of workers to use the fire extinguishers, including both men and women workers	4 (8%)	0
post safety signs/notices in the workplace	9 (18%)	0

2.2.1.5 First aid

Law:

There are no specific legal requirements with regard to the availability of first aid kits in the workplace, except that Joint Prakas 330/00 regarding infirmaries requires

factories with less than 20 workers to have a first aid box and a first aid worker (as an alternative to an infirmary in small factories).

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
provide a sufficient number of first aid boxes in the workplace	18 (36%)	1
properly stock the first-aid boxes	19 (38%)	1
ensure that the first aid boxes are easily accessible	7 (14%)	0
provide first-aid training to workers	13 (26%)	0

2.2.1.6 Infirmary

Law (Arts. 242, 244; Joint Prakas 330/00):

Employers employing at least 50 workers must set up a permanent infirmary at the workplace. The infirmary must be run by a doctor assisted by one or more nurses, depending upon the number of workers. During working hours, including overtime, at least one nurse must always be present. The employer must supply the infirmary with sufficient medicine and medical equipment to provide emergency care to workers who are injured or sick during work. If the factory employs more than 200 workers, the infirmary must include beds for hospitalising the injured and sick. The infirmary must be able to handle 2 percent of the factory’s personnel at one time, up to a maximum of 20 beds.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
set up an infirmary for workers’ use	9 (18%)	0
expand the hospitalisation capacity of the infirmary	35 (70%)	1
recruit a doctor	16 (32%)	1
recruit one (more) nurse	17 (34%)	0

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
ensure that a nurse/doctor is on duty during the required number of hours (including overtime)	30 (60%)	0
ensure that the infirmary is easily accessible to all workers	1 (2%)	0
ensure that the infirmary has enough medicine and medical equipment	22 (44%)	0
ensure that the infirmary is clean	4 (8%)	0
not unduly restrict workers' access to the infirmary	4 (8%)	0
install a toilet near the infirmary	2 (4%)	0

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.

Note: Verifying the chemical content and potential hazards of hazardous substances is beyond the scope of the project. Therefore, the project only monitors the storage of substances in factories that use a substantial amount of chemical substances. In practice, this means that only factories with a washing or dyeing section are covered by this section of the report.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
properly store chemicals in a separate area of the workplace	4 (8%)	1
properly label chemical containers in Khmer	7 (14%)	1

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
separate areas of the factory where chemicals are used from other work areas	1 (2%)	0
provide proper equipment to workers who work with chemical substances	5 (10%)	0
install exhaust ventilation in areas of the factory where chemicals are in use	8 (16%)	0
train workers to use chemical substances safely	4 (8%)	0

2.2.2.2 Protective measures

Law:

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

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
provide masks and gloves to workers free of charge	29 (58%)	0
provide suitable footwear free of charge, or allow workers to wear their own footwear in the workplace	23 (46%)	2
train/encourage workers to use protective clothing and equipment	34 (68%)	0

2.2.3 Lighting

Law (Prakas 484/03):

The factory must be well-lit. The lighting should be free of glare and reflection.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
ensure that the workplace is well lit	3 (6%)	0

2.2.4 Noise

Law (Anukret 42/00; Prakas 138/03):

The noise control standards per number of hours of exposure are as follows:

75 dB(A) for 32 hours	100dB(A) for 1 hour
80 dB(A) for 16 hours	105dB(A) for 0.5 hour
85 dB(A) for 8 hours	110dB(A) for 0.25 hour
90 dB(A) for 4 hours	115 dB(A) for 0.125 hour
95 dB(A) for 2 hours	

Employers should provide workers with hearing protection when they are exposed to more than 80 dB(A).

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
reduce noise levels in the factory, or provide workers with hearing protection	9 (18%)	0

2.2.5 Machine safety

Law:

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

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
ensure that the machines are well maintained	5 (10%)	0
ensure that the electrical wiring system is properly maintained	2 (4%)	0
equip machines with safe/needle guards	34 (68%)	2
post warning signs/safety notices on the electrical switch boxes	2 (4%)	0

2.2.6 Ventilation and heat

Law (Prakas 125/01, 147/02):

Employers must ensure that the heat in the factory does not affect a worker's health, or impair their ability to work. If necessary, the employer should take steps to reduce the heat in the workplace.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
take steps to reduce heat in the workplace	21 (42%)	0
improve air circulation and ventilation in the workplace	21 (42%)	0
introduce dust reduction measures	2 (4%)	0
keep fans and other ventilation systems in good repair	6 (12%)	0

2.2.7 Housekeeping

Law:

There are no specific legal requirements with regard to housekeeping.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
keep the workplace clean	1 (2%)	0
keep the workplace tidy	1 (2%)	0
ensure that the windows, walls, and/or ceilings are clean	16 (32%)	0
ensure that raw materials/finished products are organized neatly	5 (10%)	0
keep all access ways clear and clean	6 (12%)	0
ensure that access paths allow for two-way traffic	10 (20%)	0
ensure that tools and safety switches are within easy reach of workers	2 (4%)	0
provide (enough) equipment for transporting heavy/bulky materials	9 (18%)	1
ensure that the lights are clean	2 (4%)	0

2.2.8 Welfare

2.2.8.1 Drinking water

Law (Prakas 054/00):

Employers must provide sufficient hygienic drinking water for their workers. The drinking water must be kept in a container with a cover and a tap. The drinking water station must be located near the workplace. Management must provide cups, glasses or other sanitary means for drinking water to the workers. Employers should not unreasonably restrict workers' access to drinking water.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
provide safe drinking water	3 (6%)	0
provide enough drinking water	2 (4%)	0
provide cups or other sanitary means for drinking water	38 (76%)	0
set up an additional drinking water station	5 (10%)	1
ensure that the drinking area/water containers are clean/hygienic	16 (32%)	0
not place undue restrictions on drinking water	3 (6%)	0

2.2.8.2 Sanitation facilities

Law (Prakas 052/00):

Employers should set up functioning toilets for workers. The number of toilets required depends upon the number of workers in the factory. Toilets must have waterproof floors and walls, a door with a latch, appropriate lighting, and adequate drainage. Toilets should be marked for separate use by men and women, and cleaned at least once a day. Employers should also consider providing a washing facility near the toilets. Employers should not unreasonably restrict workers' access to the toilets.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
provide the number of toilets required under Prakas 052/00	16 (32%)	2
repair broken toilets	12 (24%)	0
repair broken toilet doors	9 (18%)	3
clearly mark the toilets for use by female	5 (10%)	0

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
and male workers		
consider providing a washing facility near the toilets	3 (6%)	0
ensure that the toilets are cleaned regularly	20 (40%)	1
ensure that there is sufficient soap and water near the toilets	40 (80%)	0
not place undue restrictions on toilet use	6 (12%)	1
improve the lighting in the toilets	2 (4%)	1
provide suitable footwear that workers can wear when they use the toilets, or allow workers to wear their own footwear	3 (6%)	0

2.2.8.3 Personal Belongings

Law:

There are no specific legal requirements with regard to providing a secure place for workers to store their personal belongings.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
consider setting up a secure place for workers to store their personal belongings	8 (16%)	0

2.2.9 Seating

Law (Prakas 053/00):

Employers should provide suitable chairs for workers who work sitting down. Adjustable chairs with backrests are considered appropriate for garment factory workers. Workers who work in a standing position should be provided with chairs near their workstation, so that they can rest occasionally.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
provide adjustable chairs with back rests for workers who work sitting down	48 (96%)	0
provide chairs near the workstation for workers who work in a standing position to rest on	45 (90%)	0
not unduly restrict workers who work in a standing position from resting on chairs	2 (4%)	0
ensure that workers do not work sitting on the floor	3 (6%)	0

2.3 LABOUR RELATIONS

2.3.1 Workers' freedom to organise

Law (Arts. 266, 267, 271, 273, 280; Convention 87/99, Arts. 2, 3):

Workers and employers have the right to form professional organizations. Employee unions and employer associations have the authority to draw up their own governing documents, elect their own representatives, and develop their own programmes. Management may not interfere with workers' rights to form and join unions, or to participate in union activities. Management should refrain from taking measures that may be perceived as attempts to place the union under management control, such as supporting the creation of unions dominated by management, or supporting unions financially or by other means.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
not interfere with the right of workers to form and join trade unions	4 (8%)	0
ensure that workers are free not to join trade unions	1 (2%)	0
refrain from taking measures that may be perceived as an attempt to place the union under its control	2 (4%)	0
not deduct union dues from a worker's wages if the worker has not authorized the deduction	1 (2%)	0

The conditions giving rise to these suggestions were as follows. In two factories, there were no unions, and workers said that they were prohibited from forming or afraid to form a union. In one factory, there was a union, but workers were afraid to join or participate in union activities. In this factory, management fired a union leader, and did not re-hire him after being ordered to do so by the local labour officer (for more information, see anti-union discrimination, below). Management has filed a complaint with the Minister of Labour about the order. Workers in two factories said that management controlled the unions. In one of these factories, workers said that it was hard to refuse to join the union, and management deducted union dues without their consent. In the other factory, workers said that management did not allow workers to form another (independent) union.

2.3.2 Anti-union discrimination

Law (Arts. 12, 279, 293; Prakas 305/01):

Employers cannot consider a worker's union membership or participation in union activities when making decisions about hiring, management and assignment of work, promotion, pay, granting of benefits, disciplinary measures, or dismissal. Employers can dismiss the three most senior leaders of a registered union, including the president, vice-president, and secretary, only after receiving permission from the Labour Inspector.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
not discriminate against workers for joining a union or engaging in union activities	3 (6%)	0
comply with the law when dismissing union leaders or candidates for union leadership	1 (2%)	0

The conditions giving rise to these suggestions were as follows. In one factory, management fired a union leader, and the local labour officer ordered management to re-hire him after finding that he had committed no serious offences, but management failed to do so. Management then filed a complaint with the Minister of Labour regarding this issue. In another factory, workers said that the line leaders told them that they would be fired if they participated in union activities, although no workers had been fired at the time of the monitoring visit. In a third factory, workers said that management forced a union leader to resign, because he demanded that management pay the meal allowance when workers worked overtime.

2.3.3 Shop stewards

Law (Arts. 283-285, 287, 288, 291-293, 296; Prakas 286/01):

In every factory with 8 or more employees, management must organise elections of shop stewards within 6 months after the factory starts operating. The number of shop stewards and assistant shop stewards required depends on the number of workers in the factory.

Number of Workers	Number of Shop Stewards plus (Number of Shop Steward Assistants)
1-7	0
8-50	1 (1)
51-100	2 (2)
101 +	1 extra shop steward and one extra shop steward assistant for each group of 100 workers

In organising shop steward elections, management must:

- consult with union(s) before holding the election;
- allow representative unions to nominate candidates;
- post election procedures and a list of candidates at least 3 days prior to the election;

- run separate but simultaneous elections for stewards and assistants;
- ensure separate electoral bodies for (1) manual workers and (2) foreman, technicians, and administrators, in factories with at least 51 employees;
- organise and pay for the elections;
- hold elections at least 15 days before the expiration of the shop stewards' term;
- hold the election during working hours;
- provide workers a 2-hour break prior to the election;
- ensure that the election is determined by secret ballot; and
- notify the Labour Inspector of the election results within 8 days.

Management must provide shop stewards 2 hours (paid) per week, an office, a meeting room, and working materials to perform their tasks. Management can only dismiss shop stewards after receiving authorisation from the Labour Inspectorate.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
consult with employee representatives before organizing the shop steward elections	5 (10%)	0
hold new shop steward elections	12 (24%)	1
ensure that shop steward elections comply with applicable rules and procedures	34 (68%)	0
ensure that the number of shop stewards elected complies with the law	4 (8%)	0
post the results of the shop steward election in the workplace	8 (16%)	0
provide shop stewards 2 hours per week, an office, a meeting room, and working materials to perform their tasks	37 (74%)	0
only dismiss shop stewards in accordance with the law	1 (2%)	0
provide the labour law to shop stewards when they ask for it	1 (2%)	0
establish separate electoral bodies of		

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
shop stewards for manual workers and skilled workers	1 (2%)	0
replace resigned shop stewards with assistants	2 (4%)	0

2.3.4 Liaison officer

Law (Circular 021/99):

Every factory should appoint at least one independent liaison officer who is responsible for solving problems brought forward by workers. Before appointing a liaison officer, the factory should consult with employee representatives to seek agreement in choosing a neutral and independent person. MOLVT has to certify the appointment. If the liaison officer is unable to solve a worker's problem, the officer must inform management, and the employer must then meet with the worker, who may be assisted by a shop steward or a union representative.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
appoint a liaison officer	32 (64%)	2
consult with employee representatives before appointing a liaison officer	1 (2%)	0
inform workers about the appointment of the liaison officer	7 (14%)	0

2.3.5 Collective disputes (during the 12 months before monitoring visit)

Law (Arts. 302-308, 315; Prakas 144/97):

A collective labour dispute arises when a group of workers or a union objects to working conditions, terms of employment, or restrictions on their rights, such as freedom of association. If there are no dispute settlement provisions in a collective agreement, the parties to the dispute must inform the Labour Inspector in their province or municipality about the dispute. MOLVT must appoint a conciliator, who must try to settle the dispute

within 15 days. If management and the workers are unable to reach agreement, the conciliator must prepare a report and submit it to MOLVT, which then refers the dispute to the Arbitration Council. Conciliation agreements have the same force as collective agreements, and must be posted in the workplace.

Suggestions made for factories:

Management should	Number and percentage of factories with a suggestion on this issue (non-compliance)	Number of factories that made immediate improvements prior to finalisation of the monitoring report
implement conciliation agreements	9 (18%)	1
post conciliation agreements in the workplace	2 (4%)	0

In 11 factories, workers and management had one collective dispute. In 8 of these factories, the collective dispute led to a strike. Two factories had 3 collective disputes each, leading to 2 strikes in each factory. Five collective disputes were conciliated, thereby averting a strike.

2.3.6 Strikes/lock-outs (during the last 12 months before monitoring visit)

Law (Arts. 318-320, 323-325, 330-337):

A strike occurs when a group of workers stop work in order to require management to comply with their work-related demand(s), as a condition of their return to work. Workers can exercise their right to strike only after attempting to settle the dispute through negotiations, conciliation or arbitration.

Before going on strike, workers must follow the procedures set out in the union’s statutes, which must require that union members decide to strike by secret ballot. The union also must give 7 working days’ advance notice of the strike to the factory and to MOLVT. A strike must be peaceful; violent acts are considered serious misconduct. Workers cannot be punished for participating in a strike, unless the employer proves that they engaged in misconduct during the strike

A lockout is a total or partial closing of a factory by the employer during a labour dispute. The employer’s right to lockout is subject to the same rules as those covering the right to strike.

Suggestions made for factories: None (but see Collective Disputes section for suggestions relating to conciliation agreements)

Twelve factories had one strike, and three factories had two strikes during the 12 months preceding the monitoring visit. In one factory, the strike was not peaceful. None of the strikes were organized in accordance with legal requirements.

In 7 factories, striking workers demanded that management:

- Pay legally mandated wages;
- Ensure that overtime work is voluntary.

In 4 factories, striking workers demanded that management:

- Pay wages on time;
- Put an end to indecent behaviour.

In 3 factories, striking workers demanded that management:

- Solve an individual dispute.

In 2 factories, striking workers demanded that management:

- Increase the piece rate price;
- Pay probationary workers correctly;
- Pay the attendance bonus when workers have an authorized absence;
- Pay the meal allowance of 1000 Riels;
- Develop payslips;
- Provide paid sick leave;
- Provide paid special leave;
- Ensure workers' rights to freedom of association;
- Terminate and discipline workers in accordance with the internal regulations;
- Dismiss workers in accordance with the law;
- Reinstate dismissed workers;
- Set up or improve the infirmary.

In 1 factory, striking workers demanded that management:

- Inform workers about the piece-rate price in advance;
- Pay workers piece-rate wages;
- Pay wages during working hours;
- Pay workers 50% wages when work is suspended;
- Provide wages plus compensation for work-related accidents and illnesses;
- Change working hours;
- Provide maternity leave in accordance with the law;
- Reinstate dismissed union representatives;
- Hold shop steward elections;
- Provide 2 paid hours per week for shop stewards to perform their tasks;
- Provide glasses;
- Improve toilets;
- Provide enough drinking water;
- Allow workers to wear footwear in the factory.

All but one strike were settled through conciliation agreements. Management and workers settled their strikes as follows:

Strikes settled with assistance from the labour inspectorate	9
Strikes settled with no assistance	3
Strikes settled with assistance from both local authorities and the labour inspector	1
Strikes settled with assistance from GMAC and labour inspectorate	1
Unclear how strike was settled	1

2.3.7 Individual disputes (during the last 12 months before the monitoring visit)

Law (Arts. 300, 301):

An individual dispute involves the employer and one or more workers as individuals, and relates to the interpretation or enforcement of the terms of a labour contract, a collective agreement, or the labour laws and regulations. Before any action is taken in court, management or the worker(s) can refer an individual dispute for conciliation by the Labour Inspector in the province or municipality.

Suggestions made for factories: None

Five factories had individual disputes. In three of these, the dispute led to a strike. The causes for the individual disputes included dismissals of a union leader and a worker, confusion over wage payments, and disagreement over an unauthorized absence.

CONCLUDING REMARKS

With the publication of this eleventh synthesis report, all garment factories in Cambodia have been covered at least once by a report, with the exception of recently established factories. This report once again shows that problems related to wage payments and working overtime are widespread, and that some factories have problems regarding freedom of association and discrimination. Four factories covered by this report were found to employ underage workers. Forced labour was not found to be a problem in any of the factories. This group of factories had a particularly low level of compliance with legal requirements, most likely due to the fact that this report contains information gathered during initial monitoring visits. Typically, factories improve their working conditions after receiving their initial monitoring report, and they continue to improve with subsequent follow-up visits.

The ILO will continue working with all parties involved to bring about improvements in working conditions. Better Factories Cambodia is currently implementing a web-based Information Management System (IMS) to handle the information gathered by monitors, and to generate reports for management and other stakeholders. Once this system is in place, factories will be able to access information easily regarding their performance in relation to the garment industry as a whole. In

In addition, factories will be able to receive monitoring and follow-up visit reports in English, Khmer and Chinese, which will make it easier for all concerned to better understand their rights and duties under the labour law.

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**STATEMENT
OF THE PROJECT ADVISORY COMMITTEE
ON THE RELEASE OF THE ELEVENTH ILO SYNTHESIS REPORT
ON THE WORKING CONDITIONS IN CAMBODIA'S TEXTILE AND
APPAREL SECTOR**

1. On 12 May 2005, the Project Advisory Committee (PAC) of the ILO *Better Factories Cambodia*³ project, met in Phnom Penh to review and endorse the eleventh ILO Synthesis Report on the working conditions in Cambodia's garment industry. The PAC comprises three representatives each from the Government of Cambodia, the Garment Manufacturers Association in Cambodia and the Cambodian trade union movement.
2. The members of the PAC welcome the release of the report and once again express their appreciation to the ILO project team, which continues to demonstrate a fair and thorough approach in making its assessments.
3. We believe that the decision of the PAC to support the ILO program has brought positive benefits to all of the parties in Cambodia and has led to better working conditions, and a greater respect for the rights of workers. We hope that it will also lead to higher productivity in the future.
4. We note that this report covers 50 new factories which were visited for the first time. The level of labour law violations among this group is higher than factories that have been working with the project for a longer period. We call on these factories to take immediate action to implement suggestions and to improve working conditions in accordance with the law.
5. We note with satisfaction that this report confirms that there is no evidence of forced labour in the factories surveyed.
6. There were a few factories where management had interfered with the workers' freedom to organize a union. Freedom to organize is a fundamental labour right and must be respected.
7. We note with regret that there a few incidents of discrimination against pregnant woman, and one incident of discrimination against men during recruitment.
8. We also note with regret that ten underage workers were found to be working in 4 factories. Falsification of records and the lack of a universal birth registration system is a substantial problem in Cambodia. Usually the employment of underage workers results from falsification of documents by workers and is not intentional on behalf of employers. There is a need to clarify the legal obligation and the extent of responsibility of employers to verify documentation that is presented by workers to establish their age.

³ Formerly known as the ILO Garment Sector Working Conditions Improvement Project

9. There remains room for improvement in areas of industrial relations. Strikes are still not conducted in accordance with the law and where agreements are reached they are not fully implemented.
10. We note with regret that this report again indicates that the payment of wages and the nature and frequency of overtime work are problems in a significant number of factories in Cambodia. We call upon all identified employers to fulfil their legal obligations in this respect.
11. We also note with regret that a significant number of factories covered by this report fall short of meeting health and safety standards, including the provision and use of protective equipment, the installation of safety guards on machines, proper safety training, and adequate ventilation.
12. Due to the accession of Cambodia to the WTO, the abolition of import quotas and the expiry of the US-Cambodia Trade Agreement, we believe that high standards of working conditions and labour relations throughout the sector are of the utmost importance.
13. The PAC again calls upon buyers to demonstrate their support for the efforts underway in Cambodia by expanding commitments to sourcing from our garment industry, and by further contributing to improved working conditions in Cambodia's garment sector.

Phnom Penh, 12 May 2005