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Cambodia: ILO urges dialogue to resolve current dispute in garment sector

The ILO Country Office for Thailand, Cambodia and Lao PDR is closely following developments in the garment industry in Cambodia, particularly in relation to recent industrial unrest. The current disruption within such an important sector for the Cambodian economy is a cause for significant concern. The economic fallout from the protests and the industry's response to them may impact significantly on the industry's revenues while tarnishing the country's reputation among international buyers. As Cambodia's largest industrial sector, accounting for some US\$5 billion per year in exports, and some 400,000 jobs, the risks arising out of the current situation are significant for a sector which continues to operate in an intensely competitive international environment.

Resolving the current situation will require support from all stakeholders, workers, trade unions, government and business and its representatives. The ILO urges all of these actors to maximise efforts to find a resolution to the situation. We strongly encourage all parties to intensify these efforts through channels based on the principles of social dialogue and tripartism.

Violence and destruction of property are not legitimate tools of industrial action. We call for these actions to stop immediately. The ILO encourages the reopening of factories as speedily as possible in a manner that ensures the safety of workers and guarantees the respect for property. ILO principles and international labour standards call for any punitive measures that may result from illegal acts be taken against the individuals who commit those acts, and not against organizations. According to international law revoking the registration of trade unions is permissible only in clearly defined circumstances.

The current unrest highlights the necessity for Cambodia to adopt a more modern and robust minimum wage fixing system based on international good practices, using objective criteria and data. Minimum wage rates should be reviewed regularly (ideally once per year) to ensure that the level of wages is in line with the needs of workers and employers, and with general economic conditions. The ILO offers its support to the RGC to develop a more effective system to achieve these objectives.

Resolving the deeper underlying issues that have characterized the industrial relations environment in Cambodia requires increased efforts from all actors.

A Memorandum of Understanding (MOU) between the main trade unions and GMAC on improving workplace relations in the garment industry, which was first signed in September 2010 and renewed for an additional two years in October 2012, remains an important vehicle for resolving workplace disputes and creating greater trust. The ILO urges all signatories to this MOU to fully implement it, in letter and spirit.

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A legislative framework for improving industrial relations has been developed through a tripartite process in the form of the draft trade union law. The ILO calls upon the RGC to proceed now towards the finalization and full implementation of the proposed law in keeping with ILO principles and ratified international labour standards. The ILO stands ready to provide assistance with this process upon request from the stakeholders.

The garment sector needs certainty and stability to grow, create wealth and provide opportunities for decent work. The ILO believes that full and genuine dialogue based on cooperation rather than confrontation is an important tool in achieving such stability. We remain committed to provide advice and technical guidance to the RGC and the social partners in Cambodia to assist in the development of a more mature industrial relations system.

