

Low pay and conditions in Cambodian textile industry

Celeste Lopez
27 April 1999

Over the last two and a half years, the textile industry in Cambodia has grown rapidly--from 36 factories in 1997 to over 110 in the capital Phnom Penh, employing more than 72,000 workers. Some 139 new factories are due to start up with licenses approved by the Hun Sen government to take advantage of low wages and poor conditions.

The textile and garment industry earned Cambodian exporters nearly \$US308 million in the first 10 months of last year and constituted about a third of total exports. In the year ending October 1998, exports of textiles and apparel from Cambodia to the US increased by 305 percent.

It is under these conditions that officials from the Office of the US Trade Representatives visited Cambodia in January and signed an agreement to give the go ahead for a further rapid expansion of the industry.

Many of the factory owners are from elsewhere in Asia, including Hong Kong, Singapore, Malaysia, Taiwan, South Korea and China. They have been attracted to invest in Cambodia by low pay and the access for their products to the US and European markets, under the Most Favoured Nation (MFN) trade agreements.

The US officials visited several factories while in Cambodia but concluded that "Cambodia's commitment to improve labour rights and working conditions" had been met.

In the Tack Fat factory, which produces garments for the giant US retailer The Gap and its subsidiary Old Navy, management shuffled through the visiting officials, and the most blatant abuses were concealed.

One young worker told the *Phnom Penh Post*: "We were told not to be in a rush. In my department they were not as strict as they are normally when the

delegation visited". In another incident young workers, in all likelihood under the legal working age, were told to stay in the toilets until the tour was over.

The president of the Cambodian Free Trade Union (FTUWKC) Ou Mary pointed out: "The workers are forced to work 13 or 14 hours a day; when they are sick, and faint from working, nobody takes care of them... During the visit, the workers were afraid to complain to the delegation. If they did so, then maybe 15 minutes after the visit they might be fired.

At a later meeting between the US delegation and union representatives, complaints ranged from inadequate non-existent sick, holiday and maternity leave to payments less than the minimum wage of \$40 per month, as well as harassment and beatings for trying to organise unions. The same Tack Fat factory was in the spotlight in early 1988 when workers went on strike to protest over poor pay and conditions, including inadequate ventilation and lack of fire safety measures.

Just prior to the US visit, more than 1,000 workers of a Malaysian-owned PCCS Garments factory went on strike over wages and conditions. According to employees, wages were never more than \$45 a month and their pay was docked \$1.50 a day if they were sick.

In many factories, wages have been cut from \$40 a month to \$30 a month and overtime from 80c to 50c an hour. Government inspectors are often bribed by employers to ignore conditions in the factories, which breach even the government's own trifling legal requirements. The official minimum wage is in reality a maximum wage, with many employers paying less.

In 1997, a special representative of the UN Secretary General for Human Rights, Thomas Hammerberg, reported after visiting Phnom Penh that it was common to see workers regularly body-searched and fire escapes

padlocked. "Absence from work due to illness and other reasons is punishable by a high reduction in salary. It is long and hard work and the economic rewards are minimal," he stated.

Both the Cambodian Free Trade Union and the US AFL-CIO called on the Office of the US Trade Representative to revoke Cambodia's MFN status because of the abuses suffered by textile and garment workers. But the calls were a token protest, aimed at placating the discontent among Cambodia's rapidly expanding industrial workforce.

The intervention of the AFL-CIO is a clear indication of concern in the US administration and ruling circles at the explosive consequences of the rapid growth of the working class in Cambodia and throughout the region. AFL-CIO officials have been active in Indonesia, Thailand and elsewhere in promoting the building of trade unions as a means of containing the opposition and anger of workers.

Within the US, the AFL-CIO leadership promotes American nationalism, blaming cheap imports from Asia for the loss of jobs, over which they have presided, and calling on the US administration to institute protectionist measures to block the flow of imported goods.

Such policies prevent any unified struggle by workers in Asia, the US and elsewhere against the huge clothing and textile corporations which dominate the industry and are continually scouring the world for cheaper and cheaper sources of labour. Investors once based in Thailand, where wages are now \$1 an hour, are moving to Cambodia to take advantage of pay at 25c an hour or less.

The industry is also burgeoning in Laos where pay rates are even less than in Cambodia and the government is offering huge tax breaks to investors. The Lao textile industry has grown rapidly to employ some 15,500 workers and include major brand names such as Nike and Adidas. The Trio company employs 1,200 people on an eight-hour day, six-day week at less than a dollar a day.



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact