

Cambodian garment workers strike over low pay

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Thousands of Cambodian garment workers have mounted a series of strikes over low pay, loss of jobs and poor working conditions in recent weeks. Mostly young women, they have been severely affected by the worldwide economic crisis, like their counterparts in the sweatshop clothing and textile mills of other Asian countries including Bangladesh, Myanmar and Nepal.

On July 27, riot police used electric shock batons to beat women workers after charging protesters at a factory owned by PCCS Garments in the Sen Sok district on the outskirts of the capital Phnom Penh. The Malaysian-owned company produces clothing and sports apparel for top international designer labels, including Gap and Benetton and leading sportswear brands Adidas and Puma. Authorities were attempting to break a week-long strike that followed the suspension of a union representative involved in a dispute over sick leave.

More than 100 police carrying tear-gas guns and assault rifles tried to force an estimated 3,000 workers back into the factory, pushing several to the ground and hitting them with batons. In response, demonstrators threw water bottles and plastic chairs during the 30-minute clash. Nine garment workers were injured. After police broke up the demonstration, trade union leaders immediately tried to convince the workers to call off the strike.

The police action came after a court order was given to clear the roads and force the workers back to work. The district governor claimed that the demonstration had choked off traffic, affecting the schedules of senior government officials and international dignitaries. One garment worker who took part in the protests, said it was an “evil activity” by the police. A management spokesman issued an ultimatum that unless the workers went back to work later in the week, the factory would “take action according to the law”.

The strike followed a national minimum wage agreement struck by the government, union and employer representatives. On July 25, between 3,500 and 4,500 garment workers gathered outside the National Assembly to protest the miserable wage increase approved by the Labour Advisory Committee.

The panel voted to increase the monthly minimum wage by the equivalent of \$US5 and endorsed a government call to merge the existing \$6 cost-of-living supplement into the basic

wage, thereby raising the minimum wage from \$50 per month to \$61. After the \$11 increase, not due to take effect until October, wages will remain frozen until 2014. All five union representatives, including Tep Kim Vannary, president of the Cambodian Federation of Independent Trade Unions, voted for the agreement.

The outcome was exactly what the Cambodian Peoples Party (CPP) government of Prime Minister Hun Sen had demanded prior to the talks. Labour Minister Vong Soth claimed that boosting the minimum wage by any more would make Cambodia an unattractive destination for overseas investors. That sentiment was echoed by Garment Manufacturers Association spokesman Van Sou Ieng. “If we increase more than this, [employers] will stop investing in our country,” he said.

Going into the meeting, unions had demanded wages ranging from \$70 to \$93. Chea Mony, head of the Free Trade Union of Workers of the Kingdom of Cambodia, with 80,000 members, threatened to stage a three-day strike if the demands were not met. However, Chuon Mumthol, president of the Cambodian Union Federation, which is allied with the ruling CPP, declared he was “satisfied” with the government’s demands.

Immediately after the settlement, Mony said the increase was not enough to meet workers’ needs and the strike plan remained in place. Yet, the strike was called off the day before it was due to go ahead, with Mony now stating that he now agreed with the government. “My workers can accept this wage as well,” he announced.

Other union leaders, seeking to retain credibility, criticised the strike reversal. Ath Thun, president of the Coalition of Cambodian Apparel Workers Democratic Union, said he was “ashamed” of Mony, having previously thrown his support behind him. Mom Nhim, president of the National Independent Federation Textile Union, said her members were not satisfied with the increase, and vowed to support a strike if the majority of members deemed the rise unacceptable.

Some unions are still posturing as opponents of the minimum wage sellout. On August 3, 13 union leaders sent a letter to the Ministry of Labour and the Garment Manufacturers Association threatening to organise strikes unless talks are scheduled by August 15 to renegotiate the wage deal. None of the estimated

273 garment-sector unions, however, is proposing to mount a sustained political and industrial offensive against employers and the government.

Discontent over pay, working conditions and government repression has been intensifying since the beginning of the year. In May, 80 employees of the Tack Fat garment factory in Meanchey district staged a protest in front of the Ministry of Labour, accusing management of preventing them from working or drawing a salary for most of April. In June, 3,000 workers held demonstrations at the Ocean Garment Factory in the capital's Dangkor district, calling for the reinstatement of seven workers suspended after protesting the introduction of overtime hours. Last month, over 2,000 Berry Apparel workers staged a strike, demanding an immediate rise in their wages.

Despite some wage increases in 2007-08, double-digit inflation has rendered the minimum monthly wage unliveable, particularly as most workers send up to 50 percent of their pay to their families in rural villages. The Community Legal Education Centre (CLEC), following research commissioned last year, recommended that the minimum wage be raised to \$71.99 a month, which it calculated would only cover basic needs such as food and shelter, as well as remittances. Moeun Tola, head of the organisation's labour program, said: "If it is less than this, workers cannot survive."

The opposition Sam Rainsy Party (SRP) has used the July 27 clashes between police and garment workers as a ploy against the Hun Sen government, criticising the armed crackdown. "The use of violence on workers like this is a serious violation of individuals' rights and the freedom of expression of the workers, which is guaranteed by the Cambodian Constitution and the Law on Peaceful Demonstrations," the SRP said in a statement, adding that the dispute should be resolved "peacefully".

In reality, the SRP, like all parties of the Cambodian ruling elite, is committed to the "free market". The country's recent industrial development has been dependent on the influx of foreign-owned firms. The government has sought to liberalise the investment regime through a range of pro-business measures such as tax incentives, special economic zones and bilateral agreements to protect foreign investors. According to a 2009 academic paper published by the Ritsumeikan Centre for Asia Pacific Studies, entitled "Challenges to the Cambodian Garment Industry in the Global Garment Value Chain", various international business rankings rate Cambodia the highest of the Asian garment-exporting countries for "economic freedom".

An estimated 330,000 people work in the Cambodian garment sector, with another 250,000 employed indirectly. It is the country's third-biggest industry behind tourism and agriculture. In 2007 it generated 90 percent of the country's export earnings and accounted for 27 percent of industrial employment. According to the Commerce Ministry, following an unprecedented four-year boom, the industry exported \$1.95

billion worth of garments in 2008 to its biggest market, the United States, with the European Union the second-biggest market.

Globally, the garment industry, which employs 30 million people, has been severely hit by the economic crisis, with falling orders and tens of thousands of job losses. High unemployment in Europe and the US has resulted in a significant loss in demand. At least 40,000 Cambodian garment workers have lost their jobs and research by non-government organisations shows that many women have been forced into prostitution. One out of five Cambodian women aged between 18 and 24 depends on the garment industry for work. The recession forced the closure of 77 garment factories in Cambodia in the first nine months of 2009 while another 53 factories suspended operations.

Fierce competition and the dominant role of a handful of large US and EU buyers exert a constant downward pressure on wages and conditions, forcing millions of workers into Dickensian conditions. Garment factories operated by overseas producers, as in Cambodia where 90 percent of the industry is owned by foreign capital, open and shut rapidly as companies scour the globe for the greatest profit margins.

The Cambodian garment workers strikes are part of an upsurge across the region. During the first week of August, thousands of garment workers in Bangladesh protested into a fifth day over demands for higher pay, despite widespread police repression and in opposition to a deal reached between the unions, employers and the government. In February, a wave of strikes in Myanmar's garment industry saw the country's ruling military junta deploy hundreds of police and anti-riot troops against workers calling for a basic salary increase, better overtime pay and days off on public holidays.



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