

SOCIAL AND LABOUR STANDARDS IN THE TEXTILE AND GARMENT SECTOR IN ASIA

The textiles and garments sector makes a decisive contribution to the livelihoods of thousands of people in Cambodia and adds to an overall economic development. Precondition for consolidating success towards a long-term growth are labour and social standards. They are core elements in modern manufacturing and are national and international requirements. For the improvement of working conditions, joint efforts are essential: Communication and exchange between workers and factory management will enhance collaboration and lead to higher productivity; strategy development and common initiatives of Cambodian policy makers will strengthen compliance with national social and labour standards. As a result, Cambodia's competitiveness in the textiles and garments market will be strengthened.

The Challenge: Social and Labour Standards in Cambodia

Garment is Cambodia's major industry and also the largest formal sector of employment. About 640 factories hold export licences, having exported garments worth of over US\$ 7.5 bn in 2015. The industry focuses on the western markets with Europe as the major export destination. More than 700.000 garment workers are employed in the industry. Over 80% of them are women, most of them between 16 and 25 years old. When it comes to social and labour standards, Cambodia faces several challenges. Malnutrition is prevalent among workers and contributes to "mass fainting", frequent sick leaves and low performance and productivity in the factories. Another prevalent challenge is the safety of workers on their way to the factories. They are usually transported on trucks that are not made for people's transport and often do not comply with any road safety standards. The Royal Government of Cambodia, through its Industrial Development Policy 2015-2025, is committed to achieve progress on social

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and labour standards and on the well-being of industrial workers. Major steps have been achieved over the last years: Through the establishment of a National Accident Insurance Fund covering work accidents and those occurring on the way to the factories; through the minimum wage setting mechanism and through the establishment and work of the Arbitration Council in settling labour disputes. Yet, challenges remain. Crucial for compliance with social and labour standards are factory inspections. With the support of the ILO Better Factory Programme (BFC), a system of labour inspections in the garment sector has been developed. Now it has to be anchored in the system of the Royal Government of Cambodia.

The Objective

The project "Social and Labour Standards in the Textile and Garment Sector in Asia (SLSG)" promotes labour and social standards through support of private and state actors. The focus of the project is on strengthening communication and cooperation between the actors, both within the factories and at national and regional levels. The relevant actors should use new sources of information and new forms of dialogue and cooperation. In this way, they are achieving greater compliance with labour and social standards.

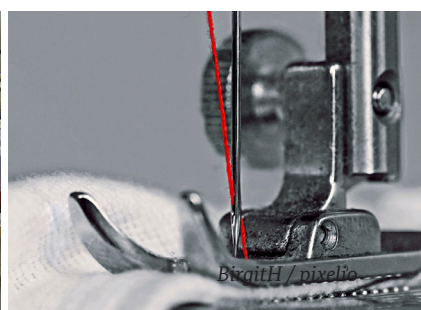


Photo left: Communication and dialogue between workers and management improves working conditions for the workers and leads to a higher productivity of Cambodian factories



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Photo left: Cooperation amongst stakeholders on national level contributes to a greater competitiveness of the Cambodian textile and garment sector

The Approach

SLSG is a regional programme, implementing interventions in three pilot countries, Cambodia, Bangladesh and Pakistan, and working also with China. The programme builds on GIZ's experience working in the fields of labour and social standards in several Asian countries, transferring these also to Cambodia. Here the Ministry of Labour and Vocational Training (MLVT) is the official partner of SLSG.

In Place of Conflict: Interventions on Factory Level

Workers often impulsively approach their management with demands. It easily prompts the management in demonstrating their strength and leads to anger and escalated conflicts. SLSG provides advice and capacity development towards worker-management committees to bridge the communication gap and foster understanding and respect, minimising conflicts and refusal to work.

Interventions at factory level currently focus on two more areas: nutrition and transport security. GIZ is looking into possibilities to improve the workers' nutrition through awareness raising and information as well as through advising on the establishment of factory canteens providing quality food. To support improvement of transport security, a newly commissioned GIZ study will analyse the specific risks and will give recommendations on the management of workers' transport protecting their health. SLSG involves business associations, service providers and NGOs in all activities.

Effective Inspections: Interventions on National Level

At the national level, the project supports and advises on building up structures and capacities for an effective and transparent labour inspection system in close cooperation with ILO BFC and jointly with MLVT as primary institutional partner. SLSG will increase the capacities of MLVT through advice and trainings. It will also facilitate dialogue between government institutions and other development partners on the framework conditions of a well-functioning and transparent inspection system.

Contributing to Regional Exchange

The garment industry is vital for development and growth in all producing Asian countries. If the only thing that links these countries is the fight over the cheapest price, the industries cannot survive. By tackling common challenges like the compliance with labour and social standards, all stakeholders in the apparel sector in Asia will benefit. Therefore SLSG facilitates exchange and dialogue at the regional level in Asia through conferences, workshops and study visits. Actors in Cambodia will be supported by SLSG to contribute to these events and to share their experiences and best practices.

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