



## JOBS IN SEZs: Migrant garment factory workers in Cambodia

Special economic zone (SEZ) development in the Greater Mekong Sub-region (GMS) has been expanding in recent years. Designed to capture foreign investment and accelerate regional economic integration, three SEZs are being established in Myanmar, along with roughly 30 in Cambodia, 10 in Thailand, and over 30 in other GMS countries.

The garment industry, a prominent labour-intensive industry within the sub-region, is operating in these spaces. SEZs, offering investment privileges, quality infrastructure, and weakened labour protections, are attractive locations for garment manufacturers seeking low production and labour costs. Although women represent the majority of the sector's workforce, they are often concentrated in the lowest-paying positions with the least recognised skills.

The challenges that women workers face are compounded when they are also migrants, as migrant workers experience unique vulnerabilities.

Within the GMS, manufacturing production in SEZs increasingly

hinges on both internal and cross-border migrant labour.

The Mekong Migration Network (MMN) and Asian Institute of Technology (AIT), supported by Canada's International Development Research Centre (IDRC), jointly implemented a research and advocacy project from 2016 to 2019, investigating labour and migration issues in Mekong SEZs through a gendered lens. Guided by the question of whether the jobs being created within these zones are promoting decent work for women migrant workers, this study developed four case studies of SEZs: Thilawa SEZ (Yangon Region, Myanmar), Phnom Penh SEZ (Phnom Penh, Cambodia), Manhattan SEZ (Svay Rieng Province, Cambodia), and Tak SEZ (Tak Province, Thailand), with a particular focus on the garment industry.

From May 2017 to July 2018, MMN project partners surveyed garment factory workers across the four study areas. 700 respondents completed a questionnaire – 200 each in Yangon, Tak, and Phnom Penh, respectively, and an additional 100 respondents in Svay Rieng. In

Yangon and Phnom Penh, where garment factories are clustered in peri-urban industrial areas outside of SEZs, the questionnaire was carried out with workers employed both inside and outside of the SEZs in order to compare workers' experiences.

Between July 2018 and February 2019, in-depth interviews with select women garment factory workers, along with key informant interviews with representatives of SEZ management committees, employer associations, factory owners, trade unions, and civil society organisations, were conducted in each location.

Based on the results of an analysis of the study's primary data as well as a thorough literature review, four key themes emerged as requiring special attention in order to realise decent work for women migrant garment factory workers in Mekong SEZs. These areas were: working conditions, labour organising, skills development and recognition, and care work. The impact of SEZ development on workers' mobility was also highlighted in an analysis of these themes.

## SEZs and Workers' Mobility

The relocation of capital to SEZs is producing changing forms of labour migration. Phnom Penh SEZ, located in close proximity to a major urban centre, is creating new rural-urban population movements within Cambodia. Situated on the Cambodia-Vietnam border, Manhattan SEZ has created employment opportunities for local inhabitants in an attempt to reduce out-migration, while producing new internal rural-rural movements.

## Working Conditions in SEZs

In Phnom Penh and Manhattan SEZs, wages and other entitlements were largely provided in accordance with the law. Workers receive minimum wages and are entitled to statutory paid leaves. It is noted that in Cambodia, all exporting garment factories need to be part of the Better Factory Cambodia scheme, in which ILO will monitor the working condition and provide certificate. SEZ factories are large factories under this scheme, therefore, they all follow the legal requirements for working conditions. Annual minimum wage review has been introduced as a result of the 2013 nationwide strike. It is noted that while minimum wage continue to increase every year, so has the value of exports above the rate of the minimum wage increase, showing that minimum wage increase has not affected the industry.



## Skills Development and Recognition



While skills training programmes for garment factory workers have been introduced in all of the studied countries, most of the trainings respondents had received, irrespective of location, were on-the-job and centred around how to sew a specific garment. There was little evidence of skills standards being implemented in SEZ factories. Respondents noted that their skills were not recognised, nor did they lead to position upgrades or wage increases. There was hardly any respondent who got promoted. In Cambodia, there was no relationship between the number of years worked in the garment industry and being promoted within a job. The study found that some of the only ways in which workers could increase their employment earnings were through working greater overtime hours or changing jobs. Although many respondents chose to work in the garment industry because of their interest or prior experience in sewing, and accumulated skills on the job, channels for adequate skills recognition and career development were severely lacking.



## Labour Organising in SEZs

Across all of the SEZs in the study area, there were severe restrictions on workers' access to the right to freedom of association and the operations of trade unions. Respondents across all locations reported cases of collective industrial actions being suppressed and trade unions struggling to be established. Especially in Cambodia, the problem is made more difficult because of the Trade Union Law. This law limits the rights to negotiate with the employer to only the labor union that has the Most Representative Status (MRS) – that is, 30 per cent of all the workers. This made it possible for only the employer-sanctioned labour union to be able to obtain the MRS.



## Care Work Supports in SEZs

Despite the fact that the majority of women garment factory workers are of reproductive age, the study found that childcare support was largely absent in SEZs and the role of mother that many workers perform is generally disregarded. Even though Cambodia's national laws require the establishment of factory-level day cares, these facilities either did not exist or were defective, and childcare responsibilities still fell predominantly on women workers. In Phnom Penh, most workers had to rely on their mothers to look after their children, because it is difficult for them to take care of children due to housing restrictions and school registration. They need to change the family registration to Phnom Penh. In Manhattan SEZ, half of the migrants took care of the children themselves, while those who commuted from home were able to depend on their parents. If the children are back home, the pressure to remit is higher. Ninety per cent of the respondents in Phnom Penh remit on average 40 per cent of their income.



## Recommendations

Although Cambodia's SEZs may have the potential to support opportunities for decent work, the project's findings suggest that this potential has yet to be realised. In support of creating jobs that promote decent work and prioritise the rights and well-being of all workers, this section outlines priority recommendations that emerged from the study.

### TO THE CAMBODIAN GOVERNMENT:

1. Invest more heavily in improving working conditions, skills development, employer-labour relations, and improved employment opportunities for women in Cambodia. SEZs provide an opportunity to serve as a showcase for this.
2. Revise the labour union law so that all unions are able to recruit members and initiate cases, so that various channels of communication are available for workers to negotiate with employers.
3. Promote social dialogue between employers, workers, buyers, and also the zone developers to discuss issues of labour rights and business. Social dialogue shall be done in the form of tripartite plus format.
4. Provide training to garment factory workers to improve their competency and employment opportunities. Training should not be limited to sewing, but should be expanded to include general competencies such as managing work and supervising, to prepare workers to be more versatile and to advance to leadership roles. It is also important to equip workers with transferrable skills so they are better prepared to shift functions as Cambodia's industry diversifies.
5. Obligate employers to conduct needs assessments or training programmes for workers. As above, this should not be limited only to sewing skills, but should cover general competency skills.
6. Help develop promotion scales for garment factory workers so that workers' skills are recognized and reflected in their pay, and so that garment factory workers can have avenues for career progression.
7. Ensure that day care centres are functioning in factories, and that workers are able to easily and safely bring their children to use these services. If factories cannot provide day cares themselves, communal day care centre should be organised either within the community or within the SEZ.
8. Ensure safe transportation for workers through an inspection programme of vehicles used by workers, and by specifying standards requiring seating and maximum numbers of workers allowed on vehicles.

### TO EMPLOYERS:

1. Allow various trade unions to have space to recruit workers to join their union. Allow outside unions to come to support unions inside SEZ.
2. Provide training to workers in collaboration with the government and GMAC. Training needs to be provided within working hours to ensure that women workers can attend.
3. Introduce a promotion scheme for workers to recognize improvements to skills and to create career paths for workers.
4. Provide functioning day care centres. If individual factories cannot provide this, SEZ zone developers need to organise in consultation with communities and labor unions, facilities that factories can jointly utilize.

### TO BUYERS:

1. Continue close monitoring of working conditions of the workers of their suppliers. Support activities of various labour unions in the factory to ensure voices of workers are heard.