



# BetterFactories

## Cambodia

**AT A GLANCE**



International  
Labour  
Organization



International  
Finance  
Corporation  
WORLD BANK GROUP

## In numbers



**75**

Percentage of Cambodia's export revenue generated by its garment and footwear sector



**557**

Number of export factories enrolled with Better Factories Cambodia (100% of the industry)



**608,100**

Workers in Better Factories Cambodia factories



**83**

Percentage of female workers



**17**

Years Better Factories Cambodia has improved working conditions and lives

As its longest running programme, Better Factories Cambodia is in many ways the driving force behind Better Work. Central elements of the programme's approach began in Cambodia: from cultivating social dialogue through worker-management committees, to offering factories tailored advisory services to help them solve their own labour rights challenges, or using public reporting to spur broader industry-wide change.

During its next phase, Better Factories Cambodia will continue to build on its success at the factory level, but also deepen its engagement with partners, playing a key role in developing a strategic vision for the sector for the first time. At the request of national stakeholders, the programme will help develop a new garment industry strategy, providing technical expertise and facilitating dialogue between employers, workers, the government and international brands.

By working with national and international partners to define and realize the sector's new vision, Better Factories Cambodia will promote decent, safe jobs for hundreds of thousands of workers—especially women. The programme will help workers develop new skills while businesses bring in greater profits, and families up and down the country escape poverty.

*Better Factories Cambodia is part and parcel of the Cambodian garment industry and its role and relevance has expanded over time. From improving worker wellbeing to enhancing business success to boosting the development of the country, we change mind-sets, break down barriers and bring about real change.*

**ESTHER GERMANS.** BETTER FACTORIES CAMBODIA PROGRAMME MANAGER

## Impact to date

Since 2001, Better Factories Cambodia—an initiative of the UN’s International Labour Organization (ILO) that since 2007 has been jointly managed by the International Finance Corporation (IFC)—has collaborated with workers, employers, the government and multinational businesses to profoundly change the garment industry. Through assessments, training and advisory work at the factory level, as well as research and advocacy at the national and regional level, the programme has:



### IMPROVED WORKING CONDITIONS.

Adherence to core labour standards and safety requirements has steadily increased in Cambodia, with a 57% jump in the number of factories meeting all 21 publically-reported issues between 2014 and 2017.



### INCREASED TAKE HOME PAY.

As wage payment compliance improved to close to 100%, workers’ income has increased, bringing knock-on benefits for families. Cambodian households with one garment worker earn 36% more than the national average income for similar households with no garment worker.



### MADE FACTORIES SAFER.

The programme has sparked a significant improvement in factories’ training of workers on emergency evacuation and factories ensuring that exit doors are unlocked during working hours.



### REDUCED THE GENDER PAY GAP.

In 1996, female workers earned nearly 40% less than men. By 2007, the gender wage gap had decreased to 17%. This reduction is linked to the growth in apparel exports since Better Factories Cambodia began its work and will be reassessed in upcoming research.



### PIONEERED TRANSPARENT REPORTING.

Better Factories’ public reporting platform informs brands, buyers and the public of factory compliance with labour standards, and has spurred faster and more sustainable improvements.



### INFLUENCED LABOUR POLICY.

Better Factories led a joint strategy with the Ministry of Labour to strengthen their inspection systems and capacity. This has led to a new inspection checklist based on the Better Factories assessment tool as well as a five-year compliance action plan.

## Where next?

During its next strategic phase, Better Factories Cambodia will build on its impact to date with four broad objectives:

### 1. ACCELERATE IMPROVEMENTS IN WORKING CONDITIONS AND BUSINESS COMPETITIVENESS IN THE GARMENT SECTOR.

- ◆ Working in collaboration with brands, expand tailored advisory services to half of all export factories by 2022. Emphasis will be placed on helping strengthen dialogue between workers and management and boosting their capacity to find long-term solutions to workplace compliance challenges.
- ◆ Explore the use of new technologies to bring efficiencies in the way factories are assessed, freeing up resources to focus on supporting improvement through training and advisory services. This may include, for example, gathering worker feedback through mobile phones, monitoring workplace noise and temperature at a distance, or using new technologies to train larger numbers of workers.
- ◆ Build on positive initial results from the public reporting of non-compliance data to accelerate further improvements in working conditions. Conduct systematic, long-term research to bolster the case for transparency in and beyond Cambodia.

## 2. STRENGTHEN NATIONAL STAKEHOLDERS AND ENCOURAGE SOCIAL DIALOGUE.

- ◆ Working in collaboration with the Ministry of Economy and Finance, convene – and facilitate dialogue between – all garment sector actors to design and implement the first comprehensive national garment sector strategy. The strategy will support higher-value production, enhance productivity, further lift working conditions and support Cambodia’s ambitions to cement its new status as a middle income country.
- ◆ Strengthen the capacity of governments, employer associations and unions by providing training, proven tools and approaches, and support from ILO and World Bank Group experts to enhance skills in areas such as constituent representation, social dialogue and freedom of association.
- ◆ Collaborate with the Ministry of Labour and Vocational Training to develop their capacity and inspection systems so that they have a more strategic approach to ensuring that workplaces comply with labour law.
- ◆ Establish a closer partnership with the Garment Manufacturers Association in Cambodia to reach more factory managers with greater impact, including closer collaboration on training, learning seminars and communication, as well as by sharing good practices and organizing joint outreach activities.
- ◆ Reinforce partnerships with unions to find common ground on issues of concern. Encourage greater responsiveness to workplace compliance issues by increasing the capacity of factory-level trade union leaders to represent workers.

## 3. BUILD EFFECTIVE PARTNERSHIPS WITH – AND BETWEEN – BRANDS AND VENDORS.

- ◆ Through close collaboration with committed global apparel brands, address specific factory challenges, resolve persistent problems and help foster stronger engagement among factory management.
- ◆ Enhance and expand channels for dialogue and exchange by providing regular platforms for brands and vendors to share best practices and models for sustainable sourcing and compliance.
- ◆ Support the coordination of targeted initiatives and working groups to address industry challenges such as hazardous worker transportation, freedom of association issues and brand sourcing practices.

## 4. EMPOWER WOMEN AND REDUCE SEXUAL HARASSMENT.

- ◆ As laid out in the programme’s comprehensive gender strategy, increase equality and the empowerment of women in the garment industry by integrating gender sensitivity in all Better Factories Cambodia services and initiatives. This includes improving the collection and reporting of data, conducting staff capacity building, and focusing on gender perspectives and behavioural change in training and advisory services.
- ◆ Collaborate with partners including CARE Cambodia to implement factory-level workshops on sexual harassment prevention across the sector.
- ◆ Work with UN Women to roll out a training programme on voice and representation in worker-management committees, equipping female committee members with the skills and self-confidence needed to share concerns during meetings.

### Key Partners



#### GOVERNMENT

- ◆ Ministry of Labour and Vocational Training
- ◆ Ministry of Commerce
- ◆ Ministry of Economy and Finance



#### EMPLOYER ORGANIZATIONS

- ◆ Garment Manufacturer’s Association in Cambodia (GMAC)



#### WORKERS ORGANIZATIONS

- ◆ All unions active in the garment sector



#### BUSINESS COMMUNITY

- ◆ 53 brand and retail partners

### CURRENT DONORS:

AUSTRALIA (DEPARTMENT OF FOREIGN AFFAIRS AND TRADE) • GARMENT MANUFACTURERS ASSOCIATION OF CAMBODIA • GERMANY (FEDERAL MINISTRY FOR ECONOMIC COOPERATION AND DEVELOPMENT; DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT) • NETHERLANDS (MINISTRY OF FOREIGN AFFAIRS) • ROYAL GOVERNMENT OF CAMBODIA • UNITED STATES (US DEPARTMENT OF LABOR)