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## **PRESS RELEASE**

### ***GARMENT SECTOR EMPLOYERS URGE AMENDMENTS TO DRAFT UNION LAW***

PHNOM PENH (MARCH 08, 2016) – Ahead of public consultations on the controversial draft union law later this week at the National Assembly in Phnom Penh, the Garment Manufacturers Association in Cambodia (GMAC) continues to urge pragmatism in framing the law to ensure it best represents the interests of both workers and employers in Cambodia's biggest business sector.

The public consultation is the latest in a series of meetings to discuss the law and is expected to attract representatives from the government, development partners, industry associations and trade union leaders.

Working with the Cambodian Federation of Employers and Business Associations (CAMFEBA), GMAC is pushing for amendments to several articles in the proposed law that will govern how unions are formed, funded and operated.

The key amendment that GMAC and CAMFEBA are looking to secure is on Article 10 governing how a union is formed. The current draft of the law says a union can be established in a workplace if only 10 workers opt to form a union.

"In a workplace like a garment factory that employs thousands of people, you could conceivably have dozens of unions being formed which will be chaotic and is very unlikely to represent the best interests of all the workers in the factory," says Ken Loo, GMAC's Secretary General.

"We have proposed that a threshold of 20% of the workforce in a single workplace would be required to establish a union to make sure workers are properly represented and employers can negotiate with genuinely representative bodies," says Loo.

GMAC is also urging changes to Article 19 in the law that stipulates that only a court can bar unions from operating if they are found to be acting in breach of the law

"We are concerned that the courts in Cambodia can sometimes move slowly – especially when they are faced with a heavy case load – which means that unions can continue with their illegal activities while awaiting a court decision. This is obviously very damaging to the industry as a whole so we would also like the law

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to empower the Ministry of Labour and Vocational Training to suspend unions that have broken the law," says GMAC's Ken Loo.

Article 20 of the draft law is also concerning employers, says GMAC, as it sets a very low threshold for the qualifications that a union leader must have to assume a leadership role in the trade union.

The draft law only requires that a prospective union leader be able to read and write Khmer and also requires only a signed statement from the prospective leader that they have not been convicted for any criminal offence.

"We need to ensure that union leaders are fit to assume such an important position so we are urging the government to change the law to ensure prospective leaders have been educated to at least a Grade 9 level and that they have a letter from the Ministry of Justice establishing a clean criminal record. This is in the interests of both management and labour to ensure that negotiations around important issues are conducted between knowledgeable and experienced people," says Loo.

GMAC and CAMFEBA have also underlined their support for some articles in the draft law that are being disputed by union representatives at the talks – especially the article that requires unions to file proper financial reports on their activities.

"We have seen the necessity of this article to ensure unions show they are transparent, accountable and acting with integrity. From our experience we have seen evidence of financial malpractice within unions at a leadership level that harms the interests of workers and damages the credibility of the trade unions. Basic financial reporting would ensure this doesn't happen," says Loo.

GMAC is also supporting the article in the law that requires at least 50% + 1 of the union's members have to agree to strike action through a secret ballot before the workers can down tools.

At the moment, illegal strikes called by a small minority of workers in some factories are causing havoc in the industry and violating the right to work of the non-striking workers and preventing them who do not agree with the strike from earning an honest income, according to GMAC.

"Employers associations, including GMAC, will need to be vigilant during the consultation sessions to ensure that the law that is eventually passed is in the best interests of all stakeholders in all sectors especially the garment industry because so many millions of people depend on the industry's success for their livelihoods," added Loo.

