



WORKER RIGHTS CONSORTIUM

**WRC ASSESSMENT
re NEW WIDE GARMENT (CAMBODIA)**

**FINDINGS, RECOMMENDATIONS AND STATUS REPORT
MARCH 6, 2008**

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Introduction

This is a report of the findings, recommendations, and status of a Worker Rights Consortium (WRC) assessment of labor practices at New Wide Garment, an apparel factory in Phnom Penh, Cambodia. The factory is part of the Taiwan-based multinational textile and garment conglomerate New Wide Group. New Wide Garment began operations in Cambodia in July 2006 and employed approximately 1,400 workers at the time of the assessment. More than 90% of the workforce is female.

New Wide Garment was reported by Williamson-Dickie as a supplier of its Dickies brand garments that are sold to the City of Los Angeles (City). The City purchases Dickies products through a local distributor known as Galls. As a supplier of clothing purchased by the City, New Wide Garment is subject to the City's Sweat-Free Procurement Ordinance, which requires that all facilities involved in the manufacture of apparel and other products procured by the City adhere to basic labor and human rights standards.¹ Since December 2006, the WRC has been working as the City's contracted independent monitor to assist with the implementation and enforcement of the Sweat-Free Ordinance. As part of this work, the City has asked the WRC to investigate allegations of labor rights violations by City suppliers and their subcontractors.²

In addition to supplying Williamson-Dickie, New Wide Garment in Cambodia produces clothing for corporate logo apparel companies Caliendo Savio Enterprises and Corporate Edge, fitness apparel under the Danskin label, and products for the German brand Tchibo. The factory also supplies university licensee Holloway Sportswear; beginning in January 2008, Holloway Sportswear began disclosing the facility as a source of university logo goods.

The WRC undertook this assessment in late October 2007 after initial worker interviews conducted in the course of ongoing monitoring work for the City indicated a high likelihood of serious ongoing violations at New Wide Garment. The assessment was carried out during October and November 2007. This report provides a summary of the WRC's findings and recommendations, as well as the response of New Wide management to each of the violations identified and the status of remediation.

¹ Ordinance No. 176291, adding Article 17 to Division 10 of the Los Angeles Administrative Code to establish a sweat-free procurement policy for procurement of equipment, materials, goods, and supplies, and to establish compliance procedures for the City's Contractor Code of Conduct, was passed on November 9, 2004. Specifically, the Ordinance requires that City contractors ensure compliance with all labor and human rights standards imposed by law or treaty on the country in which the goods sold to the City are assembled, and that employees working on garments, uniforms, footwear, and related accessories be paid a "procurement living wage".

² Sweat Free Ordinance Independent Monitor Agreement (Agreement No. C-110948), Section 5.6 "Compliance Investigations" and Section 6.1.5 "Deliverables: detailed reports of compliance investigations".

Findings, Recommendations, and Status Report

Re: New Wide Garment (Cambodia)

March 6, 2008

The WRC is pleased to report that New Wide has agreed to take appropriate corrective action to address many of the violations identified by this assessment. Notably, the factory has addressed a problem of discrimination against pregnant workers by adopting a policy of nondiscrimination and providing compensation to a pregnant worker who was unjustly terminated, has eliminated restrictions on employee access to the toilets during work hours, has eliminated undue restrictions on access to the health clinic for workers who are ill or injured at work, and has recently reinstated a worker representative who was inappropriately dismissed in retaliation for exercising her associational rights. All of these actions represent important improvements for workers and demonstrate New Wide Garment's commitment to working in good faith with the WRC to bring the facility into compliance with applicable labor standards.

However, as the report notes, several key issues remain unresolved. Most critically, while New Wide has reinstated the worker representative who was unfairly terminated, the factory has not agreed to permit her to continue serving as a worker representative, a position to which she was elected in December 2006 for a term of two years. Just one day prior to the worker's reinstatement, New Wide held an election for all worker representative positions, including the position held by the worker in question. As noted in the report, the WRC is very concerned about the chilling effect that the factory's effort to remove this worker from her elected position will have on the exercise of associational rights by other workers at the factory. Another outstanding issue is the factory's use of fixed duration contracts in lieu of permanent employment contracts, which has the effect of undermining employment security and protection from inappropriate dismissal; the WRC will remain engaged with New Wide to ensure that the factory adopts a proper policy with regard to the use of employment contracts.

The WRC will continue to work with the factory, as well as buyers and the City as necessary, to ensure full remediation of all violations identified. The WRC will also conduct ongoing monitoring in order to verify that the factory has fully implemented all corrective action steps and that all improvements are maintained. Additional reports covering the status of remediation and results of ongoing monitoring will be issued as necessary.

Sources of Evidence

The WRC's findings and recommendations with respect to New Wide Garment are based upon evidence from the following sources:

- Interviews with New Wide Garment management and the code of conduct compliance advisor
- In-depth interviews with thirty-one New Wide production employees, conducted both at the factory and off-site
- A review of factory records and written policies, including payroll records, employment contracts, and personnel policies
- A physical inspection of the factory
- Ongoing communications with New Wide representatives, both in Cambodia and Taipei
- Communications with representatives of Williamson-Dickie

Issues Assessed

Based on preliminary research by WRC staff, the following areas were identified for investigation in the assessment of New Wide Garment:

- Nondiscrimination: Whether the factory discriminates against pregnant employees in hiring and contract renewal
- Freedom of association: Whether the factory has retaliated against employees who have sought to exercise their right to form a trade union; whether the number of elected worker representatives at the factory is fewer than the number required by law; whether the factory permits worker representatives to hold meetings during work hours, as required by law
- Wages, benefits, and contracts: Whether the probationary period at New Wide is longer than is permitted by law; whether the factory inappropriately uses fixed duration contracts in lieu of permanent employment contracts; whether the factory provides workers with paid sick leave as required by law
- Occupational health and safety: Whether facilities in the factory health clinic are adequate; whether workers who are ill are permitted to freely visit the clinic; whether the temperature in the production areas of the factory is excessively hot; whether the factory's toilet facilities are adequate; whether workers are permitted to use the toilets freely
- Hours of work and overtime: Whether workers at New Wide are required to work overtime in the evenings and on Sundays

Findings, Recommendations, and Status

The remainder of this report details the findings, recommendations, and status of remediation in each of the six areas in which the WRC assessment identified violations of worker rights: 1) Nondiscrimination; 2) Freedom of Association; 3) Wages, Benefits, and Labor Contracts; 4) Harassment and Abuse; 5) Occupational Health and Safety; and 6) Hours of Work and Overtime.

1. Nondiscrimination

Pregnancy discrimination

Findings

The Cambodian Constitution prohibits employers from terminating a worker because she is pregnant.³ The Cambodian Labor Law mandates three months of maternity leave for workers who give birth, and employers are not permitted to terminate an employee during or immediately before her period of maternity leave.⁴ Based on worker testimony and a review of factory records, the WRC determined that New Wide Garment was discriminating against pregnant workers in hiring and contract renewal, in violation of the law.

According to testimony from workers interviewed by the WRC, employees who became visibly pregnant during their initial probation period were not offered employment upon completing the probation period, and regular workers who became pregnant were not permitted to renew their contracts when they expired. Some workers testified that they had simply never seen any of their pregnant co-workers return to the factory after giving birth, while others cited specific cases of workers who were denied the opportunity to renew their contracts when they became pregnant. As discussed in a subsequent section of this report, all workers at New Wide are employed, inappropriately, on short-term contracts of six months' duration. At the end of each six-month period, the worker is provided with a new six-month contract. In this context, the failure of the factory to renew a worker's contract because she is pregnant is equivalent to terminating the worker.

Worker testimony was corroborated by a review of factory records, which showed that not a single worker at New Wide was on maternity leave at the time of the assessment in October 2007. This is highly unusual for a factory that employs over 1,200 women, most of them between the ages of eighteen and thirty. According to information available from other factories, it is typical in a Cambodian garment factory for roughly 1% of female workers to be on maternity leave at any given time.⁵ Even if there were only half as many workers on maternity leave at New Wide as is typical, because the factory is new and up

³ Constitution of the Kingdom of Cambodia, Article 46.

⁴ Cambodian Labor Law, Articles 182-183.

⁵ See, for example, Arbitration Council awards 57/06 and 97/06.

to half of workers are still in their probation period (it is uncommon for workers to seek or obtain new employment when they are in an advanced stage of pregnancy), there would be five or six workers on maternity leave. The fact that no worker was presently on maternity leave does not, in and of itself, prove that discrimination occurred; however, in the context of the information collected from worker testimony noted above and below, the lack of workers on maternity leave was cause for serious concern.

In addition, the WRC identified at least one worker who was recently, at the time of the assessment, denied the opportunity to renew her contract because she was pregnant.⁶ The worker⁷ began work at New Wide on September 25, 2007. When her probationary period ended in late November, she was told by her supervisor that she could not continue working at the factory. When she asked why she was being required to leave, her supervisor replied that the factory was concerned for her health, given that she was pregnant. When she asked whether she could continue working at the factory until it was time for her to begin her maternity leave, she was told she was welcome to reapply for work after she delivered her baby but that the factory would not sign a new contract with her at present (she was in the eighth month of her pregnancy). She was also told by her supervisor that the only reason she was not terminated earlier was because she was a good worker, and that if the factory had known she was pregnant, she would not have been hired in the first place.

Recommendations

The WRC recommended that New Wide immediately adopt and implement a comprehensive policy of nondiscrimination against pregnant workers, in accordance with Cambodian law. The policy should make clear that pregnant workers will not be treated any differently from other workers when it comes to hiring, contract renewal, or dismissal.

In order to implement the policy, the WRC recommended the following: 1) the policy should be communicated to all workers over the factory's public address (PA) system; 2) for at least the next twelve months, the factory should include a reference to this nondiscrimination policy in any advertisement, posting, or announcement intended to recruit new employees; 3) all managers and supervisors should be provided with training on this policy; 4) going forward, new workers should be informed, verbally and in writing, at the time of hire, of the company's nondiscrimination policy.

⁶ From worker testimony, the WRC heard anecdotal evidence about several other cases in which workers were allegedly prevented from continuing their employment once they became pregnant, but the workers in question had since left the factory and their individual cases thus proved difficult to investigate.

⁷ To protect her privacy, the worker's name is not used in this report.

Furthermore, the WRC recommended that New Wide provide any worker who can demonstrate that she was pregnant while employed at the factory with back wages to the time of the termination of her contract, excluding any period of maternity leave. Any such worker should also be offered immediate reinstatement to her previous position at the factory with no loss of seniority, but the offer of back pay should not be conditioned on her acceptance of reemployment.

Management Response and Status

New Wide has agreed to adopt a policy of nondiscrimination against pregnant workers. Management has reported that the following actions have been taken: 1) the nondiscrimination policy has been posted in the factory; 2) the factory has begun providing new workers, at the time of hire, with information about the nondiscrimination policy, both verbally and in writing; 3) the factory has created a special pass for pregnant workers that will allow them to leave the factory five minutes early at the lunch hour and at the end of the workday; 4) the nondiscrimination policy includes provisions ensuring that pregnant workers are provided with appropriate accommodations to protect their health and safety; and 5) the factory held a training on this policy for all managers and supervisors on January 8. The factory provided the WRC with photographs evidencing each of these steps; the WRC is conducting ongoing monitoring to ensure that each of these commitments has been carried out and is maintained, and that no further acts of discrimination occur.

New Wide has also provided compensation to the pregnant worker that was terminated in early November, and has offered to rehire her after her period of maternity leave. As a gesture of goodwill, the factory has also provided the worker's husband, who had been unemployed, with a job at New Wide. The worker gave birth in mid-December and plans to return to the factory when she has completed her maternity leave. The WRC will continue to monitor the situation to ensure that the factory follows through on its commitment to rehire this woman at that time, and that any other workers found to have been terminated as a result of discrimination are also provided with back pay and offers of reinstatement.

In follow-up interviews conducted in February 2008, most workers reported that they had some familiarity with the new nondiscrimination policy. Specifically, many workers reported that they had heard about the policy from other workers or, in some cases, a line supervisor and that they had noticed that a greater number of pregnant workers are now present in the factory. Most workers interviewed had not seen the written policy posted by management. In order to ensure that all workers are familiar with the specifics of the policy, the WRC recommends that the factory take the additional step of making a verbal announcement to the workforce. This is particularly important given the rate of illiteracy among workers in Cambodia.

2. Freedom of Association

The Cambodian Labor Law requires all enterprises that employ more than eight workers to hold regular elections for the position of worker representative. According to the labor law, worker representatives are responsible for handling worker grievances, bringing complaints to the government labor inspector, and consulting with management about workplace policies, among other duties. A factory must have worker representatives regardless of whether or not workers are represented by a union; if a union is present in the factory, elections for worker representatives must be organized in consultation with the union(s) and the union(s) must be permitted to nominate candidates. The law prohibits employers from terminating elected worker representatives or candidates for election without prior authorization from the labor inspector.⁸

The Cambodian Labor Law also establishes the right of workers to form and join trade unions of their choosing. Employers are prohibited from interfering with employee efforts to form or join unions, and may not discriminate against workers on the basis of union membership or participation in union activities when making decisions on hiring, assignment of work, promotion, discipline, or termination of employees.⁹

a. Retaliation against worker representative for exercising rights of association and carrying out representational responsibilities

Findings

The WRC assessment found that New Wide Garment engaged in acts of intimidation and retaliation against one worker, Ms. [REDACTED],¹⁰ in response to her attempts to form a union as well as her efforts to perform her duties as an elected worker representative. [REDACTED] was eventually forced to resign in retaliation for exercising her rights of association.

It is the position of New Wide Garment management that [REDACTED] was not forced to resign and that the factory's treatment of her did not constitute retaliation. Because the issue is the subject of dispute, before explaining the WRC's conclusions it may be helpful to provide a chronology of relevant events leading up to [REDACTED]'s departure from the factory. The WRC established the following timeline based on interviews with workers and factory management:

- On December 9, 2006, [REDACTED] was elected to the position of worker representative for a term of two years.

⁸ Cambodian Labor Law, Chapter XI, Section 3.

⁹ Cambodian Labor Law, Articles 266-282.

¹⁰ To protect her identity, the worker's name has been removed from this public report.

- On August 29, 2007, she began to recruit members to form a local chapter of the Free Trade Union of Workers of the Kingdom of Cambodia (FTUWKC) by distributing application forms to workers outside the factory.
- On September 1, three days after she had begun recruiting employees for the union, ██████████ was called into a meeting with a representative of management. According to testimony from ██████████ the apparent purpose of the meeting was to convey the company's negative view of trade unions. ██████████ and other workers reported to the WRC that they felt afraid after this meeting, and the union recruitment effort stopped as a result.
- On September 17, ██████████, in her role as worker representative, brought a proposal to management regarding the work schedule in connection with an upcoming national holiday. Management rejected the workers' proposal. In response, the majority of the workforce declined to work overtime that evening.¹¹
- On September 18, ██████████ was told by factory management that she was being reassigned from her position in the Quality Control department to a new position in Quality Assurance. She was transferred from her regular workstation on the factory floor to an empty room normally used by visiting quality control inspectors. According to worker testimony, no other employee had ever been assigned to work in this room prior to ██████████'s transfer there in mid-September, nor has any worker been assigned to this room since ██████████ left the factory in late October. Upon being reassigned to work alone in this room, she was prohibited from leaving the room without accompaniment by a member of management and from talking to any other workers at the factory at any time.
- On October 5, ██████████ was called to the administration office where she was told by a manager that he had heard that she wanted to resign. The manager then handed her a resignation form. ██████████ reported to WRC investigators that she felt pressured to sign the form both by the manager's comments at the time and as a result of what she described as a humiliating experience of being forced to work in the solitary room. She signed the resignation form, agreeing to leave the factory when her existing contract expired on October 27.
- On October 24, she communicated to the manager that she had changed her mind and wished to continue her employment at New Wide. The manager responded that she could not withdraw her resignation. October 27 was ██████████'s final day of employment.

¹¹ As discussed in a subsequent section of this report, workers at New Wide typically work an average of two hours of overtime per day, in addition to the eight-hour statutory workday. Under Cambodian law, overtime work is voluntary, and workers have the right to choose whether or not to work overtime hours when they are asked to do so. It was therefore within workers' legal rights to decline to work the extra hours on September 17.

New Wide Garment management explained to the WRC that ██████'s transfer to the inspector's room was necessary for her to perform her job duties and was not related to her efforts to organize the union or perform her duties as worker representative. However, upon review of the above chronology, as well as worker testimony related to this series of events, the WRC concluded that ██████ was subject to intimidation as well as a form of disciplinary action—being transferred to work alone in a room—in retaliation both for her leadership in an effort to form a trade union and for carrying out her responsibilities as an elected worker representative. This conclusion is based on the following sources of evidence: 1) The identity of the worker: ██████ was clearly known to factory management not only to be an active worker representative but also as the leader of an effort to form a trade union at the factory; 2) the timing of the events: ██████ was transferred to work in the solitary room the day after she brought the proposal regarding the holiday schedule, the rejection of which by management led to workers' declining to work overtime that night; 3) the nature of the treatment: ██████ was the only worker ever assigned to work in this room and while working there was prohibited from speaking with other employees at any time and thus prevented from carrying out her representational duties.

The intimidation and retaliation against ██████ for her efforts to form a trade union violate the Cambodian Labor Law. It is also inappropriate for the factory to prevent a worker representative from carrying out responsibilities stipulated in the law.

According to New Wide management, ██████ voluntarily resigned from her position at the factory. However, the WRC found that her resignation was not voluntary for the following reasons. First, ██████ signed the resignation form after over a month of ongoing harassment from factory management in retaliation for her efforts to exercise her rights. As noted above, ██████ testified to the WRC that she agreed to resign because she felt humiliated and frustrated by the experience of being forced to work in a solitary room, isolated from the rest of the workforce. Second, ██████ did not initiate the decision to resign; instead, she was approached by a member of management who suggested that she might wish to terminate her employment. She was presented with a resignation form that was pre-prepared by management for the purpose of soliciting her resignation. Finally, ██████ attempted to rescind her resignation several days before her contract was to end, but she was not permitted to do so.

The Cambodian Labor Law considers a forced resignation to be equivalent to an unfair dismissal.¹² Furthermore, as noted above, it is unlawful to terminate an elected worker representative without prior authorization from the government labor inspector, and New Wide neither sought nor obtained this permission.

It is also important to note that these acts of retaliation against ██████ had the effect of chilling the exercise of associational rights by the rest of the workforce. It is clear from worker testimony that other workers believe ██████ was forced to leave the factory because of her role in attempting to form a trade union and bringing worker grievances to

¹² Cambodian Labor Law, Article 90.

management. In this context, the result of her firing is a workplace environment in which workers believe they will face similar retaliation if they choose to exercise their right to join a trade union or even seek to bring complaints to their duly elected representatives. The retaliation against a worker for her role in bringing collective grievances to management is particularly concerning given the importance of the ability of workers to bring and resolve complaints to the level of respect for all other labor rights at the factory.

Recommendations

With regard to the termination of [REDACTED], the WRC recommended that she be immediately reinstated to the position she held prior to being transferred to the private room, with back pay to the date of the expiration of her contract.

The WRC also recommended that the factory adopt a clear policy of full respect for workers' associational rights as protected by Cambodian law. The policy should be communicated to the entire workforce, both verbally over the PA system and in writing, and should include the following: a) New Wide will engage in good faith with duly elected worker representatives to address worker grievances, will otherwise work constructively with worker representatives, and will not retaliate against worker representatives who carry out their duties or any other workers who seek to address grievances through their worker representative; b) workers at New Wide Garment have the right to form and/or join any union of their choosing; c) management will in no way interfere with this choice nor take adverse action of any kind against any worker who makes this choice; d) any manager or supervisor who attempts in any way to coerce or threaten any worker because of his or her choice to bring grievances through worker representatives and/or unionize will be fired and will not be employed in the future by New Wide.

Management Response and Status

On February 20, 2008, New Wide Garment reinstated [REDACTED] to her previous position, with no loss of seniority, and provided back pay to the date of her termination. Her first day back at work was February 22. The WRC is very pleased that the factory has taken this positive and important step.

Unfortunately, the factory is not agreeing to recognize [REDACTED] as an elected worker representative, despite the fact that her term runs through December of 2008. On February 19, one day before [REDACTED] was asked to return to the factory to be reinstated, New Wide held elections for new worker representatives. According to factory management, these elections were held on February 19 because the last existing worker representative left the factory on February 11, and due to the Chinese New Year holiday, the earliest day that new elections could be held was February 19. Management told the WRC that the scheduling of the elections was unrelated to the timing of [REDACTED]'s return to the factory.

The WRC is very concerned about the factory's failure to allow [REDACTED] to return to her position as elected worker representative. In order for the issue of [REDACTED]'s unfair termination, as well as the chilling effect of this event on the exercise of associational rights by other workers, to be fully remediated, [REDACTED] must be permitted to continue serving as a worker representative until the end of her elected term in December. The reinstatement of [REDACTED] is an important step that will undoubtedly help assure employees of New Wide's commitment to fair treatment of workers who choose to exercise their associational rights; however, if New Wide does not also allow [REDACTED] to continue serving as worker representative, the workforce will be left with the message that elected representatives who advocate for workers' interests will be effectively removed from their positions, severely undermining workers' right to elect representatives and creating an additional chilling effect on workers' willingness to bring complaints or address other problems through their elected representatives.

b. Failure to meet employer obligations with regard to worker representatives

Findings

Cambodian law requires employers to provide worker representatives with certain accommodations necessary for carrying out their responsibilities. Specifically, employers are required to provide worker representatives with the following: 1) a meeting space, working materials, and space to display posters; 2) a place to display the names and photographs of worker representatives and union leaders, along with a description of their activities; and 3) a minimum of two paid hours per week to carry out their duties.¹³ The WRC found that New Wide did not provide workers with a meeting place, working materials, or the required notice boards, nor does the factory allow paid time off to carry out representational responsibilities.

The Cambodian Labor Law also stipulates the number of worker representatives that must be present in an enterprise. The number varies according to the size of the workforce. At a factory the size of New Wide Garment, which, according to management, had 1,400 employees at the time of the WRC's assessment in October, the law says there must be fifteen worker representatives as well as fifteen assistant worker representatives. At the time of the WRC's assessment, there was only one worker representative and one assistant representative present at the factory. This is because nearly all of the worker representatives elected in 2006 had since left the factory. The size of the workforce has also grown since worker representative elections were held in 2006.

Recommendations

The WRC recommended that New Wide Garment provide worker representatives with a meeting room, all required materials, and permit them to take up to two hours per week to perform their representational duties.

¹³ Prakas 286 (November 5, 2001).

The WRC also recommended that New Wide organize by-elections to replace the departed worker representatives for the remainder of the departed representatives' terms. The elections should be organized shortly after the reinstatement of [REDACTED] (the worker representative whose case was discussed in detail above). The details of the elections should be organized in consultation with the remaining worker representatives and any unions that exist in the factory, per the Cambodian Labor Law.

Status

In December, New Wide informed the WRC that it had designated a room for worker representative meetings, which is stocked with appropriate materials. In January, New Wide provided the WRC with a photograph of the room. New Wide management also informed the WRC that worker representatives are provided with two hours of paid time each Saturday to carry out their duties. It is the position of New Wide that the factory maintained this room throughout 2007, and that it was used regularly by worker representatives each Saturday. However, when the WRC visited the factory in October, management was unable to show us any meeting room, and current and former worker representatives interviewed by WRC investigators testified that the factory did not permit worker representatives to carry out their representational responsibilities during work hours. Regardless, the WRC is pleased that the factory has agreed to provide meeting space and time and looks forward to confirming that these steps have been taken during a future visit to the facility.

With regard to the by-elections for the vacant worker representative positions, in early January, New Wide management informed the WRC that it would hold elections within a month. The WRC responded that we were pleased to know that elections would be held, but also reiterated our recommendation that the elections not occur until after [REDACTED] could be reinstated. This was critical because [REDACTED]'s reinstatement is an essential part of sending the message to the workforce that factory management genuinely intends to respect workers' right to elect representatives that will represent their interests; if the elections occur in an environment in which workers believe that a representative that strongly advocates for their interests will face retaliation, the elections will not be meaningful and the intent of the worker representative system, as laid out by the law, will be severely undermined. It was also important not to conduct the elections before [REDACTED] returned because she has not completed her term as worker representative and her position should therefore not be up for election.

As noted earlier, an election for all worker representative positions was held on February 19. The WRC is extremely disappointed that the factory made the decision to hold the election before the reinstatement of [REDACTED], the opposite of what was recommended. It is also not clear whether the election was held in accordance with the requirements of Cambodian law. Because the WRC was not informed of the election and was therefore unable to observe on February 19, it is not possible to make an assessment at this time. The WRC will conduct additional monitoring of this matter and may issue recommendations in the future.

3. Wages, Benefits, and Labor Contracts

a. Unlawfully long probation period

Findings

The Cambodian Labor Law allows employers to establish a probationary period for newly-hired employees, for the purpose of evaluating an employee's skills and performance. According to the law, the probation period cannot exceed one month for non-specialized workers, two months for specialized workers, and three months for other workers.¹⁴ Sewing machine operators are considered to be specialized workers and therefore cannot be required to undergo a probation period of longer than two months.¹⁵ During this probation period, workers are paid less than the regular minimum wage.¹⁶

The WRC found that most employees at New Wide Garment were required to undergo a probationary period of three months, regardless of their job category. The vast majority of employees at New Wide are sewing machine operators, whose probationary periods should last for a maximum of two months. As a result, most workers at New Wide were underpaid during at least one month of their employment at the factory.

Recommendations

The WRC recommended that New Wide Garment adopt a clear policy regarding the length of probationary periods in accordance with the law. No sewing employees should have a probationary period of more than two months, and cleaners and other low skill workers should have a probationary period of no longer than one month.

The WRC also recommended that any worker who has already completed his or her probationary period be paid back wages in the amount of the difference between the probationary wage and the regular wage for any amount of time the worker was kept on probationary status in excess of what the law allows.

Status

New Wide Garment has agreed to change its company policy regarding the length of the probationary period; beginning in January 2008, the probation periods have been changed to one month for non-skill jobs and two months for skilled jobs. New Wide also reported that employees have been compensated for the difference in salary for months they were kept on probationary status in excess of what is permitted. In interviews with WRC investigators in February 2008, workers testified that some but not all employees have received compensation for this underpayment. However, a review of payroll records will

¹⁴ Cambodian Labor Law, Article 68.

¹⁵ Arbitration Council Awards 13/04 and 27/03.

¹⁶ By law, the minimum wage for regular workers in the apparel sector is \$50 per month while the minimum wage for probationary employees is \$45 per month.

be necessary to verify whether the workers who reported not receiving this compensation were in fact entitled to it. The WRC will conduct this review of records during a future visit to the factory in order to ensure that all necessary payments have been made.

b. Failure to provide paid sick leave and undue restrictions on access to sick leave

Findings

The Cambodian Labor Law requires employers to permit workers to take sick leave if they are absent from work due to illness, with a certificate from a qualified doctor.¹⁷ The Labor Inspectorate requires employers to include provisions for paid sick leave in the factory's internal regulations; the recommended practice is to provide up to one month of sick leave per year at 100% pay and two additional months at 60% pay.¹⁸ Furthermore, if a worker is absent from work due to illness with a medical certificate from a legally recognized doctor, the employer must pay the monthly attendance bonus in proportion with the number of days worked that month.¹⁹

The WRC found that New Wide Garment's internal work rules did state that employees are entitled to paid sick leave with an appropriate medical certificate, in accordance with the law. However, workers testified to the WRC that sick leave was not paid at New Wide. A review of factory records showed that workers regularly had their wages deducted when they took sick leave and that workers' attendance bonuses were also deducted in excess of what is allowed.

The WRC also found that the procedure for obtaining sick leave at New Wide is unnecessarily burdensome for workers. While the law requires an employer to grant sick leave to any worker who presents an appropriate medical certificate, workers at New Wide were required to take the additional step of having a form signed by both their supervisor and line leader before they can be granted leave by the administrative office. These extra steps place undue restrictions on workers' access to sick leave.

Recommendations

The WRC recommended that the factory immediately cease the practice of reducing workers' wages and bonuses inappropriately while they are on sick leave. The WRC also recommended that the factory pay back wages to any worker whose salary or bonuses were deducted while he or she was on sick leave, in the amount of the excessive deductions taken.

Furthermore, the procedure for obtaining sick leave should be revised. The only requirement for obtaining sick leave should be to submit the proper form and medical certificate directly to the administrative office.

¹⁷ Cambodian Labor Law, Article 71.

¹⁸ Arbitration Council Award 76/05.

¹⁹ Arbitration Council Awards 26/03, 13/04, 30/04, 62/04, 63/04.

Management Response and Status

New Wide responded to the WRC's recommendation regarding deducting wages and bonuses during periods of sick leave by noting that the factory does pay workers while on sick leave if they present a certificate from a public hospital. According to management, certificates from other doctors do not constitute sufficient documentation to access paid sick leave at New Wide. The WRC responded by reiterating our recommendation that workers must be granted paid sick leave upon presenting a certificate from any doctor certified to practice medicine in Cambodia. New Wide has agreed to change its policy accordingly; going forward, the factory will not deduct the wages and bonuses of workers who take sick leave with a medical certificate from any doctor, even if the certificate is not from a public hospital.

New Wide has also agreed to grant sick leave to workers upon presentation of an appropriate medical certificate, eliminating the requirements that workers obtain additional signatures from their supervisor and line leader before sick leave is granted. Management has noted that the factory will continue to ask workers who become ill while at work to notify their line leader and/or supervisor as soon as possible so that alternate production arrangements can be made. The WRC views this as a reasonable policy.

The factory has not yet agreed to provide back pay to workers who had their wages and bonuses inappropriately deducted when they took sick leave with a medical certificate. The WRC will address this issue with New Wide management during a future factory visit. The WRC will also conduct ongoing monitoring to verify that the changes in sick leave policy mentioned above have been fully implemented.

c. Failure to provide employment contracts and information on work rules and policies

Findings

The WRC found that New Wide Garment was not providing workers with any employment contract during the probationary period. Written contracts are concluded after an employee completes the probation period, but workers were not provided with a copy of these contracts.

New Wide's written internal regulations state that new workers are provided with information about their rights and responsibilities at work. According to worker testimony, however, workers were not provided with information about work rules, policies, or their corresponding rights and responsibilities upon beginning employment. One worker testified to the WRC that her introduction to her job at the factory consisted of a supervisor telling her "Just work well and don't play around." Workers who had been employed at other factories testified that they found it unusual that New Wide did not provide them with any orientation or overview of rules and procedures when they began work.

Recommendations

In order to improve workers' clear understanding of their job responsibilities and basic workplace policies, the WRC recommended the following: 1) Workers should be provided with written contracts at the start of the probationary period; 2) All workers, whether on probationary status or not, should be provided with copies of their written work contracts; 3) All contracts should clearly state workers' rights and responsibilities on the job. Because many workers were hired without being provided any overview of applicable company policies and rules, the factory should use the PA system to educate workers about factory policies with regard to such issues as wages, benefits, and work rules, as well as workers' associated rights and responsibilities.

Management Response and Status

New Wide Garment has agreed to all of the recommendations in this area. The factory has reported that it has developed and begun using a probationary contract. Workers are now provided with copies of their written work contracts. The factory is working to develop a comprehensive employee manual which will be completed within three months and distributed to all employees in their native language. The WRC has reviewed copies of the probationary contract as well as the policy stipulating that employees will be provided with copies of their written contracts. The WRC will confirm the completion of these changes during a future visit to the factory and will also review the employee handbook at that time.

d. Inappropriate use of fixed duration contracts

Cambodian Labor Law provides for two types of employment contracts: undetermined duration contracts and fixed duration contracts. As the names suggest, undetermined duration contracts are traditional, permanent employment contracts designed for long-term employment, whereas fixed duration contracts have specified start and end dates and are designed for short-term periods of employment.

Findings

The WRC found that New Wide Garment employs all post-probationary workers on six-month fixed duration contracts. In most cases, upon expiration of the contract, workers are asked to sign a new six-month contract.

Under Cambodian law, undetermined duration contracts are the preferred form of contract for permanent employment,²⁰ whereas fixed duration contracts are, by their nature, designed for fixed periods of temporary employment. By using successive fixed duration contracts indefinitely in lieu of undetermined duration contracts for all production employees—workers who are, for all intents and purposes, regular, permanent

²⁰ Arbitration Council Award 10/03 (July 23, 2003).

employees—New Wide Garment is misclassifying large numbers of permanent production workers as short-term contract laborers.

The use of repeating short-term contracts in lieu of permanent contracts has the effect of undermining workers' employment security and protection from inappropriate dismissal. For this reason, this practice has been criticized by the International Labor Organization (ILO) in Cambodia.²¹ This practice also violates the ILO's Termination of Employment Recommendation,²² which calls for the enactment of safeguards against the use of short term contracts with the effect of denying workers the protections from termination stipulated in the Termination of Employment Convention (Convention 158). The primary concern underlying the ILO's position is the effect of the misuse of contract labor on the exercise of associational rights by workers. Under Cambodian law, an employee on a traditional contract cannot be dismissed without justification, and union leaders are provided special protections from termination. The use of fixed duration contracts, however, allows employers to essentially skirt laws protecting union members from targeted dismissal by simply failing to renew the short-term contracts of workers who choose to associate with a union. As a result, workers employed on fixed duration contracts may not feel free to join unions or exercise other rights out of fear that the employer will retaliate by not renewing their contracts.

According to worker testimony, fixed duration contracts have been used to undermine employment security and protection from arbitrary dismissal at New Wide Garment. At least some workers have been told, upon being hired, that with fixed duration contracts, management has the right to dismiss (i.e. not renew the contract of) any employee that they "don't like" at the end of the six month contract period. Such comments combine with the factory's dismissal of the worker representative in October to create an environment in which workers feel that they may have little protection from retaliatory dismissal if they choose to exercise their legally-protected rights of association.

Furthermore, as discussed earlier in this report, in some cases the use of fixed duration contracts has had the effect of undermining legal protections against dismissal for at least one other protected category of workers: pregnant workers. The use of short-term contracts made it possible for the factory to terminate, by failing to renew her contract, a worker who became pregnant. Had workers at New Wide been provided with traditional, undetermined duration contracts, the factory would be required by law to demonstrate cause before dismissing any worker, and workers could not be dismissed at all during the period immediately before their maternity leave.

²¹ "Better Factories concerned about labour contracts," ILO Better Factories Cambodia Quarterly Newsletter, October, 2006.

²² Recommendation 166, 1982.

While it is of course still possible for discrimination to occur at a factory where workers are correctly employed on regular contracts, the fact that workers at New Wide are employed on six-month contracts has clearly made it easier for management to remove certain categories of workers from the factory by simply failing to renew their contracts upon expiration, thereby circumventing the termination procedures that are established by Cambodian law for the purpose of preventing discriminatory dismissals.

Recommendation

The WRC recommended that the factory use traditional, undetermined duration contracts for all employees who have passed their probationary period. The factory should only use fixed duration contracts for employees hired to perform work that is temporary in nature. The WRC recommended that all workers currently employed on fixed duration contracts, whose work is not clearly temporary in nature, immediately be provided with undetermined duration contracts.

Status

New Wide Garment informed the WRC in January 2008 that the factory is working with its legal advisor to identify a solution to this issue that will meet the requirements of Cambodian law. While the WRC is pleased that New Wide Garment is exploring the proper use of labor contracts, we reiterated to the factory our recommendation that undetermined duration contracts are the correct contract type for all regular production workers at New Wide Garment. Factory management has since told the WRC that it expects a solution will be in place around the end of February. The WRC will continue to work with New Wide Garment to ensure that the factory provides workers with appropriate contracts that do not curtail their rights, and that the necessary changes are made as quickly as possible.

e. Concerns regarding payroll and punch cards

Findings

Workers at New Wide Garment are paid once per month. According to worker testimony, the pay provided is usually accurate; however, in cases where workers are underpaid due to clerical errors, such problems were not immediately corrected, often resulting in significant delays in payment. Two specific problems were identified by workers. First, a worker was not given his or her pay slip and envelope containing the pay until after he or she signed the payroll certifying that the payment had been received, despite the fact that the worker was not given the opportunity to review his or her individual pay slip or to count the money provided until after signing the roll. If, upon reviewing the pay slip and contents of the envelope, the worker found that he or she has been underpaid, the worker was required to wait until the following month to receive the full amount owed. Second, when workers received torn bills in their envelopes, these bills were not immediately replaced. Torn bills are not accepted by merchants in Cambodia. Some workers reported having to wait up to three days to receive usable replacement bills.

A related concern identified by workers was the unusually long period of time required to punch out at the end of the work day, as well as at the lunch hour. Due to a shortage of punch card machines, workers often had to wait between ten and fifteen minutes to punch out. Some workers had to spend a substantial portion of their lunch hour waiting in these lines. In at least some instances, some workers have been unable to exit the factory in time to board the trucks that transport workers to their homes due to the time required to punch out. When this happens, workers must spend nearly an entire day's wages to pay for private transportation home.

Recommendations

The WRC recommended that workers be permitted to review the calculation of their pay before signing the payroll, so that any necessary corrections can be requested and made by the accountant before the worker is paid. Workers should not be asked to sign the payroll without first having the opportunity to review the pay calculation. Furthermore, if workers receive torn bills, these should be immediately replaced with new bills.

The WRC also recommended that the factory make changes to enable workers to exit the factory more quickly at the end of the shift. It should not take more than five minutes for all workers to punch out. Suggested changes include installing additional punch card machines or adding more security guards so that workers may exit more quickly.

Status

In January 2008, New Wide implemented a new policy of providing all workers with a copy of their pay slip two days prior to pay day. If workers find any inaccuracies on the pay slip, they can report this to the wages department and a correction, if warranted, will be made prior to pay being issued on the pay day. The factory has also changed its policy so that workers who receive torn bills can have them replaced on the same day they receive them. In follow-up interviews conducted in February 2008, workers testified to the WRC that while employees are indeed now permitted to review the calculation of their pay three days prior to pay day, in at least some cases when workers identified errors in the calculation these errors were not corrected before pay day. In these cases, workers still had to wait until the next month to receive the difference in pay that they were owed. The WRC will discuss this matter with factory management in order to ensure that the new policy is fully implemented and that any errors in pay calculation are corrected before the applicable pay day.

With regards to the problem of delays caused by waiting to punch out, the factory has added a five minute paid break to the lunch hour which is intended to make up for time lost while punching out. The WRC will conduct follow up worker interviews to determine whether this change has resolved the problem identified by workers.

f. Procurement living wage

Finding

Non-probationary workers at New Wide Garment earn between \$50 and \$62 per month, or \$0.24 to \$0.30 per hour, for straight-time work (not including payment for any overtime hours worked). These wages comply with all applicable local laws and meet or exceed the prevailing wage in the Cambodian apparel sector, but fall short of the procurement living wage established by the City of Los Angeles Sweat-Free Ordinance. The procurement living wage applies to all employees working on apparel, footwear, and related accessories purchased by the City. As defined by the Ordinance, the procurement living wage in Cambodia is \$0.63 per hour in 2007.²³

Wages at New Wide Garment are calculated as follows. In Cambodia, the minimum wage for regular workers in the garment sector is \$50 per month, which serves as the base wage at all apparel factories in the country, including New Wide. The law also mandates a \$5 per month attendance bonus for workers who are not absent from work, and additional bonuses based on the worker's length of employment at the factory (seniority). In addition, New Wide provides production bonuses to some workers who perform well. With bonuses, workers can earn up to \$62 per month, exclusive of overtime pay.

Recommendation

The WRC did not issue a recommendation to New Wide Garment on this issue. This is not a matter that can be solved by the factory alone; any approach to bringing wages at New Wide to the level of the procurement living wage would require changes not only at the factory level but also, more importantly, in the sourcing practices of New Wide's buyers. In order for this issue to be meaningfully resolved, the factory would need to raise the minimum base wage for all employees at the factory from \$50 per month to \$130 per month in order to ensure that all workers earn the procurement living wage. This would in turn require that one or more of New Wide's customers pay a higher price to the factory sufficient to allow New Wide to increase wages. The WRC will discuss this issue in greater detail with the City and may issue a recommendation in the future.

²³ The Ordinance defines the procurement living wage as "for domestic manufacturers a base hourly wage adjusted annually to the amount required to produce, for 2,080 hours worked, an annual income equal to or greater than the US Department of Health and Human Services most recent poverty guideline for a family of three plus and additional 20 percent of the wage level paid either as hourly wages or health benefits." Outside the United States, manufacturers must pay a comparable wage "adjusted to reflect the country's level of economic development by using the World Bank's Gross National Income per capita Purchasing Power Parity index." According to the City, the procurement living wage for the United States in 2007 is \$9.59 per hour. Multiplying this figure by the ratio between the relevant GNI figure for Cambodia of \$2,920 and that of the United States of \$44,260 yields a procurement living wage for Cambodia of \$0.63 per hour.

4. Harassment and Abuse

Verbal harassment

Cambodian law prohibits employers or supervisors from using insulting or harsh language when speaking to employees.²⁴

Findings

According to worker testimony, some supervisors at New Wide Garment shout at workers when production errors are made. Workers reported to the WRC that they do not understand what is being shouted at them because the supervisors only speak in Chinese. However, the volume and tone of the shouting is abusive, intimidating and degrading to workers.

Recommendation

The WRC recommended that the factory adopt a policy that clearly prohibits verbal harassment of any kind. All managers and supervisors should be provided with training on this policy.

Status

New Wide Garment has adopted a policy prohibiting verbal harassment and abuse. The factory has reported to the WRC that it has begun holding regular meetings with managers and supervisors to explain this and other labor compliance policies. At these meetings, the supervisors are asked to sign a document indicating that they understand the policies; the WRC has been provided with a copy of such a document signed by supervisors on January 8, 2008. The WRC will conduct follow up interviews with workers to ensure that these steps have resulted in the elimination of verbal abuse at the factory.

5. Occupational Health and Safety

a. Toilet facilities: restrictions on worker access to toilets and inadequate toilet facilities

Employers in Cambodia are required by law to provide clean toilets for employees. The law also stipulates the number of toilets that must be present at an enterprise; for a factory of 1,400 workers, there must be at least 28 toilets. Factories with over 100 women employees must have western-style (seated) toilets for use by pregnant workers. The law also requires that each toilet have a door that locks and that the water supplying the toilets is clear and not murky.²⁵

²⁴ Circular to Directors of All Garment Factories in the Kingdom of Cambodia from the Ministry of Social Affairs, Labour and Veterans, No. 01 SALV. January 8, 1997.

²⁵ Prakas 52. February 10, 2000.

Findings

At the time of the assessment, New Wide Garment had between 18 and 20 functioning toilets. This is below the number required by law. There were no seated toilets available for pregnant workers. Furthermore, a number of the toilets were not functional because they did not have locks on the door or a water scoop to flush the toilet after use. Finally, the water in the toilets was not clear, as required by law. Some workers reported that they believed they developed skin rashes from the dirty water in the toilets.

The WRC also found that workers were not free to use the toilets when they needed to do so. In order to be permitted to use the toilets, workers were required to obtain a card from their line supervisor. Because there were only two cards per line, workers reported that they were often unable to use the toilets when they need to do so. Furthermore, workers were not permitted to enter the building to use the toilets during their lunch break. The toilets were closed beginning ten minutes before the lunch hour and did not reopen until ten minutes after the end of the lunch hour.

Workers are also required to undergo a body search before entering the toilets. According to management, the purpose of the body searches is to prevent theft.

Recommendations

The WRC issued the following recommendations: 1) The card system should be eliminated. Workers should be free to use the toilets whenever they need to do so. 2) The issue of body searches of workers entering the toilets should be discussed with worker representatives; these discussions should include exploration of alternate means of preventing theft. 3) The factory should ensure that workers can use the toilets during lunch. Either workers should be permitted to enter the production areas to use the toilets during lunch, or additional toilets should be constructed near the cantina. The toilets in the production area should not be closed during the ten minutes before and after the lunch break. 4) The factory should add seated toilets for use by pregnant workers and by doing so bring the total number of toilets up to the number required by law. 5) Broken toilets should be fixed and missing water scoops replaced. The factory should stock spare water scoops so that any scoops that break or go missing can be immediately replaced. 6) Separation walls should be installed between the toilets so that dirty water from one toilet does not dirty the water in the others. If it is determined that the water supplied to the toilets is unclear at the source, a filter should be installed or an alternate source of water found.

Status

New Wide Garment expressed some concern over the recommendation that the toilet card system be eliminated because management believed this would result in crowding around the toilets at times when the number of workers visiting the toilets was in excess of the available facilities. Nonetheless, the factory has agreed to try eliminating the card

requirement in order to see if any problems are indeed experienced. As of January 24, the toilet card system has been eliminated. The WRC has recommended that, if the factory does experience capacity problems in the toilet area, that the factory should install additional toilet facilities so that the number of toilets is sufficient to accommodate those workers who need to use them. In worker interviews conducted in February, workers confirmed that the toilet card system has been eliminated.

The factory has reported that a meeting was held with worker representatives regarding the body searches, and they reported that workers are not bothered by the body searches at the toilets. The WRC has been provided with a copy of a statement to this effect signed by several worker representatives; the WRC may conduct follow-up monitoring to verify the results of this meeting.

New Wide has reported that the factory has begun allowing access to the factory toilets beginning twenty minutes before the end of the lunch break. The factory has also begun to permit workers to use a set of toilets outside the factory building during the lunch break with permission from a supervisor. In follow up interviews, workers testified to the WRC that they now have improved access to the toilets during the lunch hour, but there are still times at which they are unable to use the outdoor toilets because they are closed. The WRC will work with management to ensure that this issue is fully addressed and workers are able to use the toilets whenever necessary during the lunch hour.

According to worker interviews, four seated toilets have been added for use by pregnant workers. The WRC has reviewed a photograph of one of these toilets, which was provided to the WRC by factory management. The factory has also reported that all broken toilets have been fixed. During a future visit to the factory, the WRC will verify that there are now a sufficient number of toilets and that they are all in proper working order.

Finally, New Wide Garment has reported to the WRC that it is exploring means of ensuring clear water in the toilets at all times. The factory expected to be able to solve this problem within one month. According to workers interviewed in February, the quality of water in the toilets has improved, but the water is not yet completely clear. The WRC will follow up with management to ensure that a proper solution is implemented so that the toilets are supplied with clear water at all times.

b. Health clinic: undue restrictions on access to the clinic and inadequate clinic facilities

The Cambodian Labor Law requires any factory that employs more than 50 employees to maintain an on-site health clinic. The clinic must be stocked with adequate supplies and medications, be staffed by qualified nurses, and contain a sufficient number of beds. The number of beds required varies based on the size of the workforce; for a factory the size of New Wide, there should be twenty beds.

Findings

The health clinic at New Wide Garment did not meet all legal requirements. There were only four beds in the clinic. As a result, there have been times when workers had to wait outside the clinic for a bed to become available before they could be treated. The factory was also not stocked with proper equipment and supplies. Workers who visited the clinic for aches and pains were often not offered medication. Instead, they were offered a Khmer folk remedy treatment known as coin massage, in which the skin is treated with oil and then rubbed vigorously with a coin. Workers reported that they had been treated with machine oil or hair oil and a bottle cap because body oil and a coin were not available.

Workers also reported that they were not always able to access the health clinic when they felt unwell at work. In order to be permitted to visit the clinic, a worker was required to obtain a form from the administration office, have the form signed by both their line leader and supervisor, and then return to the administration office to have the form stamped before they would be allowed to enter the clinic. In some cases, workers were unable to find their supervisor, who is not always on the production line, and their visit to the clinic was substantially delayed. Workers also reported that supervisors sometimes refused to sign the form because the supervisor did not believe the worker needed medical attention.

Recommendations

The WRC made the following recommendations: 1) Workers should be required to obtain permission from no more than one manager or supervisor in order to be granted access to the clinic. 2) Supervisors and managers should grant permission to visit the clinic to any worker who requests it. Only the factory nurse, or other medical personnel, should be permitted to determine whether a worker genuinely needs to visit the clinic. If workers are found to be repeatedly visiting the clinic when they are not truly unwell, the factory may subject these workers to disciplinary procedures with proper documentation and oversight by clinic staff. 3) Beds should be added so that there are enough beds to accommodate workers visiting the clinic. 4) The clinic should be stocked with all necessary equipment and supplies at all times, including appropriate body oil and coins for coin massage. Other pain treatments should also be readily offered.

Status

New Wide Garment has agreed to correct each of the problems identified. Going forward, the WRC has been informed that either the line or section supervisor may approve a worker's request for access to the clinic, and that only the nurse or doctor will evaluate the employee's health situation and file an appropriate report as necessary. Workers interviewed in February 2008 confirmed that it is now much easier for sick workers to receive permission to visit the clinic. The factory has added one bed and has taken the additional step of installing curtains separating the beds, for privacy. Factory management has also agreed to stock the clinic with proper supplies and has assigned the

factory nurse the task of ensuring that an adequate level of supplies is maintained at all times. The WRC will conduct ongoing monitoring to ensure that all of these changes have been made and that the clinic facilities are now adequate to meet the needs of workers who are injured or become ill at work.

6. Hours of Work and Overtime

Mandatory overtime

The Cambodian Labor Law states that normal working hours shall not exceed eight hours per day or a total of 48 hours per week, with one day off each week.²⁶ Hours worked in excess of eight hours per day or 48 hours per week are considered to be overtime. According to the law, overtime is only allowed for exceptional and urgent work and must be voluntary; employers are not permitted to impose any penalty on workers who decline to work overtime.²⁷

Findings

The WRC found that workers generally work two hours of overtime each day, for a total of roughly 60 hours of work per week. Some workers reported that they felt obliged by their supervisors to work overtime on some occasions. Workers did not, however, identify this as a significant problem.

Recommendation

Because the issue of mandatory overtime is not a major concern for workers, the WRC did not issue a recommendation at the time of the initial assessment. The WRC recommended that any concerns that may arise amongst workers regarding overtime should be addressed in discussions between management and worker representatives.

Status

In early January, New Wide informed the WRC that they had begun using a form on which workers are asked to indicate in writing whether or not they are willing to work overtime when it is requested. The WRC views this as a positive step, and may review the form during a future visit to the factory.

²⁶ Cambodian Labor Law Articles 137 and 146-148.

²⁷ Cambodian Labor Law Article 139 and Prakas 80/99.