

Uncomfortable but taking part – Cambodia's unions and the PRSP

Uncomfortable. That was how the Cambodian unions felt when they first began to talk about the country's PRSP. Uncomfortable because the union leaders knew that they should be involved, but they did not know how. Uncomfortable because it meant tackling national-level issues while the trade union movement was still divided. Uncomfortable because it included economic debates which seemed to go beyond their capacities.

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Serious difficulties faced the Cambodian Unions when they sought to become involved in the National Poverty Reduction Strategy (NPRS) – Cambodia's PRSP. But they managed to tackle these problems, and subsequently gained some meaningful participation in the process.

To understand their situation, some knowledge of recent Cambodian history is needed. After a long and bitter civil war that started in early 1970s, Cambodia embarked on a long and slow process of rebuilding democratic structures. This began after 23 October 1991, when the Paris Peace Accord ended the civil war. However, the country remained very unstable for many years. The 1997 coup is a testimony to this.

Unions young and divided

The trade union movement is also young, as it only began to develop after the end of the war in 1991. Moreover, it is divided. Some 14 national trade union confederations (499 unions) are currently registered with the Ministry of Labour. About 4 per cent of the total labour force of 5.7 million people is unionized. The workforce is around 44 per cent of the total population. The old alliances with different

political parties still continue, and this to some extent explains the divisions within the union movement. Also, the unionized sector currently is very much confined to the leather and garment manufacturing industry.

Even before the ILO began talking about the PRSP (NPRS) with Cambodia in early 2002, some of the unions and NGOs had already got together and submitted a letter of protest to the embassies of donor countries. This was on the occasion of the donor community getting together for their annual meeting in Cambodia to discuss financial assistance to the Government.

Since the end of the war in 1991, the world community has continued to provide financial assistance to Cambodia for some of its recurrent expenditure. In their letter addressed to the embassies, the unions demanded that the donors ask the Government to show transparency about how the money was being spent. The unions also asked for the eradication of corruption within the Government. They claimed that there was much corruption within the Government and no transparency about the spending of donor funds.

The preparation of the NPRS in Cambodia started in May 2002 and an Interim PRSP (I-PRSP) was produced five months later. The NPRS took over two years to

complete, with the final version coming out in December 2002. The responsible agency was the Ministry of Economy and Finance, but the coordination was by the General Secretariat of the Council for Social Development (GSCSD), an inter-ministerial body chaired by Mr Kim Saysamalen, Undersecretary of State for Ministry of Planning. In March 2003, the Government launched the NPRS and began implementing some of the proposals. The GSCSD is now responsible for the implementation of the NPRS.

ILO assistance

Cambodia is one of the five countries chosen by the ILO for assistance in influencing the PRPS process. It has thus also become a partner in the global fight to reduce poverty. The ILO objective in giving this support was to incorporate its Decent Work Agenda into the NPRS. The ILO started a process to help the unions, the employers' organizations and relevant government ministries to participate in the NPRS.

It began with a capacity-building workshop for Cambodian union leaders in June 2002. The one-day workshop conducted by the ILO Worker Specialist discussed the process, the reasons why the unions should participate in it and the manner in which they could do so. The manual produced by the International Confederation of Free Trade Unions (ICFTU) on PRSPs was extensively used to build the capacity of the leaders and to make them comfortable with the NPRS. At the end of the workshop, although still sceptical about the final outcome of the NPRS, the participants agreed that the training had given them a better understanding of the whole concept. At least this made them, in a small way, more comfortable with the process.

To get involved in that process, the unions had to think about how to prepare themselves for debates on such national issues. They felt uncomfortable in this regard because their main area of work so far had been dealing with labour issues.

Most of the time, this related to enterprise-level labour-management matters. Part of the challenge of the capacity-building process was to make them understand and address national issues such as the NPRS and also to help them make the connection between their everyday union work and poverty reduction in Cambodia.

The one-day workshop was followed in August 2002 by a bipartite seminar (union and employer organizations) and later a tripartite workshop on the NPRS. These consultations also helped to further develop the draft ILO paper on the NPRS, *Generating Decent Work for Poverty Reduction in Cambodia – the Voice of Workers, Employers and the Government*. The paper reflected union views on fighting corruption and at the same time talked about other issues dear to the hearts of the unions, such as strengthening industrial relations, maintaining the minimum wage and providing social protection. The bipartite seminar identified corruption and a lack of transparency in governance; a weak judicial system, loopholes in the law and poor enforcement; low education and skills; and a lack of fair distribution of support to the poor as the greatest contributors to poverty.

One of the significant developments arising out of the tripartite workshop was that, through the ILO interventions, Kim Saysamalen (NPRS Chairperson) agreed to include two trade union representatives in the Government's consultative process on the NPRS. Under the PRSP structures in other countries, there is no special seat allocated to trade union participation. They, like other NGOs, have to negotiate their position in the system. As a result, Chae Vichea – President of the Free Trade Unions of Workers of the Kingdom of Cambodia (FTUWKC), Mom Niham – President of the National Independent Federation of the Textile Unions of Cambodia (NIFTUC) and Noun Rithy – Coordinator of the ILO workers' education project – were invited to take part in the government consultative process. Both Mr. Vichea and Ms. Niham were on a committee elected by the representatives of trade union feder-

ations tasked with leading the trade union involvement in the NPRS. This trade union committee was one of the outcomes of the initial awareness activity organized by the ILO. Prior to that, the unions could only participate as part of the NGO group and to do that, they had to compete within the NGO group to be accepted as one of the representatives to the meeting.

Union success

It is interesting to note that at one of the later consultation meetings during the development of the NPRS, the union representatives were able to successfully argue against a proposal to remove minimum wage provisions from the labour legislation. The argument put forward by the opponents of the minimum wage was that its abolition would provide a better competitive environment in relation to other countries like China and Vietnam where the minimum wages were lower than in Cambodia. The Government took the view that this would attract investors from other countries.

The maintenance of the minimum wage legislation was seen as a major win for the union representatives. It showed not only that unions could participate in such national debates but also that they were able to convince the group that the minimum wage was a useful instrument in the fight against poverty. This also created respect for the union representatives within the consultative committee.

The trade union committee responsible for NPRS matters continues to function. Further efforts have been made to gradually strengthen the capacity of the union leaders to understand the issues contained in the NPRS, so that the unions may achieve a stronger position in terms of monitoring the NPRS implementation as well as suggesting changes when the review takes place. In the meantime, through ILO assistance, a “group” comprising some selected academics and those having a good knowledge of the NPRS has been set up to work with, advise and guide the

union leaders on the NPRS. The “group” and the union leaders meet periodically to assist the unions in the NPRS monitoring process. Also as a result of the Cambodian experience, some training and education material has been developed which could be useful in guiding unions through the monitoring and evaluation process. The material will be used in other countries for education and training on PRSP.

Moreover, the unions understood that the NPRS was about poverty reduction and in that regard, they argued that they themselves were part of the working poor. In Cambodia, workers engaged in garment and leather products manufacturing are considered to be the best-paid group of workers, as they are paid a minimum of US\$45 per month. Even the civil servants are paid much less than that. This is a legacy of the command economy which existed prior to 1991.

In the tripartite workshop and at later meetings, the unions were able to argue that the minimum wage was not sufficient to meet the expenses of the number of people dependent upon one garment industry worker. In this regard, through the assistance of ILO education activities, the unions had set up a “minimum wage research committee”. Its research showed the deficiencies in the current minimum wage. There is no national minimum wage, nor any sectoral one other than that for the garment and leather products workers.

At the ILO tripartite workshop, a representative from the Government, when defining the word “poverty”, commented that somebody who owned a bicycle, even if it had only one wheel, was considered to be above the poverty line.

This helped to clarify the unions’ own thinking about what they meant by poverty, and they then felt more comfortable about putting forward their views on poverty eradication in Cambodia. Amongst other things, they emphasized the need to protect workers and guarantee fair labour practices. The unions argued that, with the help of such protection, they would be able to bargain for fair wages which would contribute to poverty reduction.

Decent wages and working conditions would, they pointed out, increase workers' purchasing power. Their spending would, in turn, create opportunities to increase employment, particularly in the service industries. They argued that a rise in the living standards of workers would create a bigger need for goods and services, thus creating employment and ultimately resulting in the reduction of poverty.

Labour issues included

The various proposals made in the NPRS with regard to poverty reduction include some specific industrial relations and social security issues:

- Dissemination of information on labour law to both employers and employees, and the enforcement of labour law
- Training and education on workplace relations
- Promotion of tripartite dialogue
- Strengthening the National Sub-Committee on Child Labour, so as to implement and monitor child protection programmes
- Training in service provider skills (skills development)
- Preparing for the establishment of a National Social Security Fund for injury, sickness, maternity and pensions coverage.

In this regard, the two ILO tripartite projects – the Garment Sector Working Conditions Improvement Project and the

Labour Dispute Resolution Project – are seen as part of the poverty reduction process, and they are included in the NPRS.

The trade unions, as part of their monitoring process, are planning to carry out surveys to measure the enforcement of labour law. They see a lack of enforcement as a major impediment to good industrial relations and as a reason for the high number of industrial disputes.

The education and training has made the unions comfortable with, and able to participate in, the NPRS process. The establishment of the union committee on NPRS and their linkage with the “academic group” continues to help the unions understand complex and difficult issues, and as such helps them in their participation in the process. The close cooperation between unions and NGOs has also helped the unions to strengthen their voice in the community and build an alliance on NPRS matters.

From August 2002, the ILO had engaged a local consultant, Saeng Bunly, to follow up on the NPRS. This was seen as necessary, as the ILO does not have an office in Cambodia. His continued relations with the trade union NPRS committee have also helped the unions to keep up with the latest information on the NPRS. The ILO-DANIDA workers' education Project Advisory Committee (PAC) continues to provide a joint forum for all national confederations and acts as the *de facto* national trade union centre. The trade union committee on NPRS makes periodic reports to the PAC meetings.

How long the unions will keep up the interest and continue to participate in the NPRS, time alone will tell.