



International
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Decent Work in
Garment Supply
Chains Asia



Sweden
Sverige

▶ Building back better with environmental sustainability and gender equality:

Cambodia country summary



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▶ Preface

The *Building Back Better with Environmental Sustainability and Gender Equality* Study is part of the Decent Work in the Garment Sector Supply Chains in Asia project. The four-year project was funded by the Swedish International Development Agency (SIDA) in collaboration with the ILO Regional Office in Bangkok aims to improve working conditions and rights of women and men workers in the sector in Asia through improved social dialogue, productivity, gender equality and environmental sustainability.

The project has four outcome areas:

1. Industrial relations,
2. Gender equality,
3. Productivity and competitiveness and
4. Environmental sustainability.

This work was led by Outcome 4 and Outcome 2 as a joint activity to access the double dividend in progressing enhanced environmental sustainability and gender equality in the garment sector. The aim of the study was to identify consensus among sector stakeholders for future priorities and recommended actions for different stakeholder groups to advance sustainability.

The Study uses a Delphi methodology – a well-established tool for iterative consensus-building among stakeholders – to identify the coalition of actors needed to help reform the garment and textile sector, and the key priorities that should be the focus of their related stakeholder action. The study involved 80 participants including enterprises (31 enterprises), trade unions, workers, industry associations, government officials and other relevant sector stakeholders. 40 per cent of the participants were women and 60 per cent men. Participants were drawn from Outcome 4's four focus countries – Bangladesh, Cambodia, Indonesia, and Viet Nam.

This report provides highlights of the Cambodia country level findings of the Study, including stakeholder identified priorities and recommendations for enhancing environmental sustainability and gender equality in the sector in Cambodia. The report is also available in Khmer language.

Separate country level reports are also available for the other three focus countries - Bangladesh, Indonesia, and Viet Nam, with translated versions in relevant languages. A Synthesis Report is also available and provides regional level findings, priorities and recommendations drawing from empirical findings of each of each of the four focus countries. The Synthesis Report also provides a detailed explanation of the study methodology.

Recommendations for the textile and garment sector in the post-COVID-19 pandemic recovery

“Build back better” is a term frequently used in recent global policymaking when referring to the need of societies and economies to recover from the COVID-19 pandemic. In the global textile and garment sector, it has been employed to describe the need for a transformation to a more sustainable and resilient business model – one that reduces the environmental impact of production and consumption while redressing longstanding poor labour practices.

But when we drill down into the concept, what does “build back better” actually mean and who are we building back better for?

Crises provide a window of opportunity for stakeholders to come together and develop new or reprioritized shared interests to achieve recovery. Efforts that harness these new coalitions and, importantly, include all groups – especially vulnerable and marginalized persons – can have better success than those that focus only on material or technological solutions.

But these new coalitions do not come about automatically. They typically require effort, time, orchestration and capacity-building. Thinking about how this is done in the context of the COVID-19 recovery should be a priority for the textile and garment sector as it looks to rebuild with sustainability at its core: Are all stakeholders part of the process? Do they all have the capacity to participate adequately and/or equally? As the majority of the sector’s workforce, are women workers participating in the process? What further steps and measures need to be put in place to ensure that collaboration and meaningful dialogue can take place?

This report uses a Delphi methodology, which is a well-established tool for iterative consensus-building among stakeholders, to determine the coalition of actors needed to help reform the textile and garment sector and what should be their priorities.

This Delphi study evolved from a workshop suggestion. The Building Back Better: Achieving Environmental Sustainability and Gender Equality in Post-COVID-19 in the Garment Sector in Asia workshop was a component of the Decent Work in the Garment Sector Supply Chains in Asia (DWGSC) Project, which the Swedish International Development Cooperation Agency had funded in four countries: Bangladesh, Cambodia, Indonesia and Viet Nam. The workshop highlighted the double dividend from simultaneously progressing enhanced environmental sustainability and gender equality in the textile and garment sector.

The study involved 80 participants, including representatives of enterprises (31 owners and managers), several trade unions, workers’ organizations and industry associations along with government officials and other sector stakeholders. Of them, women accounted for 40 per cent. The participants were initially drawn from the Gender Taskforce, the Women’s Leadership Programme and the Textile and Garment Eco-Innovation Research Network (TERN), the three of which are also products of the DWGSC Project. Snowballing interview techniques were then used to find other participants. In each of the four countries, 20 stakeholders were interviewed.

The study focused on finding consensus for action relevant to environmental sustainability and gender equality.

Synthesis results on environmental sustainability

In each country analysis as well as the comparative analysis, the study participants single out environmental sustainability as a priority for action. It is an issue that is either emerging into the fore or under way in various forms at the enterprise and industry levels. The enterprise owners and managers in the study cited intrinsic internal motivations for undertaking related activities more often than external factors, such as brand- or buyer-led requirements. This finding shows that activities to build knowledge, awareness and intrinsic motivation of enterprises are important for enhancing environmental sustainability.

Across the four countries, 84 per cent of the enterprise owners and managers involved in the study cited environmental sustainability and increasing their performance in this area as a priority for their business. By country, there were differences, primarily in how waste and renewable energy and electricity sources are seen as opportunities. The differences relate to country- and locality-specific factors in the accessibility of renewable energy and energy efficiency equipment, as well as the availability of technical know-how and expertise in advising, installing and financing such opportunities.

At the regional level, the findings highlight environmental sustainability opportunities in the sector, providing opportunities for knowledge-sharing and capacity-building. The selection and implementation of opportunities depends on the availability of context-specific expertise and technology in each country's garment sector. This is especially the case when enterprise-level investments require large shared or common infrastructure investment, such as grid availability in the case of renewable energy, centralized water treatment facilities and waste and recycling infrastructure for recycling and circular economy activities.

A supportive ecosystem for sustainability is critical for progress at the enterprise and sector levels. There are many levers in creating this supportive ecosystem, with a conducive policy mix being critical. Such a mix must integrate environmental regulation with sector- or context-specific guidance, along with incentives and investment in skills development, knowledge creation and network-building. Due diligence obligations and sustainable purchasing practices from buyers and brands contribute to creating a supportive ecosystem if they also address cost- and benefit-sharing from the investment in this sustainability.

The impacts due to the lack of environmental sustainability fall disproportionately on the most vulnerable participants in the sector and the society, which in garment production means women and other marginalized groups. The benefits of enhancing environmental sustainability closely link to and mutually benefit from achieving gender equality.

Synthesis results on gender equality

Despite its highly feminized global workforce, the textile and garment sector is far from achieving gender equality. An estimated 80 per cent of workers in the sector are women,¹ although they are usually in low-paid roles with less employment security and subject to gender-based violence, harassment and discrimination.²

The advancement of gender equality and environmental sustainability are intrinsically connected. Not addressing the different needs and priorities of men and women can perpetuate the gender inequalities and lead to an “unjust” transition towards environmental sustainability across the sector. The textile and garment sector has been an important vector of employment for women and thus is well positioned to bring more progress to gender equality at work.

The Delphi study highlighted priorities for advancing gender equality in the sector, although they are not new or unknown. The issues include having clarity on the behaviours that constitute harassment, violence and discrimination, as well as the changes needed to reshape the cultural norms around unacceptable workplace practices. The deep power asymmetries in the labour force and the wider sector (which often follow gender lines) also need to be tackled so that victims and bystanders feel supported and empowered to report abuse when it occurs and seek recompense.

Capacity-building activities for multiple actors within the sector on gender equality and reducing violence, harassment and discrimination have demonstrated positive progress over the past decade. Successful capacity-building activities include the cocreation of gender equality policies and regulations and their implementation with enterprise owners and workers. Broader efforts that have proven effective include training and campaigns on gender equality, particularly those that involve actors at multiple levels of jurisdiction, such as government agencies, trade unions and industry associations.

The effectiveness of capacity-building activities is also determined by the internal resources available in specific enterprises. Similar issues of capacity were highlighted by the enterprise owners and managers in their ability to provide supportive family workplace policies. They argued that their limited business viability prevented them from investing further in their staff and supportive family policies and that the ability to maintain an adequate profit margin in the highly competitive marketplace of low-cost, high-volume throughput that many manufacturers operate in is very difficult. Addressing family-supportive work policies is another area where collaborative and networked governance could make progress.

Tapping into environmental sustainability and social responsibility programmes can focus on and build up internal resources and capabilities as well as compliance with legislation. New models for distributing the costs and benefits of achieving sustainability are needed because the existing ones have not led to significant progress in the sector on either environmental sustainability or social responsibility. One of the most common statements from the people participating in the Delphi study recognized the strong link between environmental sustainability and social responsibility in enterprises. As one interviewee noted, “The enterprises interested in environmental sustainability are also the ones interested in labour conditions.”

1 Better Work, “ILO 100: Ten Ways the ILO Has Transformed the Global Garment Industry” (2019).

2 ILO, *Moving the Needle – Gender Equality and Decent Work in Asia’s Garment Sector* (Thailand, 2021).

Recommendations from the study

These recommendations are for organizations that create and deliver sustainability programmes in the garment sector at the country and regional levels.

1. Assess and build collaborative capacity among sector stakeholders for designing and delivering stakeholder-led sustainability programmes that are inclusive and gender-transformative.
2. Strengthen governance arrangements in sustainability programme designs and execution to ensure that all stakeholders are involved in the process of creating activities that are truly created to support them, including women workers.
3. Include activities that recognize and incorporate the intrinsic motivations of participants for positive behaviour change – new and ongoing programme designs need to identify and catalyse these intrinsic motivations in enterprises and among individuals.
4. Develop both regional-level knowledge-sharing as well as tailored country- and sector-level environmental sustainability road maps to ensure they are inclusive and gender-responsive, with specific actions to address barriers, including awareness-raising, infrastructure needs and priorities, access to finance and investment readiness and skills-development strategies.
5. Develop a framework for regional industry knowledge-sharing on opportunities, including platforms for policymakers to design supportive policy mixes for environmental sustainability and gender equality in the sector.
6. Support ongoing collaborative, educational and capacity-building activities aimed at gender equality and tackling gender-based violence and harassment in the workplace. Addressing gender equality should be part of just transition planning. The International Labour Organization's Violence and Harassment Convention, 2019 (No. 190) can provide momentum for a specific action agenda for gender equality.
7. Link programmes and (growing) industry advocacy on sustainable purchasing practices in the supply chains to the benefits available from these practices in achieving gender equality and family-supportive workplaces.

Cambodia findings³

The Cambodian economy is heavily reliant on the garment sector. It is the country's largest employer, providing jobs to around 632,000 people, 80 per cent of whom are women.⁴ The sector accounted for 16 per cent of gross domestic product in 2018 and 80 per cent of Cambodia's exports.⁵

3 The Cambodia section of the report is drawn from the work of Bunny Khoun, who carried out the Delphi study data collection.

4 ILO, "Living Conditions of Garment and Footwear Sector Workers in Cambodia", Cambodia Garment and Footwear Sector Bulletin No. 8 (2018).

5 Samantha Sharpe, Monique Retamal and Maria Cristina Martinez Fernandez, "Assessing the Impact: Environmental Impact Assessment in the Textile and Garment Sector in Bangladesh, Cambodia, Indonesia and Viet Nam", ILO Working Paper No. 51, 2022.

The COVID-19 pandemic has heavily impacted the sector in Cambodia, although the effects have differed across the course of the crisis. During the first wave of COVID-19 infections, Cambodia had relatively few cases but was heavily impacted economically by cancelled orders and reduced demand from other countries. This led to significant disruption in employment in the garment factories. In June 2020, some 230 garment factories ceased operations, leaving hundreds of thousands of garment workers suspended from their job. In a study of the impact of COVID-19 on various sectors in Cambodia, 98 per cent of surveyed garment workers had experienced work suspension between March and July 2020, with suspensions averaging ten weeks for the sector at the time of the survey in July 2020.⁶ Fortunately, the same study reported some 95 per cent of suspended workers received their full financial entitlements, although these entitlements were less than the income that workers would otherwise have earned. When workers returned to their jobs, in most cases it was not to the full level of employment they had been working at prior to the pandemic. But many enterprises had closed altogether.⁷

The latter period of the pandemic also significantly affected the garment sector and its activities and ambitions for sustainability. Cambodia experienced a large second wave in the summer of 2020 of COVID-19 infections that necessitated various lockdowns and stay-at-home orders, which further disrupted production. The long-term impact of the pandemic on the sector remains unclear, with recovery occurring but unevenly.

The impact of the pandemic has also been highly gendered. As with all garment and textile production centres, women make up most of the workforce in the sector. Thus, because the sector has been disproportionately impacted by the pandemic, so too the women working there. Study participants spoke of difficulties that women-led small and medium-sized enterprises faced in accessing government support (loans) for COVID-19 recovery.

Environmental sustainability

Environmental sustainability is a nascent issue in the Cambodian garment sector. This is illustrated through several findings from this study. Across the industry, there is an overall lack of awareness of the importance of environmental issues and how these issues can be addressed. The lack of awareness further manifests in other barriers, including lack of skilled human resources, access to technology, access to finance to support environmental investments as well as support for and implementation of enhanced environmental management regulatory measures. The study participants suggested three major barriers: regulations, lack of access, technology and infrastructure and market-related issues.

Cambodia's legal framework for environmental management of industrial activities has been in development since 2017. The Environmental and Natural Resources Code is still in a draft format after successive rounds of development and consultation that began in 2020⁸ Although the many drafts of the Code have included improved practices for environmental impact assessment and other environmental management activities, the fact that the Code is still not approved and enacted into law relates to the lack of awareness and commitment to environmental management activities. The draft nature of the legal framework creates uncertainty around requirements and commitments for enterprises. It also provides no motivation or support for investment in environmental management activities.

6 Ngo Sothath et al., "The COVID-19 Pandemic and Workers in Cambodia: Magnitude of Impacts on Suspended Workers and Implications for Policy and Programme Interventions", Centre for Policy Studies Study Report No. 13, 2021.

7 Ibid.

8 Samantha Sharpe, Monique Retamal and Maria Cristina Martinez Fernandez, "Assessing the Impact: Environmental Impact Assessment in the Textile and Garment Sector in Bangladesh, Cambodia, Indonesia and Viet Nam", ILO Working Paper No. 51, 2022.

Study participants commented that most garment enterprise owners are not interested in investing in technologies that cover environmental issues because they see such expense as a cost to the business rather than providing cost-savings or other benefits. While some brands have requirements for environmentally sustainable production, it is a small number and largely on a voluntary basis. Study participants argued that without firm or mandatory requirements for environment measures and standards, the supply chain will not improve. The lack of awareness is further compounded by related issues, such as access to finance, especially when knowledge on establishing environmental improvements (such as more efficient machinery, processes and energy efficiency) is not readily available.

Many study participants highlighted significant gaps in general skills and human resources capability in implementing enhanced environmental management. These gaps exist across the public and private sectors. Participants noted that there are not enough local experts to implement the environmental policies, regulations and guidelines within their factories and enterprises. Although government departments claim to embrace a greater role in providing information and assistance to factories and enterprises in the start-up and design of facilities to ensure compliance with necessarily environmental regulations, they lack adequate budgets to operate the programmes. Which means these activities are delivered in a one-off or infrequent way and are not able to continually build up awareness and capacity within the sector for environmental compliance.

The study participants referenced the stakeholders for enhancing environmental sustainability in the garment sector as garment workers, the enterprises, brands and international buyers, the Government, trade unions and the wider community and consumers. Brands and international buyers and the Government were described as having the greater influence potential on both raising awareness of environmental issues and ensuring that enterprises take action to address environmental management. The Government's role was recognized in creating strong legal foundations for environmental protection as well as monitoring and enforcing environmental laws and regulations. Brands and international buyers' role includes their ability to provide incentives and encouragement for enhanced environmental performance through price premiums or stable and increased order volumes for enterprises that demonstrate high environmental performance.

The study participants identified opportunities to better prioritize environmental sustainability going forward:

- ▶ Strengthen, monitor and enforce existing and proposed environmental laws. The Government has a pivotal role in implementing regulation, but there are also considerable opportunities to work with workers' and employers' organizations to create a supportive educational programme that builds sector-wide knowledge of environmental laws and their purpose.
- ▶ Increase the understanding among unions, workers and enterprises of the importance of these laws and regulations and the impacts and damage caused by pollution through regular training sessions and sector-specific guidance on the environmental laws. And conduct environmental impact assessments in collaboration with relevant training institutions, such as the Garment Manufacturers Association in Cambodia.
- ▶ Provide resources, including funding and capacity-building support, to social partners, such as trade unions, to ensure that their members can contribute to environmental sustainability and have strengthened capacity to advocate for better and improved environmental performance over time.
- ▶ Provide support in the form of funds, incentives, networks and other support measures to ensure the increased sustainability of businesses and production, and strengthen public awareness of these impacts, including from a gendered perspective (this is directed to the Government).
- ▶ Take on a technical role to improve performance (this is directed to international organizations, including the ILO). Study participants noted that the ILO's tripartite mechanisms offer dialogue opportunities between the main actors involved in enhancing environmental sustainability in the

sector while also having the ability to include civil society groups and organizations. Communities also need to be more involved in the implementation of environmental regulations.

The study participants cited an action agenda for enhancing environmental sustainability that includes mechanisms (or platform) that regularly brings together principal actors, such as enterprises, workers' organizations, the Government, buyers and brands, NGOs, academics and other knowledge providers to discuss (and plan) the needs and priorities for collective action in strengthening environmental sustainability. Sector and social partners need to be part of the decision-making process to input their voice into a common set of priorities, policies and regulatory measures that promote environment sustainability within factories and enterprises. They then must work together to support enterprises in complying with these measures.

The study participants also noted the need to develop an enhanced and common understanding of environmental issues and their impacts and options for mitigating these impacts at the sector level as methods for promoting and sharing this knowledge more widely.

Gender equality

Gender equality remains an issue of continuing concern for the sector. Results from this study highlight evidence of ongoing gender-based violence and harassment within the workplace, with verbal violence being the most prevalent. Respondents were not aware of incidents of physical or other forms of violence and harassment.

The study participants highlighted similar gaps in knowledge and awareness for preventive measures for gender-based violence and harassment as well as for environmental sustainability. Although there are government requirements for preventive measures against violence and harassment to be in place,⁹ including workplace policies, few factories and enterprises have understood the need for or developed and implemented zero-tolerance violence and harassment policies.

In Cambodia, there are maternity leave provisions enacted into law, as well as requirements for such leave to be part of factory-level policies in all garment enterprises operating in Cambodia. The Ministry of Labor and Vocational Training has issued Ministry Prakas to encourage all factories and enterprises provide a childcare centre.

However, gender-based discrimination has been a long-standing issue in Cambodia, including in the provision of maternity benefits. This is because these benefits are jointly paid by employers into the social security system. That employers are liable for part or all of maternity benefits leads to indirect discrimination of women because providing these benefits is seen as an additional cost. There has been evidence of women workers being offered short contracts so employers can avoid paying the benefits.¹⁰

The study participants offered the following suggestions for priority actions for enhancing gender equality:

- Create and implement violence and harassment policies to protect the dignity of women and men from harassment and violence, as currently required by law (this is direct to factories). Without these policies in place, building awareness and implementation will be difficult.

⁹ Samantha Sharpe, Monique Retamal and Maria Cristina Martinez Fernandez, "Assessing the Impact: Environmental Impact Assessment in the Textile and Garment Sector in Bangladesh, Cambodia, Indonesia and Viet Nam", ILO Working Paper No. 51, 2022.

¹⁰ Ibid.

- ▶ Strengthen the capacity and resources for trade unions to ensure that human rights are respected, including women workers' rights, and the enforcement of laws and regulations relating to gender equality and the protection of these rights.
- ▶ Train workers and managers on the dangers and risks of defined violence and harassment and safeguards, including the rights and responsibilities of workers.
- ▶ Implement and respect relevant laws, integrate training of employers and workers and establish good governance mechanisms in factories and state-owned enterprises. Ensure that independent professional courts can handle cases without influence. Global international guidance, such as ILO Convention No. 190 and its Recommendation No. 206, can provide direction for further strengthening the legal options.

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