



Better Factories Cambodia

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16.10.2007



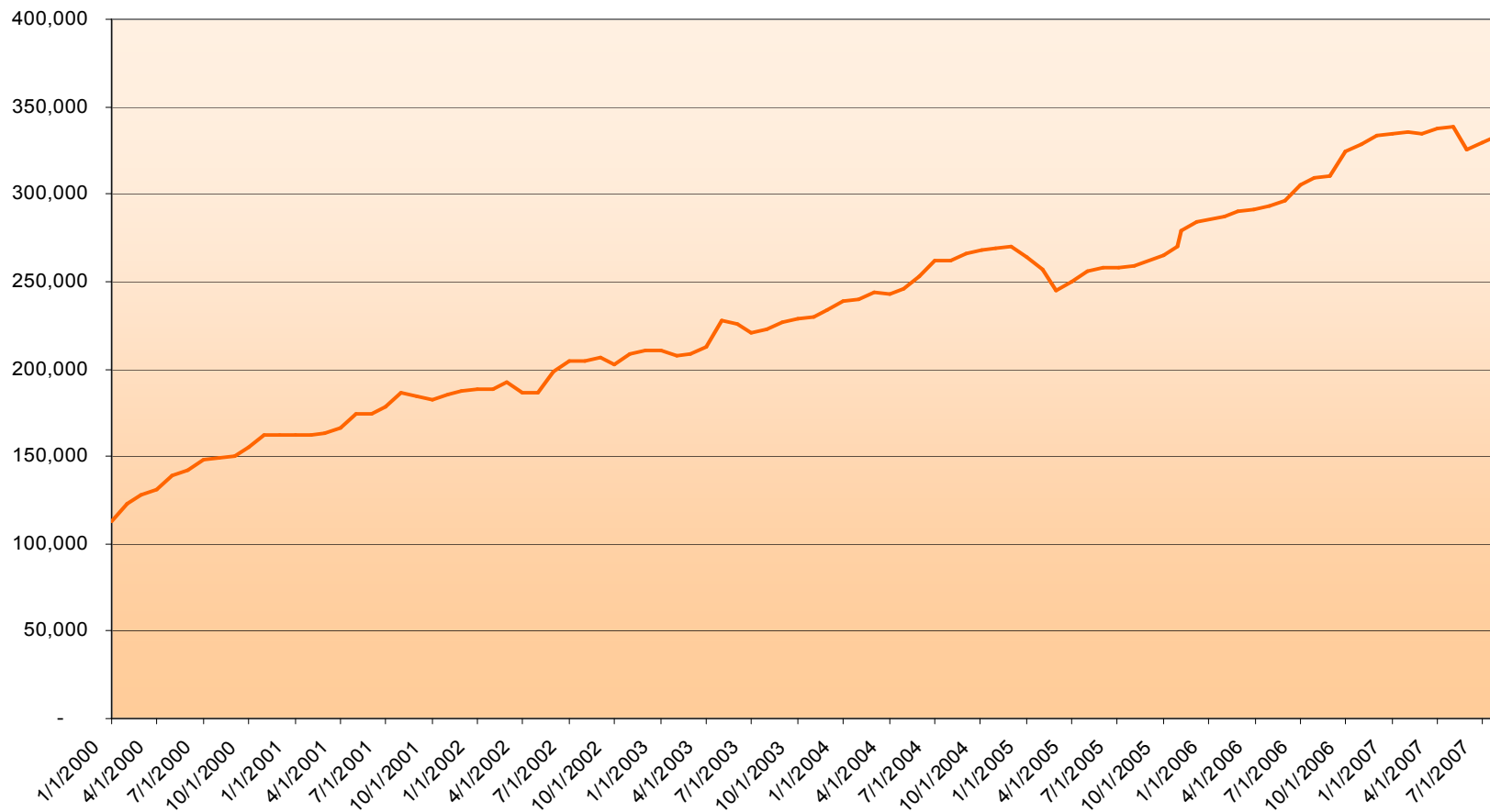


General Industry data

- 1.7 billion in export in August 2007
- 1.68 billion in export in August 2006
- 333,193 workers as of July 2007
- Reputation for labour compliance
- 45% unionization rate
- 295 Factories registered with BFC (09/07)



Employment Growth in the Cambodian Export Garment Industry Jan 2000 - Jul 2007





Industry Challenges...

- Productivity and competitiveness (Cost structure, lead times, red tape etc.)
- Compliance costs
- Stability of Industrial Relations
- Vietnam's accession to WTO
- Quotas on China beyond 2008

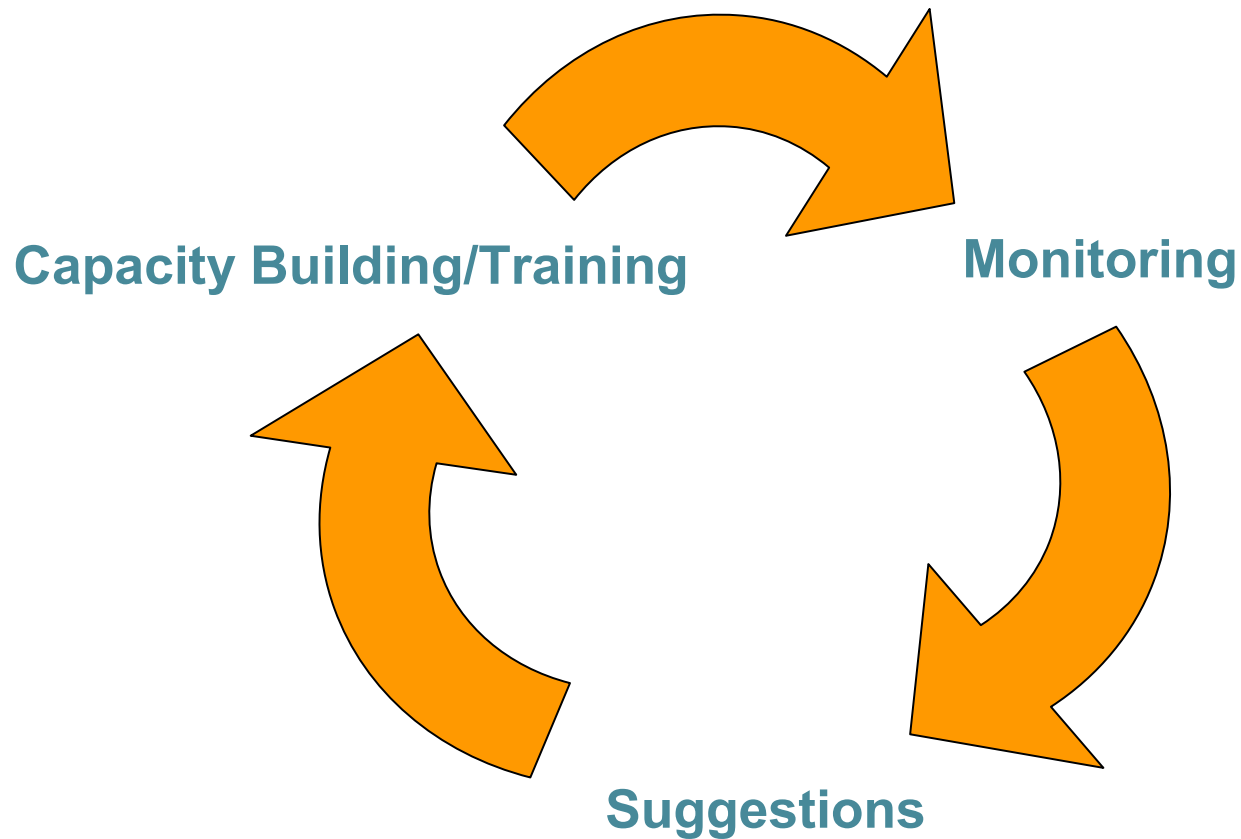


Background

- 1999 US Cambodian Trade Agreement
- ILO requested to help set up a monitoring and remediation project
- Quota access for compliance
- MFA expired in 2005
- Continuing Government, employers, buyers and unions support



Better Factories Cambodia Monitoring and Remediation cycle





Monitoring



- Condition of export by govt regulation
- 13 National ILO staff monitoring
- Checklist based on national labour law and international labour standards
- Target is twice a year
- Cost approx USD 2 per worker
- Independent, credible and transparent



IMS Features



- Uses tablet PCs or desktops
- Generates reports in English, Khmer and Chinese
- Web-based access with different user profiles (buyers, manufacturers and public)
- Quantitative analysis showing compliance levels



Information Management System


User Name

Password

Welcome to the International Labour Organization's (ILO) *Better Factories Cambodia* Information Management System (IMS).

Authorized users can access confidential factory reports through this extranet site.

For more information about *Better Factories Cambodia* and to access public reports, visit our website at www.betterfactories.org/iilo





Compliance levels



- **Compliance with minimum wage -96% however, only 61% for casual workers**
- **28 % increase in factories that have adopted grievance handling procedures**
- **Most of the factories monitored do not comply with limits on the frequency and duration of overtime; however, 60% of factories now ensure that overtime is voluntary**
- **78% of the factories monitored have at least one union**
- **Six percent of the factories monitored interfered with freedom of association, and four percent engaged in anti-union discrimination**
- **20% of the factories had strikes, and in every case, workers failed to apply the proper procedure**

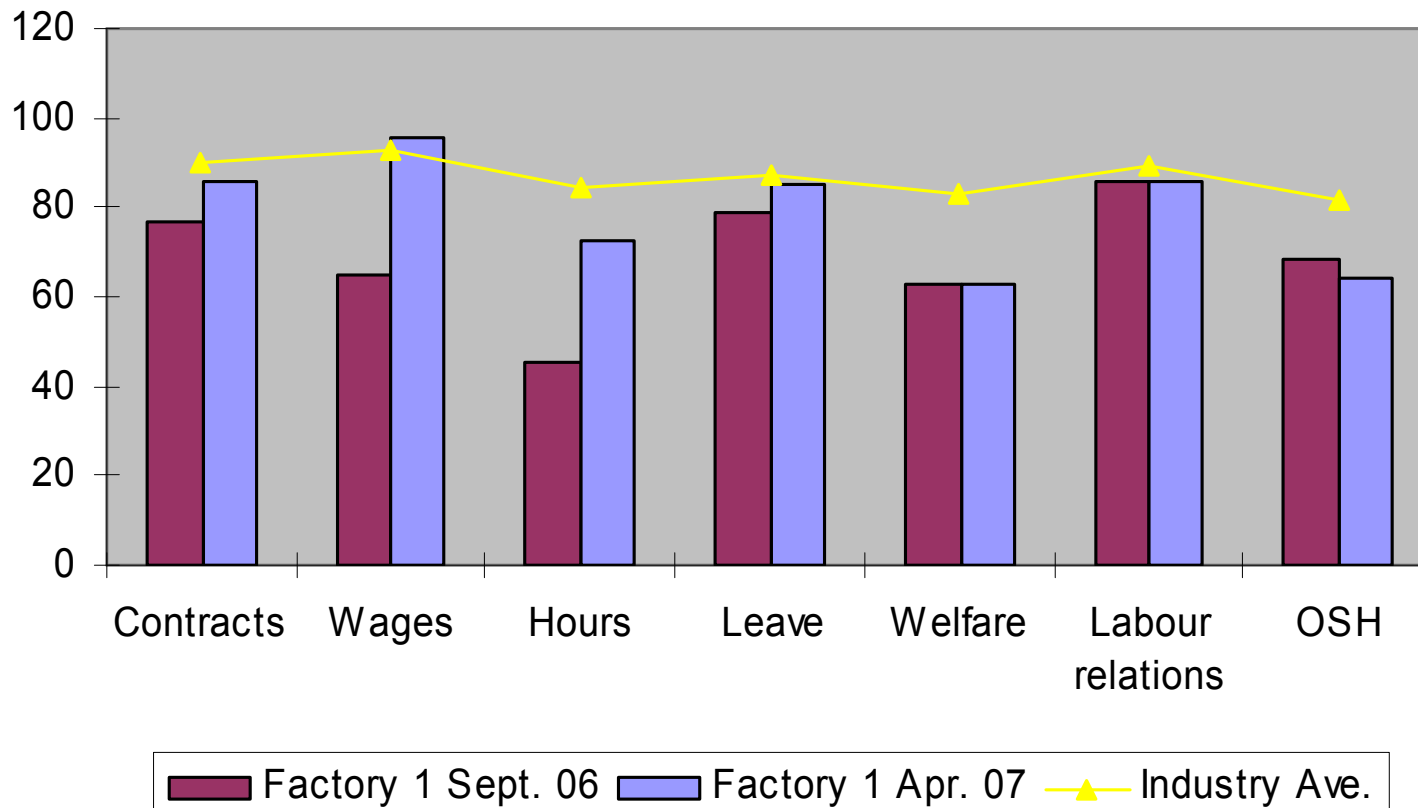


Continued areas of concern...

- Overtime and hours of work
- Double book keeping
- OSH management system
- FOA and Discrimination
- Contracting practices
- Strikes that don't follow requirements of law



Average % Compliance





Training and Capacity Building





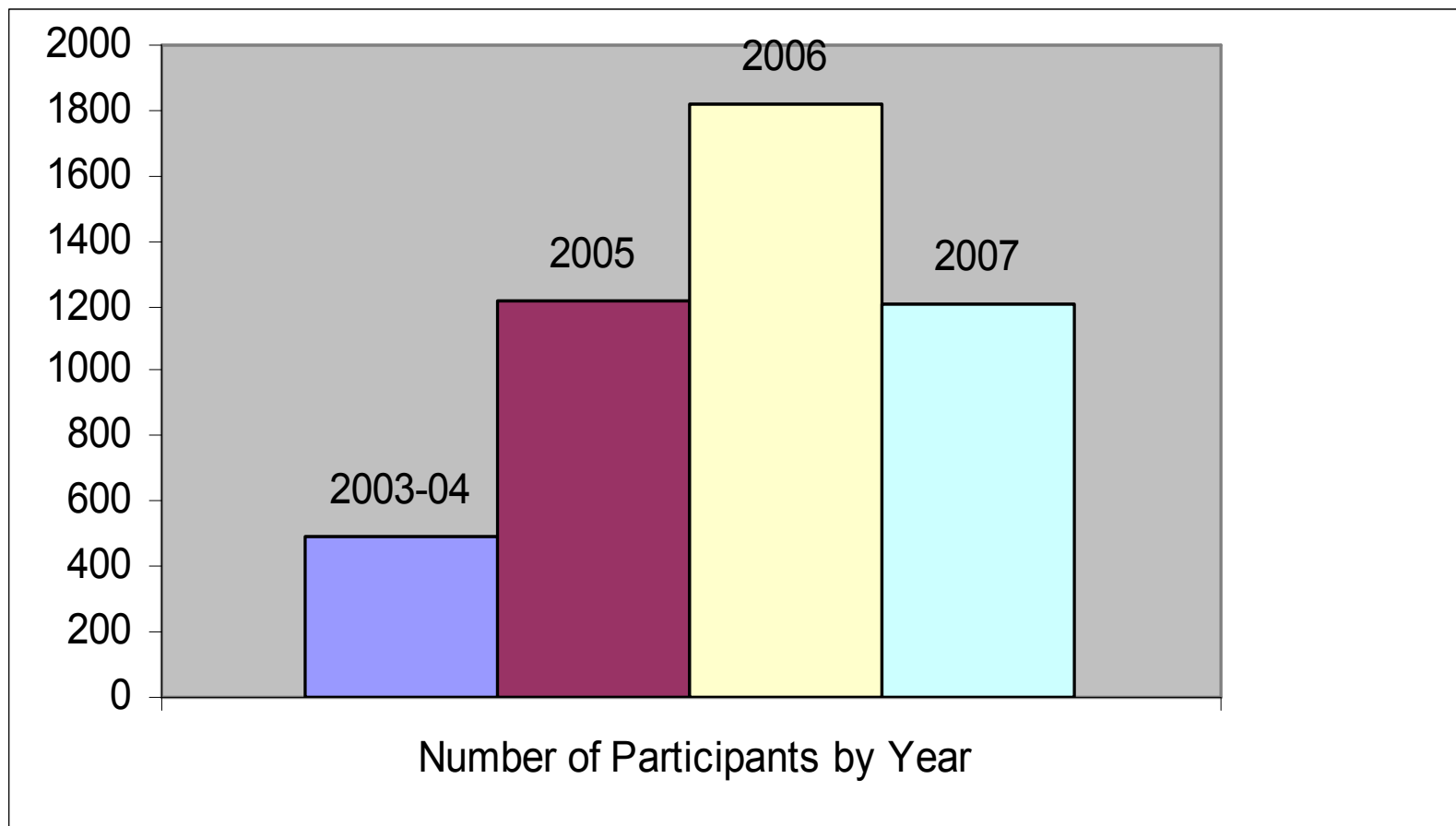
Training services



- Modular program (12 months)
- Single issue seminars
- Induction training (ToT)
- IMS training (Monitoring unit)
- Factory-based training/ workers' education
- Supervisors & Senior Managers skills training



Training days 2003-07





Multi Modular program

Modules of implementation with factory follow level follow up by joint committees.

- **Globalisation-context setting**
- **Workplace cooperation**
- **Quality**
- **OSH**
- **Productivity**
- **HRM and Working conditions**
- **Continuous improvement**



How to move forward?





Sustainability...

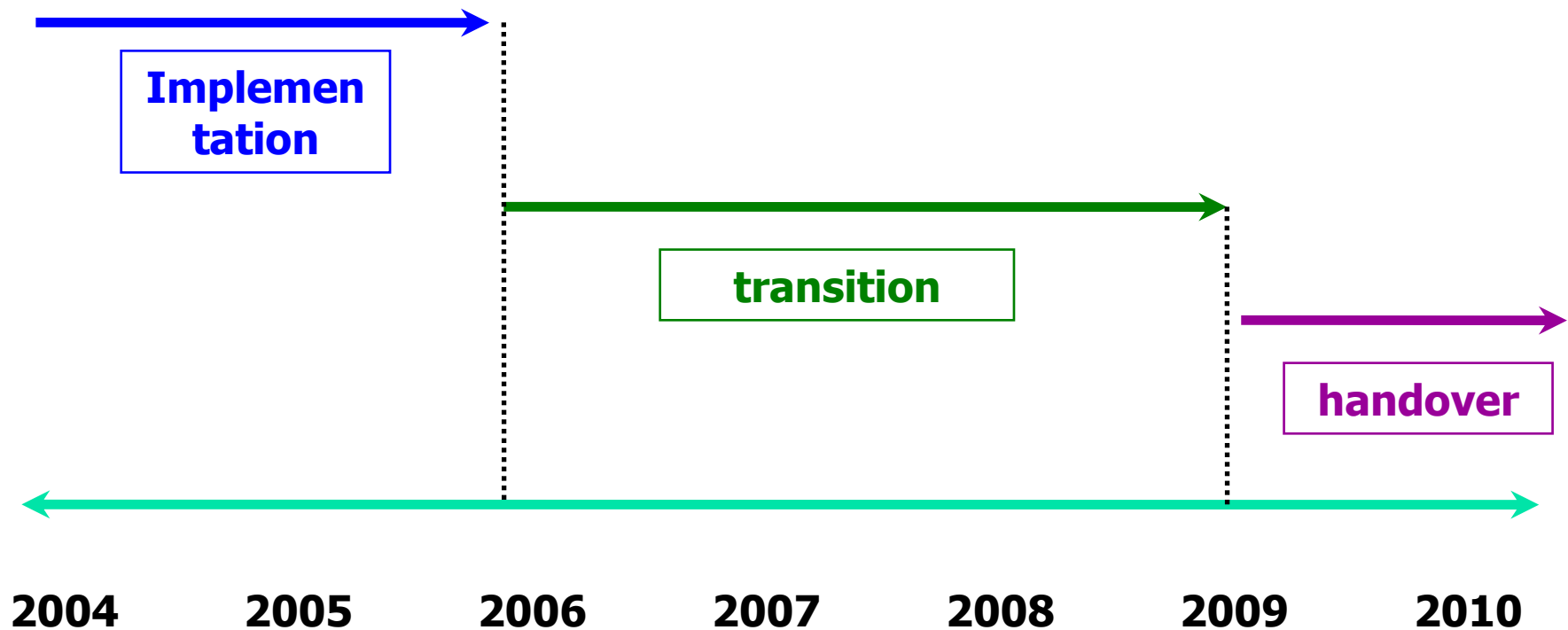


Performance assessment, stakeholder consultation, transparent decision making

= Transition of BFC into a Cambodian financed entity by 1.1.2009



Sustainability timeframes





Organizational Options

Preferred partner option is a mixed structure between government and private sector with multi-stakeholder local ExCom and international advisory committee consisting of int. recognized tripartite actors with WB, ILO and consumer group buyer reps.



Learning from BFC



- Lessons learned for model development and replication
- ILO/World Bank Partnership

= Better Work



Website: www.betterfactories.org/ilo

