



Policy Briefs

Exempt from growth? The impact of trade liberalization on women in the Cambodia garment Industry

Prepared for the Gender and MDGs Project

October 2004

A Project of UNDP/UNIFEM
implemented in Partnership
with **SILAKA**





Policy Briefs

**Exempt from growth?
The impact of trade liberalization on
women in the Cambodia garment Industry**

Prepared for the Gender and MDGs Project

October 2004

United Nations Development Fund
for Women (UNIFEM)



WOMEN IN THE GARMENT SECTOR AND THE IMPACT OF TRADE LIBERALIZATION

■ 180,000 young women, most from rural areas, are employed in Cambodia's garment industry. They support families of 4-9 people, remitting \$10-30 of their income home each month.

■ When MFA quotas which have protected the garment industry end in 2005, the garment sector will enter a period of turbulence. It seems likely that larger factories will expand and consolidate, while others will close or move off-shore. Up to 50,000 jobs may be lost in the sector, potentially affecting more than 200,000 households.

■ 200,000-300,000 informal sector jobs, many held by women, will also be affected.

■ The RGC and donors have put in place a raft of strategies designed to support the industry by cutting the costs of doing business in Cambodia, and improving the productivity of garment factories. However, the pace and timing of these reforms is uncertain.

■ A gender analysis has not been a feature of trade policy reform. Yet trade liberalization has different implications for women than for men.

■ Risks for women workers include entry into sex work, internal or external migration, trafficking and lack of access to skilled jobs as the sector restructures.

■ Some opportunities may also open up, if larger factories expand, and more skilled positions become available. However women will require skill development and social protection to enable them to take advantage of these opportunities.

■ Some pilot projects are in place to support women workers through the transition period, for example by providing skill development, saving schemes, life-skills training and business development skills.

POLICY BRIEF . I

- Other initiatives focus on developing the skills of the current workforce to enable workers to adapt as the industry restructures, and working with factory management and employees to develop better management practices, including improved working conditions.
- To support women workers through the transition period, an industry-wide approach to social protection, including income support and skill development for alternative employment, is required. Other measures may include registration and referral, together with accreditation of current skills, to enable women made redundant to secure employment in the garment industry if new jobs become available.
- In the longer-term greater investment in vocational education and skills training for working-age women, together with SME development targeting industries in which women predominate, is required to lift women out of poverty and achieve the MDGs.
- The impact of changes to the garment sector on women's economic status and poverty reduction is an important test case for Cambodia and for the success of trade policy reform. Tracking and monitoring is required to ensure that the impact of changes in the sector, together with the success of any interventions designed to ameliorate negative affects on workers, are effectively and accurately assessed and evaluated.

CURRENT RGC INITIATIVES:

- The Ministry of Commerce is responsible for initiatives designed to improve productivity and cut costs to the garment industry.
- The Ministry of Women's Affairs is working with the donor community to extend current initiatives to provide social protection and skill development to women workers.

■ The Ministry of Women's Affairs is also planning to extend the role of Women's Development Centres to facilitate access to training, business development and micro-credit for women.

■ The RGC has recognized the importance of investment in vocational education and skills training, and has committed additional funds to develop Community Lifelong Learning Centres and expand the role of Provincial Training Centres.

■ The Ministry of Planning's Poverty Monitoring Technical Unit is currently working to finalise poverty indicators, including gender and economic data.

OBJECTIVES	RECOMMENDED ACTIONS:
<ul style="list-style-type: none"> • Protect and support women made redundant by factory closures. • Facilitate access to alternative employment, training, business development and micro-credit. • Support women to access skilled jobs within the garment sector. 	<ul style="list-style-type: none"> • Consider options for income support (food and shelter) for women made redundant. – MSVY, MLVT, Ministry of Women's Affairs, Ministry of Commerce, Ministry of Finance and the Economy. • Investigate options for registration and referral (to training and support services), for women made redundant. Ministry of Women's Affairs, MLVT • Consider outsourcing these services to NGOs to ensure quick, timely interventions. MoWA • Pilot accreditation of current skills for women garment workers. Ministry of Labor and Vocational Training, Ministry of Women's Affairs.

- Provide additional skill development for women workers to stay in the garment industry, and expand current initiatives to provide alternative employment. For example, develop a pilot initiative to train women to work in the tourism industry. Ministry of Women's Affairs, Ministry of Tourism.
- Ensure key indicators are included in poverty monitoring systems and data to track the impact of changes in the garment sector on women workers. Ministry of Planning.
- Incorporate relevant actions into Neary Rattanak II the next five-year strategy for women and annual action plans of the Ministry of Women's Affairs. MOWA.



WORKING WOMEN AND VOCATIONAL EDUCATION

- In the 1990s the Cambodian government and donors invested in higher education and vocational education. More recently, the focus of education policy and programs has been on basic education. However, to date, vocational education has received less investment than either basic or higher education.
- The central focus of RGC education policy is on young people, including increased participation and retention of girls, and remedial education for young people who have left school prematurely.
- Most participants in formal vocational education, including courses leading to a qualification, are men.
- Women's participation rates in informal vocational education and skills training, including adult literacy programs, are higher than in formal vocational education.
- However, women participating in vocational education tend to be concentrated in a handful of occupations such as hairdressing, sewing and craft. Rates of female participation in non-traditional or emerging occupations are low.
- Accurate up to date data on adult women's participation across formal and informal vocational education is not readily available.
- Cambodian society places less value on participation in education for girls and women than for boys and men. Families are less willing to invest in women's education, preferring to devote female labour to household and income generating activities
- Access to vocational education and skills training is particularly important for women due to their lower levels of education and literacy, and their central role in the Cambodian economy.

POLICY BRIEF . 2

- Women provide the main source of income in many Cambodian households. Access to vocational education and skills training for working-age women is critical to improve access to employment opportunities, including paid employment, and to reduce poverty.
- Access to and participation in vocational education and skills training by adult women also has the potential to raise awareness and change attitudes about the value of education for girls.
- Barriers to participation for girls include lack of appropriate facilities (such as toilets and dormitories) and lack of female teachers.
- For working age women, barriers to accessing vocational education include time to study, appropriate courses, the costs of participation, and lack of awareness about available opportunities and the value of education.

CURRENT RCG INITIATIVES

- Development of human capital is a key platform in the RGC's new Rectangular Strategy. A new Ministry of Labor and Vocational Training has been established with a mandate to provide vocational education and training to Cambodians, with a specific focus on rural areas. An action plan for TVET is to be developed by the end of 2004.
- The Education Strategic Plan 2004/2008 identifies as priorities increased funding for vocational education, together with increased participation of girls in vocational education, and provision of adult literacy to the most vulnerable Cambodians, including those in border and remote areas. The ESP also aims to increase female participation rates in adult literacy programs, skills training, apprenticeships and informal education.

■ The Ministry of Women is re-developing Women's Development Centres, which will provide skills training, life-skills, business development and facilitate access to micro-credit for women, including women in SMEs.

■ The Ministry of Labor and Vocational Training plans to upgrade Provincial Training Centres to deliver formal and informal skills training, accreditation of prior learning, and short courses, including business development.

■ A network of Community Lifelong Learning Centres will be established to deliver informal education and adult literacy programs.

OBJECTIVES	RECOMMENDED ACTIONS:
<ul style="list-style-type: none"> • Increase working women's access to and participation in vocational education and skills training, including formal and non-formal training. • Increase the number of women participating in training in non-traditional and emerging occupations, including in growth industries in Cambodia and the region. 	<ul style="list-style-type: none"> • Monitor participation rates of working-age women in informal and formal education. MOEYS, MOP • Provide access to accreditation of current skills for women in specific industries such as the garment industry. MOWA, MOLVT • Strengthen linkages between Ministry of Women and the Ministry of Labor to ensure women can access skills training and formal informal education and create linkages between WDC's PTCs and CLLC's at the provincial level. MOWA, MOLVT • Review and monitor PTC and CLLC provision to ensure it is appropriate for women and that any barriers to access and participation are addressed. MOWA, MOP

POLICY BRIEF . 2

OBJECTIVES	RECOMMENDED ACTIONS:
<ul style="list-style-type: none">occupations, including in growth industries in Cambodia and the region.	<ul style="list-style-type: none">Remove barriers and create incentives for women to enter training in non-traditional occupations such as tourism, IT, etc. MOLVT, MOWA, MOEYS.



WOMEN IN THE INFORMAL SECTOR

- 82% of women over 15 in Cambodia participate in the workforce. Women constitute 52% of the economically active population.
- 53% of economically active women are employed as unpaid family labour, 47% in agriculture. Only 14% of employed women are paid employees.
- Outside agriculture, 33% of women are employed in waged employment. 49% of non-agricultural employment for women is in the informal sector, including in retail, street vending, and unpaid family labour in these industries. 45% are self-employed.
- Small percentages of women are also employed in informal occupations such as dress-making, weaving, food processing and crafts. The informal sector also includes up to 100,000 women in the sex industry.
- A substantial proportion of women in the informal sector are internal migrants.
- Informal sector businesses are an important source of secondary income for many households. In addition, informal sector jobs allow women to combine household responsibilities with work.
- However, the informal sector is not covered by labour law or provided with any form of social protection. Nor is there any regulation of informal sector businesses.
- Women in the informal sector are vulnerable to exploitation and abuse, including entry into sex work and trafficking.
- Women in informal sector businesses have limited access to credit, markets or market information. Women in informal sector jobs have limited skills and education.

POLICY BRIEF . 3

■ Not enough is known about women in the informal sector, including their occupations, income levels and working conditions.

■ In addition, little is known about linkages between formal industries and the informal sectors that support them. For example the garment industry supports an estimated 200,000-300,000 informal sector jobs, but there is no available data about the size and composition of this part of the informal sector, which is likely to include a substantial proportion of women, for example as pieceworkers and home-workers.

CURRENT RGC INITIATIVES

■ The RGCs Rectangular Strategy makes an explicit commitment to developing SMEs, including by facilitating access to skill development and micro-finance.

■ The Ministry of Women is re-developing Women's Development Centres, which will provide skills training, life-skills, business development and facilitate access to micro-credit for women, including women in SMEs.

■ Additional measures to support women in the informal sector include NGO and donor programs providing skills training and access to micro-credit.

OBJECTIVES	RECOMMENDED ACTIONS:
<ul style="list-style-type: none"> • Protect the right and improve working conditions of women in informal sector occupations. 	<ul style="list-style-type: none"> • Conduct research into the informal sector to determine the size and composition of the sector, and identify income levels, working conditions and skill development needs of women in the sector. MOWA, MOC • Review options for and develop legislation to protect women working in the informal sector. MOVA, MLVE

- Increase the number of women participating in SME development programs and accessing micro-credit.

- Review options for and develop legislation to protect women working in the informal sector. MOWA, MLVE
- Review existing SME development and micro-credit programs targeting women and industries in which women dominate such as retail, to assess their effectiveness, impact and outcomes. MOWA, MOLVT, MOC, MIME
- As part of a national strategy for SME development, increase access to SME development opportunities including skills training and access to micro-credit for women in informal sector industries such as retail and street vending. MOWA, MOLVT, MOC, MIME
- Include informal sector indicators in data collection and poverty monitoring. MOP



WOMEN'S ECONOMIC CONTRIBUTION AND RIGHTS AT WORK

■ 80% of Cambodian women over the age of 15 are economically active. Women are concentrated in agriculture including in unpaid family labour, in the informal economy in retail and street vending, and in the garment sector.

■ Women's labour is an important source of income for families and households. Women's income represents 50% of household expenditure. In the garment sector, the main source of waged labour for women, 180, 000 women garment workers remit up to 50 % of their income to their families in rural and remote areas. Informal sector businesses, often run by women, are an important secondary source of income for many Cambodian households.

■ The economic value of women's paid and unpaid labour and its contribution to individual households and to the Cambodian economy is not currently measured.

■ Traditionally women's role and economic contribution was seen as important and valuable. However, in contemporary Cambodian society, women's work and the contribution women make to Cambodian families and the economy is not well respected or recognised.

■ Women's labour is invisible, concentrated in the informal sector, in households and unpaid family work. Women's paid and unpaid labour is not culturally valued and women's work is seen as less skilled than that of men.

■ Women who migrate to work are seen as damaging the family honour, and women's entry into new occupations such as the garment industry is often viewed negatively. Women who work in the garment sector are stigmatised, and are vulnerable to exploitation and abuse.

■ The rights of women in paid work and in the informal sector are not well protected or understood.

■ While labour conditions in paid employment are regulated and are improving, breaches continue to occur. The informal sector is not subject to regulation or protection. Women in both formal and informal employment report experiencing poor working conditions, harassment and abuse.

CURRENT RGC INITIATIVES:

■ Promoting women's status and role is identified as a key issue in the RGC's new Rectangular Strategy.

■ Women's economic empowerment is a core platform in the draft Neary Rattrack II, the Cambodian government's next five-year strategy for women.

■ Information campaigns to increase women's participation in education and decision making and improve the status of women are included in the RGC's draft action plan for gender.

OBJECTIVES	RECOMMENDED ACTIONS:
<ul style="list-style-type: none"> Promote the value of women's paid and unpaid labour and women's contribution to households and the Cambodian economy. 	<ul style="list-style-type: none"> Undertake research on the value and contribution of women's paid and unpaid labour to the Cambodian economy and individual households. Ministry of Women's Affairs, Ministry of Finance and the Economy Develop a social marketing campaign to promote the value of women's paid and unpaid labour, and women's rights at work. Ministry of Women's Affairs

OBJECTIVES	RECOMMENDED ACTIONS:
<ul style="list-style-type: none"> • Promote the value of women's paid and unpaid labour and women's contribution to households and the Cambodian economy. • Protect the rights and improve working conditions of women in paid and informal work. 	<ul style="list-style-type: none"> • Undertake research on the value and contribution of women's paid and unpaid labour to the Cambodian economy and individual households. Ministry of Women's Affairs, Ministry of Finance and the Economy • Develop a social marketing campaign to promote the value of women's paid and unpaid labour, and women's rights at work. Ministry of Women's Affairs • Strengthen initiatives designed to promote women's rights in paid employment. Ministry of Women's Affairs, Ministry of Commerce



I. OBJECTIVES

This project seeks to mainstream gender into existing UNDP work on MDGs with its focus on national capacity building and advocacy. It will serve as a vehicle for ensuring that the gender dimensions of MDGs are identified, analyzed and reflected in national targets and that a gender perspective is maintained throughout the process of reporting, monitoring and advocacy on the MDGs at national levels.

The project has three key constituencies, all at country level: government, civil society, and UN Country Teams. For the MDGs to take root in countries, each of these constituencies has key roles to play.

THE SUB-GOALS OF THE PROJECT APPLY TO THESE THREE CONSTITUENCIES:

1. To advocate with policy-makers and programme planners that mainstreaming gender equality in all of the MDGs is central to national development.
2. To strengthen approaches for gender-sensitive monitoring and reporting on progress toward achieving the MDGs.

II. STRATEGY

The pilot countries for the project are: Cambodia, Kenya, Kyrgyzstan, Maroc, and Peru.

The two key strategies of this project are:

a. **Advocacy** - Commitments to gender equality and women's empowerment have been made by Cambodia, through the agreement to the Beijing PFA, CEDAW, and a broad range of regional and national plans of action and agreements. Specifically, the project partners will develop advocacy strategies, materials and methods to mainstream gender equality messages into existing MDG advocacy campaigns. Each of the pilot countries will develop locally appropriate strategies, materials, and distribution mechanisms all designed to achieve common goals.

GENDER AND MDG CAMBODIA

b. Capacity-building - MDG processes will continue at the country level through, at least, 2015. The importance of developing local level capacity through the implementation process of this project is linked to its long-term sustainability. The capacity building will focus on advocacy and policy dialogue; development and tracking of gender-sensitive indicators; use and presentation of sex-disaggregated data; media and communications; and ways of fostering linkages between MDG and PRSP exercises.

III. STRATEGY IN CAMBODIA

Gender and MDG Cambodia of UNIFEM will work with UNDP to seek partnership with MOWA, CNCW and Civil societies network organizations to:

- Build awareness through capacity building on Cambodian MDGs and gender policy Briefs to women groups in the government and Civil society at the national and grassroots level.
- Advocacy with policy makers on goal 1 and 6- on poverty of Cambodian women and vulnerability of Cambodian women to the contamination of HIV/AIDS.
- Work with related UN agencies to bring in the gender issues into the MDG campaign in the years to come.
- Organize dialogues among the policy makers and stake holders.
- Media campaign on the issues on goal 1 and 6 of Cambodian MDGs.



ABOUT SILAKA

SILAKA is a non-political, non-sectarian Cambodian capacity building organization, registered with the Royal government of Cambodia in January 1997. SILAKA works to strengthen the capacity of local public, private and government institutions through linkage(s), education and training in core skills and concepts (administration, management and finance) as well as participating, or developing and implementing projects for the advancement of transparent, gender balance, and accountable organizations and institutions. SILAKA also works on peace and reconciliation as a fundamental step to create an enabling environment for human security and development.

CONTACT PERSON:

Ms. Thida C. Khus, Coordinator
Gender and MDGs Cambodia
SILAKA- 6 S, Street 21, Sangkat Tonle Bassac
Khan Chamcar Mon, Phnom Penh, Cambodia

Tel: (855) 23 217 872
Fax : (855) 23 213 108
HP : (855) 12 838 464
Email: <silaka@forum.org.kh>





CONTACT PERSON:

Ms. Lucita S.Lazo
Regional Programme Director
UNIFEM East & Southeast Asia Regional Office
5th Floor, UN Building
Rajadamnern Avenue
Tel: (662) 288-2093/288-2589
Fax: (622) 280-6030