

International Actors in Cambodian Labor Politics

JINYOUNG PARK | PENNSYLVANIA STATE UNIVERSITY

This study explores new dynamics in industrial relations (IR) in the globalization era. Globalization has created a favorable environment for international actors to become engaged in national IR systems. To analyze the institutionalizing process of the IR system under the influence of international actors and its impacts and implications, I devise a theoretical frame of institutional implantation by developing Evans' concept of 'institutional monocropping.' I study Cambodia, a newly industrializing country under the strong influence of globalization. Drawing on data from intensive fieldwork, I argue that the Cambodian IR system has been designed based on the experiences of international actors, specifically the US government and the International Labour Organization (ILO), to serve their own interests. I suggest that these implanted institutions have brought short-term gains to Cambodia's unions but may hamper their long-term potential by influencing unions' strategies and behaviors, relying on international support, and focusing on economic issues in the workplace.

Keywords: *Industrial Relations, Institutional Implantation, Cambodia, Better Factories Cambodia, Labor Politics, Globalization, International Actors, ILO, the United States, Global Supply Chains, Garment Industry, Southeast Asia, Labor Movement*

Introduction

Globalization has brought about tremendous changes in production and markets by integrating national economies into the global market. In doing so, globalization has created a favorable environment for international actors to become engaged with national affairs, resulting in new dynamics between international and local actors. Industrial relations (IR) is one of the areas that has witnessed such phenomena, which require further scholarly attention. While conventional IR theory has firmly assumed there to be only three domestic actors—the state, employers and their representatives, and workers and unions—that interact to create rules governing work communities, this new situation presents different cases, especially those of newly industrialized countries under the significant influence of globalization. This brings us to some intriguing questions: how have IR systems been built under the influence of global actors? What different impacts do they create in the local context? More importantly, how do local actors, especially unions, respond to them?

In this paper, I explore the process of institutionalizing and operating IR systems in the era of globalization. I focus on the roles of domestic and international actors. To analyze the process, its impacts, and implications, I use a theoretical frame of ‘institutional implantation’ by developing Evans’ concept of ‘institutional monocropping.’ Institutional implantation is a process in which international actors use idealized models of the IR systems derived from Western countries’ institutional experiences and goals. I argue that such implantation of IR institutions has led to short-term gains for labor movements but will hamper their long-term effectiveness with the possibility of reducing gains and depriving them of opportunities to develop internal democracy in labor movements.

Drawing on my fieldwork in Cambodia, I explore the process of building the current Cambodian IR system. It is designed based on the experiences of international actors, specifically the US and the ILO, to serve their interests. The theoretical frame, institutional implantation, helps us understand why Cambodia’s IR system has been built into its current form that focuses on workplace monitoring through Better Factories Cambodia (BFC), and dispute settlement through the Arbitration Council (AC). Additionally, I suggest that these institutions have influenced the practices and behaviors of Cambodian labor unions in some specific ways. These unions have developed particular strategies and organizing practices under these institutions to maximize their gains. Furthermore, I contend that while

implanted institutionalization has helped unions achieve some improvements, the benefits are rather short-term. I conclude that it will disturb their long-term attainments by promoting economic unionism, distracting unions from raising questions regarding politics and power relations that are vital for working people to assert their rights.

This paper contributes to the scholarship of the regional studies and industrial relations field by analyzing the experience of an Asian country that entered the global market recently. Cambodia is an interesting case for several reasons caused by both its local and international contexts. First, the country started industrialization almost from scratch at the end of its devastating civil war in the mid-1990s. The civil war destroyed the country entirely, including all its institutions, and left the country suffering from a shortage of both natural and human resources. The lack of resources positioned Cambodia in a disadvantageous situation when the country started industrialization. Naturally, integrating into the global market was prescribed and accepted as the best strategy of industrialization and economic development for Cambodia. Second, they heavily depended on the international community for their economic development, allowing international actors to intervene national affairs during and after the rehabilitation process. Third, the country permits observation of the process of building its IR system. It is because industrialization required the (re-) institutionalization of the IR system as an essential component. While rehabilitating herself from the complete devastation, Cambodia has rebuilt all its systems and institutions, including the IR system.

To some extent, these aspects may coalesce to create a unique situation that only a few countries may face; globalization may have more significant impacts, and international actors may be more vocal on domestic affairs in Cambodia. However, on the other hand, these features make Cambodia a more intriguing case for scholarly inquiries seeking to uncover the distinguishable outcomes resulting from globalization and international intervention into national IR affairs.

Industrial Relations in the Era of Globalization

Industrial relations (IR) refers to the relationship between an employer (or employers' groups) and workers (or unions) or, more broadly, to the system in which three actors, including the government, interact to create the sets of rules that govern the workplace and work community (Dunlop 1993). Thus,

IR studies have concentrated on institutions, defined as “the humanly devised” rules to regulate the behaviors of individuals and organizations (North 1991, p. 97; Lin and Nugent 1995), including but not limited to unions and collective bargaining. However, globalization brought about changes such as the decline of union density, the rise of individual bargaining, mostly in the Global North (Purcell 1993), and the emergence of multinational corporations that required IR theories to adjust to.

In response, IR scholars have widened their research themes. Some scholars concentrate on the decentralization of collective bargaining and the decline in union coverage. Others have revived an interest in human resource management through examining the roles of management and work organizations, which had been absent from IR studies for several decades (Kaufman 2004). A significant body of IR literature is dedicated to explaining the influence of globalization on IR by exploring multinational firms’ strategic choices adapted to different countries (Lakhani, Kuruvilla, and Avga 2013) or studying the impact of globalization on national policies (Lansbury et al. 2003).

Some studies expand the definition of actors, including the diversification of actors such as labor NGOs and groups in social movements (Heckscher 2008) or end-users such as clients and consumers (Bellemare 2000) who directly and indirectly influence the IR process. Some research explores efforts to build international industrial relations by international actors such as supranational bodies (e.g., ILO and World Trade Organization (WTO)), international networks of trade unions, and multinational corporations in the parallel roles of government, unions, and employers. These actors create international laws and global frameworks of agreement (Gumbrell-McCormic 2008).

However, these studies assumed that domestic players act on the IR process and institutionalization or that international actors work for global legal frames. They rarely modify the conventional IR assumptions that confine the local context and pay little attention to the global environment. However, the expansion of actors, particularly to international actors, is crucial to analyzing countries that have recently joined global supply chains and are thus strongly influenced by globalization.

Studies on labor practices suggest more global perspectives. Labor studies explore the intervention of various actors such as international brands, international trade unions, and consumer groups. A significant volume of scholarly literature on corporate social responsibility (CSR) focuses on international brands and their engagement in improving the labor

practices of their supplier factories in countries in the Global South that inserted themselves into the low end of global supply chains, mostly in the garment industry (see the studies of Campbell 2006; Carroll et al. 2010; and Fransen 2012). Also, labor scholars have documented well that global supply chains enabled international pressure from international trade unions, labor unions, and consumers' groups (mostly in the Global North), who are willing to lend support to workers and unions (mainly in the Global South) (for instance, studies by Anner and Evans 2004; Anner 2007; Friedman 2009).

However, most studies are case- or issue-specific and do not explore the impact of external actors' involvement at the overall institutional level. One rare example is Hughes' analysis of an ILO project in Cambodia and its implications for the labor movement (Hughes 2007). Nonetheless, he did not explore the impacts of the ILO's involvement at the institutional level. Therefore, there is scant literature on the roles of international actors, including the ILO, buyers such as international brands in the garment industry, and organizations such as international unions, unions in other countries, and labor organizations, in the construction of IR systems.

Theoretical Frame: Institutional Implantation

As mentioned above, in the era of globalization, IR theories face challenges in analyzing the changing world of work, including new types of work organizations and employment relations, the emergence of new actors, and the global environment that enables international actors to intervene local labor affairs. To explore these new phenomena, I borrow the concept of "institutional monocropping," which Evans (2004) calls a process for international agencies "to impose uniform institutional blueprints on the countries of the Global South."

Evans claims that institutional monocropping has two primary assumptions. The first is that institutions' effectiveness is not related to local socio-cultural contexts. The second is that "idealized versions" of institutions developed in the Global North are the best tools for development (Evans 2004, pp. 30-33). As he points out, this monocropping could not bring about the expected outcomes mainly because it hardly considered the local circumstances and power dynamics such as informal power networks and practices that disrupted institutional functioning. Some negative implications of this institutional monocropping, Evans contends, are that local people may lose their opportunities to form institutions that are more suitable to their

environment and more responsive to their needs. Even worse, people may not be able to enjoy and develop deliberative democracy in discussing, debating, and deciding on their own institutions (Evans 2004).

While Evans presents an insightful concept for understanding international and local actors' dynamics and interactions, some aspects need refinement. First, the word "monocropping" failed to capture the foreign origin of the institutions. In fact, in its central analogy drawn from agriculture, the term convincingly conveys objectivity and problems setting up such an institution to illustrate to readers that to cultivate a single crop (or institution) in order to maximize productivity (or development performance) may have devastating effects on environments (or local communities). However, the term fails to capture one of his most important criticisms: the institution being imported from outside. Moreover, he rarely discusses the actual effects on the local community and the responses of the people who are influenced most by the institutions imposed by foreign actors. This is partly the result of a conceptual frame that focuses on the perspectives of international actors. However, to understand the entire picture, it is crucial to examine how local people experience and respond to foreign institutions.

To develop Evans' theoretical frame further, I call the IR process "institutional implantation." The term "implantation" highlights the exogenous feature of the process. Also, while monocropping focuses on farming and farmers (the process of creation and the creators of institutions), implantation may add nuance by seeing the situation from the perspective of the land (the local people who are most affected). There are three dimensions to implanted institutions. They are brought 1) by foreign actors (actor), 2) are based on a ready-made blueprint without proper consultation with local people (configuration), and 3) are brought to an environment without any historical legacy of such institutions (context).

While the concept of implantation suggests it is 'foreign' actors who bring in the institutions, it also reflects the local community's experiences by implying the 'foreignness' of the institutions themselves. Because the implanted institutions are alien to a society, they inevitably face various challenges, including institutional incoherence and disconnect with other institutions that originated within the community, resulting in issues of effectiveness and enforcement (Mkandawire 2009; Park 2019). On the other hand, foreign institutions can provide new opportunities for local actors to develop different strategies to maximize their gains under the given circumstances.

With the frame of the implanted institution, I analyze Cambodia's labor

politics. I explore the roles of the ILO and the US (or, more precisely, the US government) in implanting the IR system represented by the Better Factories Cambodia (BFC) and the Arbitration Council (AC) and the role of international brands in this IR setting. Moreover, I analyze the impacts and implications of these implanted institutions on the local labor movement.

Methods and Description of the Case

This study draws on data from 9 months of fieldwork in Cambodia between 2017 and 2019. I conducted more than 60 interviews with workers, unionists, academics, business people, business associations, government officers, staff of international NGOs, international trade unionists, officers of international agencies, and staff at foreign embassies. I also did participatory observations of trainings for unions and employers' associations, workers' strikes, rallies, and workshops on labor issues. These observations deepened my understanding of the situations and gave me a sense of the actual environments and dynamics that I could not have obtained from interviews or documents. I also used archival data.

During my fieldwork, I tried to collect perspectives from all the IR stakeholders. First, I had interviews with all the factions of the country's labor movements that may have different viewpoints on some issues, including relations to the government, the roles of international actors, and perceptions of IR institutions. This consideration was crucial to obtaining a complete sense of the labor climate. Second, I conducted interviews with those who had conflicting views and interests in their relations, including government officers as much as possible. It was no easy task. One of my biggest challenges was uneven access to the groups. For instance, it was much easier to interview labor leaders than government officers. This was partly due to the legacy of the authoritarian state in which government officers were out of reach of the public. I had to depend on luck to gain access to them. A staff member of an employers' association referred me to some contacts in the labor department with whom he had developed a good relationship during a training program abroad. However, the number of interviewees who work for the government is still much smaller and thus means that there is less comprehensive data on the governmental side of the issue.

Cambodia is a small country (177,000 sq. kilometers) with 15.7 million people as of 2016. The country has recorded rapid economic growth since 1997; its per capita income doubled from US\$285 in 1997 to US\$593 in 2007,

arguably as a result of Cambodia's integration into the global economy (World Bank 2009, p. i). From 2007 to 2017, the real GDP growth averaged 6.6%.

The prolonged civil war, ending in 1991, left the country in a devastating situation with the loss of one-third of its population and the destruction of infrastructure and all the nation's institutions and social systems. The country's most urgent task was to rebuild and stabilize Cambodian society. At the same time, Cambodia had to make the transition from a centrally planned economy to a free-market one. Given the country's shortage of natural resources and its political and social instability, it did not have many options when incorporating into the global economy. The country had to depend on foreign aid and investments for industrialization but did have a young labor force, resulting from the baby boom of 1980-81 (World Bank 2009, p. 26). Therefore, it made sense for Cambodia to choose the garment export industry as a significant force for its economic development.

In the mid-1990s, Cambodia started its industrialization with the labor-intensive garment industry, mainly exporting to Western markets. As exemplified by the experiences of late industrializing countries, Cambodia's garment industry has quickly become crucial to gaining foreign currency through exporting, attracting foreign investment, and creating jobs. In 1994, the country began to receive foreign investment from Hong Kong, Taiwan, Malaysia, and Singapore to construct garment factories at the bottom of global supply chains. These factories have thrived on cheap labor, a favorable quota system from 1999 to 2004, most-favored nation status by the US, and the Generalized System of Preferences by the European Union (EU). Cambodia's burgeoning garment industry had depended more on the US market than on those of the EU and Japan due to the low quality of its product and the export limit of garment input from the EU and Japan (Arnold and Shih 2010, p. 406). Until 2012, the US was the largest export market with 70% of exporting volume in 2000 despite decreasing to 43% in 2012. While the EU had been the second-largest market (25%) in 2014, it became the largest with 46% of export shares in 2017, and the US's shares decreased to 24% (LO/FTF Council 2014; BFC 2018, p. 8).

Cambodia's economic development has depended on the export-oriented garment industry, which did not even exist there in the early 1990s. The sector has been a primary contributor to its economic growth and the largest employer. It accounted for roughly 70% of export volume, 90% of export revenue, with approximately 38% of total employment growth from 2009-2015. Garment factories hired half of the workers in manufacturing

industries with around 640,000 people in 2017 (Nuon et al. 2018, p. 14; BFC 2018, p. 8). As the figure below shows, the number of factories increased from 20 in 1995 to 190 in 2000 and 661 in 2017 and an estimated 400 sub-contract factories (Interview, BFC staff, September 2018).

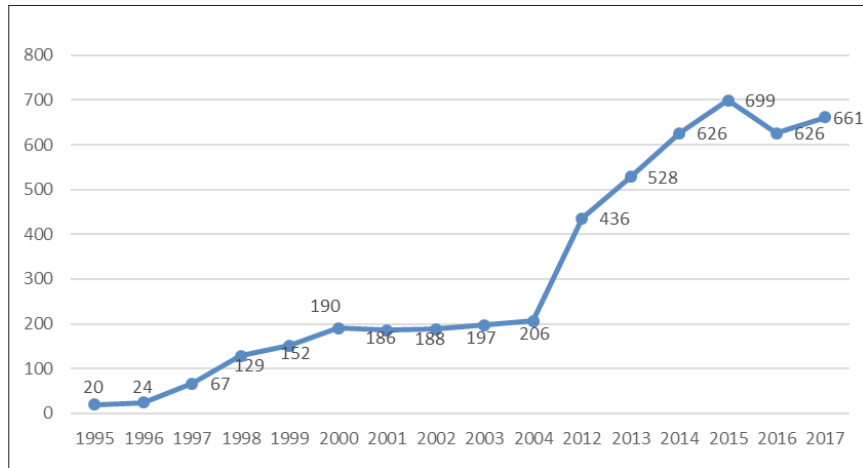


FIG. 1.—NUMBER OF GARMENT FACTORIES (1995-2011)

Sources: Miller et al. 2007 (1995-2004), BFC report, each year (2012-2017). No data from 2005 to 2011.

Global Context

The rapid growth of Cambodia's garment industry benefited from the US's trade policies during the 1990s when the US promoted the linkage of trade and labor, or the social clause globally. After failing to integrate the labor standards into the global trade agreement, the US pivoted to a unilateral agreement. Beginning with the North American Free Trade Agreement (NAFTA), the trade agreement between the US and Mexico in 1994, the US has included chapters on labor rights in its trade agreements. Furthermore, the US selected Cambodia to present the positive aspects of free trade on labor rights.

While supporting Cambodia's rehabilitation, the Clinton administration wanted to make Cambodia a showcase of poverty reduction and economic development through free trade for other least-developed countries entering

the global economy (Arnold and Shih, 2010). American unions and labor groups also played a role. On the one hand, US trade unions pressured the government to ensure that more manufacturing jobs were not lost to overseas sweatshops (Wetterberg 2011, p. 67). At the same time, however, they collaborated with labor groups to launch anti-sweatshop campaigns and petitioned their government to investigate the bad working conditions of Cambodian garment export factories. The textile union and a group of human rights lawyers working to link trade and labor issues were instrumental in this process (Kolben 2004).

Finally, the US and Cambodian governments signed a bilateral trade agreement, the US-Cambodia Textile and Apparel Trade Agreement (UCTA) in 1999. It granted Cambodia favorable treatment from the US with increased quotas of Cambodian garments with tariff-free access to the US apparel market on the condition that working conditions would improve. The trade agreement would increase quotas up to 14% annually in addition to a standard 6% annual increase of quotas (Kolben 2004; Polaski 2006; Wetterberg 2011).

The US needed to ensure significant improvements in Cambodia's working conditions, but the Cambodian government was not believed to have the enforcement capacity or credibility to do this (CLEC and CCC 2013). The ILO was therefore selected to create a mechanism for this. The ILO implemented a project to respond to the request. Out of this project, the ILO established two influential IR institutions: a workplace monitoring project known as Better Factories Cambodia (BFC) and a labor dispute resolution body, the Arbitration Council (AC), in the early 2000s.

International Actors in Building and Operation the IR System

The BFC and the AC are, according to one diplomat, arguably "the only two industrial institutions functioning properly in Cambodia" (Interview, foreign diplomat, September 2018). These prominent IR institutions were formed in 2001 and 2003, respectively.

From the onset of the institutionalization of the IR system, the ILO and the US were the Cambodian IR system's master planners. The two actors devised the BFC and the AC, while the US has been the primary funder of these institutions since the beginning. And satisfying the US's concerns and demands was considered a priority in designing the institutions, which was shown obviously in the development process of the institutions.

The original proposal, titled *Labor Law Implementation in the Textile and Apparel Industry of Cambodia*, was very different from the final version. According to Kolben (2004), who documented the project in his fieldwork and other records, the ILO's purpose, shown in the first proposal, was to strengthen the labor inspection system for compliance with the labor law promulgated in 1997. The first plan was to provide technical support and training to the Labor Ministry in cases of violations of labor standards under Cambodian law rather than other core international labor rights such as freedom of association.

However, the US rejected the proposal. The US government wanted the project to provide reliable evidence of improved labor conditions; US trade unions, especially the Union of Needle Trades, Industry and Textile Employees (UNITE), insisted that the ILO take measures against anti-union practices. The second draft concentrated on monitoring working conditions and anti-union practices. Several revised proposals followed it through consultation with the Cambodian government and business owners, but not with local labor unions.

In this process, the US was the crucial decision-maker, having initiated the trade agreement, contributed most of the project's financing, and been the quota allocator. The final plan was a compromise. The ILO would conduct a monitoring program (BFC) and build the Arbitration Council. There were several discussions within the ILO over whether this role was consistent with the ILO's mission. It was beyond the ILO's range of activities, which usually focus on providing technical advice and support.

Under the UCTA, the US-Cambodia trade agreement, the BFC¹ served as a factory monitoring project to inform US decisions on import quota allocations until the end of 2004. The UCTA ended when the Multi-Fiber Arrangement, a quota system used by developed countries to regulate their markets, was phased out under the WTO regime. Since then, the BFC has put additional effort into capacity-building activities, workplace cooperation, and dispute resolution (CLEC and CCC 2013, p. 7; Interview, BFC staff, September 2018). However, its main activity is still monitoring, but in serving international brands and retailers rather than the US government.

Another part of the project was to build a conflict resolution mechanism. Although the ILO planned to provide technical support to the Ministry of Labor for dispute prevention through training government officers, the organization quickly realized that the challenges were more extensive

¹ It was called the ILO Garment Sector Project in 2001 but renamed in 2005.

than initially expected. These included the inadequate administrative capacity for enforcement, employers' complaints about corruption and bribery, and unions' accusations of bias. After a few months of its trial run, the ILO decided to set up an alternative dispute resolution system independent from the Labor Ministry (Noord et al. 2011).

The US's strong support enabled the ILO to form this new mechanism. The promise of a quota allocation increase gave leverage to all the stakeholders: a larger quota meant more profits for employers, more jobs for workers, and more tax revenue and political stability for the government. US embassy representatives' participation in discussions with the Project Advisory Committee signaled to local actors that the US would consider this project when deciding on a future quota. Through several months of negotiations, the ILO and the Labor Ministry drafted a ministerial decree on the arbitration system (Noord et al. 2011, pp. 9-10). Finally, in 2003, the AC was launched with the financial support of the US government. The ILO facilitated two years of recruitment and training of arbitrators, and the AC received its first case in May 2003 (Noord et al. 2011, p. 20).

With the AC, Cambodia had a three-step procedure to settle labor disputes through negotiation at the workplace, conciliation in the labor ministry, and arbitration. In the AC, a panel composed of three arbitrators representing workers, employers, and the government, would conduct conciliation a second time. If this failed, a hearing would take place. Before the hearing, the parties would decide on whether to make the AC decision or award binding or non-binding. Most of the awards are non-binding. According to internal data, the AC has dealt with 1,897 cases from 2003 to 2018, and 88.5% of the awards were non-binding. When the AC gives an award, one or both parties can object within 7 days. If none of the parties do so, the award is regarded as binding. If any parties breach the binding award, the case could be sent to the court. For non-binding cases, if one party (primarily, employer) refuses to comply with it, workers may legally strike.

The BFC and the AC seem to give a sort of legitimacy to Cambodia's image as an "ethical factory" for labor rights by providing a guarantee for decent labor conditions and proper procedure to deal with labor disputes. The BFC has been upheld as a sustainable development model via trade and garment manufacturing and praised as "one of the examples of a successful strategy ... to promote fair globalization in the post-MFA environment," as ILO Executive Director for the Social Dialogue Sector said (ILO, 2005).² To some extent, indeed, the BFC program has positively influenced working conditions, as numerous union leaders have agreed (CLEC & CCC, 2013).

BFC's synthesis reports have shown steady improvement in compliance with labor laws and core labor standards over the years, especially in some issues including child labor, maternity protection, discrimination, and using the arbitration system.

The AC has also been respected as an independent, transparent, and trustable body for dealing with labor disputes. Their reputation puts into stark relief that of the court that people accuse of corruption. Parties in disputes also recognized the AC's professional skills and its fairness, although some employers complained about its tendency to side with workers (interviews with unionists, employer, arbitrators, staff members in the international organization, and staff members in a global apparel brand, various times).

International brands have used the BFC's monitoring reports to alleviate their concerns on working conditions with a qualified and regular monitoring system to cover all the garment factories. The ILO's seal on the reports and its accumulating reputation may strengthen their trust compared to other private audits. They also respected the AC as one of very few institutions they could trust in Cambodia concerning labor disputes. They have accepted the AC awards as guidance for them to take action in disputes at their supplier factories. For instance, brands agree that they are actively engaged with the cases that the AC had ruled over in favor of workers because brands accept that an AC award legitimizes workers' claims in the disputes. When there are violations of labor laws, brands have the power to sever business relations with suppliers. This places intense pressure on suppliers who may be afraid of losing orders by refusing to comply with the AC awards (Interview, international brand, January 2019).

Responses and Reactions of Local Unions

Both the BFC and the AC have brought about benefits for the workers in different ways. The BFC has been praised for improving working conditions and promoting labor rights in garment factories. The AC has played a role in arbitrating disputes fairly. However, unionists saw more value in the latter than the former from a strategic perspective. This is mainly because they

² It inspired similar programs in other countries such as Vietnam, Jordan, Haiti, Lesotho, Nicaragua and Indonesia from 2008. The program is set to expand to 12-14 countries over its first three to four years of activities, including China, Egypt and Bangladesh (Arnold and Shih 2010).

could gain tangible outcomes by using the AC awards through international campaigns while they thought that the BFC had more limitations, such as the BFC's inability to enhance the freedom of association.

To some extent, the BFC's incapability to boost the right to organize was embedded from the very beginning of the monitoring project. In the early stages of the program design, the ILO advisor in charge of the monitoring program decided not to respond to any complaints related to anti-union practices out of concern that it would become associated with a pro-union image that may result in mal-cooperation by employers. This decision hurt the BFC's legitimacy when it comes to tackling anti-union practices even though the ILO decided to respond to such complaints later. As a result, workers' rights of trade unions were one of the minor improvement areas as synthesis reports continuously pointed out (Kolbent 2004, p. 105; Adler and Woolcock 2010). This situation may continue, and in the eyes of unionists, "they could do more, but they don't" regarding union busting, as one unionist complained (Interview, unionist, January 2019).

Union Primary Strategy: International Campaign

Cambodian unions are likely to treat the AC as the most crucial part of the dispute settlement process. As one union leader described, "conciliation is just a small bridge ... to get to a village [the final destination], that is, the AC" (Interview, unionist, December 2018). However, this is not because of the AC's enforcement power. It has no enforcement mechanism. Even worse, workers could not depend on other governmental authorities to implement the awards because usually, awards were non-binding except in cases in which the parties agreed to a binding award at the beginning of the arbitration process. Therefore, workers had to rely on their employers' goodwill in complying with the award, which was seldom guaranteed.

Weak enforcement by the government has made international lobbying and advocacy indispensable part of Cambodia's labor affairs. When things did not go as expected, Cambodian unions sought international support. Unions may not always get a positive response immediately when they launch an international campaign. Unions talk to brands, and "if brands and suppliers do not care, we need contact actions of INGOs (international NGOs) and unions like Clean Clothes Campaign (CCC) and other unions in Europe." However, unions see more benefits from brands on the immediate impacts on labor disputes cases at the workplace while "INGOs' and international unions' actions were more on ad-hoc solidarity, so they were

playing limited roles” (Interview, unionist, Jan 2019).

In this sense, the AC’s awards are practically essential to international actors such as international brands as well as international trade unions and NGOs that want to figure out the cases before being engaged. Global brands may take measures quickly when the AC awards in workers’ favor (Interviews, legal expert, January 2019; unionist, December 2018).

Therefore, they needed to gain international attention first, which usually meant a strike. As one informant working at an international labor NGO said, international actors were more concerned about “ongoing and alive” cases such as workers’ visible actions, mostly strikes (Interview, international NGO staff, Nov 2018). These strikes may not be necessarily big ones for all or most workers to take part in but are an action meant to demonstrate workers’ dissatisfaction and their demands regarding compliance with the AC award.

This strategy has been somewhat effective in improving working conditions and quickly settling labor disputes at garment factories. Coalition of Cambodian Apparel Workers Democratic Union (C.CAWDU), a prominent independent federation with strong international ties, said that 70-80% of their dispute cases were resolved by getting the attention of the brands (Interview, unionist, December 2018).

Using international connections sometimes worked even on local suppliers with no direct relation to international brands. For instance, in one dispute case, a local labor NGO representing workers in negotiations after the AC procedure, was at an impasse with a local supplier over the amount of severance pay owed. By chance, the organization found that the Hong Kong-based mother company of the local supplier had a business relationship with an international brand that they were acquainted with. They pulled this indirect but possibly more powerful string by asking the brand to become involved in the case. With the brand’s help, the workers were able to reach the settlement they wanted (Interview, legal expert, January 2019).

Impacts on Union Organizing

There were two influences at the organizational level resulting from heavy dependence on international intervention to solve workplace disputes: overcrowding in the garment sector and the proliferation of small unions. Given the importance of international support, unions concentrated on factories producing for international brands. However, this does not mean that all the workers producing for international brands could enjoy the similar privilege of international support. The international campaign

strategy assumed two things: that brands would be sensitive about reputational risk management, and that unions and activists' groups 'there' would be willing to help workers 'here.' However, this is not always the case. For instance, a recent attempt to organize workers at Honda Motor Co., a Japanese brand that produces motorbikes, faced union-busting problems. But they were unable to solicit a response from the brand and received only lukewarm support from Japanese unions (Interview, unionist, January 2019).

In this regard, while the garment industry is most suitable for the international campaign strategy, this situation led to overcrowded trade unions in the sector. One study suggested that while union density in the industry was 13% in 2008, the garment industry was an estimated 60% in 2010. The garment industry's union density remained around 60-70% in 2016, while overall union density increased moderately (Nuon et al. 2018, p. 101). This means that unions' organizational coverage may not have extended to workers outside of the garment industry. Even in the garment industry, unions' organizing efforts have focused on factories that produce for brands, not on sub-contracting factories that work for brand suppliers or produce clothes for local markets.

There are some unions organizing workers in other industries such as hotels and tourism, and construction. There were also initiatives to organize informal workers and workers who produce goods and services for local markets. However, these unions have had limited impact due to the low unionization rate. Even worse, these efforts faced severe challenges, primarily due to the unions' inability to bring employers to the table and bargain in good faith.

More seriously, this strategy of relying on international connections has stimulated the proliferation of small unions. There are an estimated 3,000 unions in around 600 garment factories. A simple calculation shows that there are 5 unions per factory. It is partly because most sources of bargaining power exist outside of the workplace, that is, from international brands and international labor groups. Therefore, local unions may be investing less in recruiting more members but instead focusing on increasing the total number of unions. To settle labor disputes and obtain some gains, it was enough for a union to have a few members and gain a favorable AC award to convince international buyers to work with their suppliers. Although it would be great for a union to have many members and thus more power, it is not always necessary. What is more important is to have feet, small or big, in the factories.

In some cases, a federation had two or three affiliated unions in one

factory until the new trade union law of 2014 banned the practice. Both pro-government and independent federations used this tactic of multiple unions at one factory. While the pro-government union federations may have done so with the intention of looking good, the independent ones also did so for the purpose of “back-up.” By this, they mean that even if an employer may bust one member union, the federation could use a second union in the workplace to continue their same struggle (Interview, unionist, January 2019).

However, the situation was different in workplaces where unions could not expect international support, such as local companies. As one union leader said, “We could win when we organized the two-thirds of workers in one company. But if not, it may be very tough ... because we did not have any international support on local company issue” (Interview, unionist, December 2018).

Impacts on Union Behaviors

At the behavioral level, dependence on international actors (and the AC awards as tools) and weak organizational power seem to limit Cambodian unions’ activities to what international brands may think appropriate or find worthy of support. This led to three outcomes. First, unions seldom brought interest dispute³ cases to the AC and were more willing to settle interest disputes, if any, in conciliation with whatever was given to them. Considering unions’ preference for arbitration at the AC over negotiation and conciliation, their decision not to go to the AC is interesting. Unions’ case selection was related to the AC’s perception of what rights workers could have and international brands’ hesitation to be engaged with the interest dispute cases. For instance, a legal expert explained that workers might have very slim chances of winning interest dispute cases in the dispute settlement process.

The arbitrators agreed that workers seldom won in these cases because the issues were not regulated by the law, and sometimes workers’ demands were unreasonable (interviews, arbitrators, January 2019). Therefore, the AC “refuses to consider interest-based issues” in their awards (Interview, legal expert, January 2019). More importantly, the brands may not want to be involved with interest-based disputes because “their obligation is to help their

³ According to the AC, “a rights dispute concerns existing rights in the law, an agreement or a collective agreement, and it is legally resolved by the Council... An interests dispute, on the other hand, refers to a dispute which has no basis in the law, an agreement, or a collective agreement, and it is resolved by the council on equitable principles.” (source from the AC website)

suppliers comply with laws, not pushing them to do more than legal requirements” (Interview, international brand, January 2019). These situations forced unions to confine their demands to the minimal conditions put forth by law. Thus, it is nearly impossible for workers to achieve beyond that minimum.

Another impact on unions’ practices was that unions tried to appease international brands by following what the brands thought appropriate. To some extent, this was related to unions’ image management. “Unions try to avoid illegal strikes (involving violence) because brands do not like them. If a federation has illegal strikes frequently, unions may lose support from the brands” (Interview, unionist, May 2017). Suppose a certain federation has a bad reputation among international brands or loses their trust. In that case, it may not be easy for this federation to gain support from these brands, which means they will face tough negotiations with uncooperative factory owners, and have a much smaller chance of winning favorable outcomes. As a legal expert explained, it was also crucial for unions to follow legal procedures by suppressing wildcat strikes by rank and files if they wanted to gain favorable responses from the brands.

We also tried to explain to unions and workers, when you go strike without a legal process, it would be hard for you to advocate with brands because you don’t follow the legal procedure. So, brands also [may] hesitate to help you because [you have] nothing in the hand to advocacy to force the factory to apply because of no legal background (legal evidence). So that’s why it is hard to bring the cases to the brand or the international communities (Interview, legal expert, January 2019).

Third, reliance on international support reinforced unions’ focus on bread-and-butter issues that have greater prospects for gaining the support of international buyers while distancing themselves from the political arena. This tendency led to developing apolitical unionism in Cambodia. While using international leverage to enforce the AC awards, unions have paid little attention to the government, making the government almost invisible in labor politics. In the words of one unionist,

I would visualize it (dispute settlement mechanism) this way. There are [international] brands, suppliers, and international NGOs like CCC and international unions. But if brands and suppliers do not care, we need contact actions of INGOs and unions (Interview, unionist, December 2018).

While this has been an effective model for unions with weak bargaining power to maximize their gains in workplace disputes, the state has almost disappeared from the picture. Therefore, unions have regarded the state as less important or less relevant in settling labor disputes and kept political participation out of the union issue.

However, recent political turmoil began to make politics a primary factor in labor affairs despite labor unions seeming to be unaware of the importance of politics or incapable of responding to it (Interview, independent researcher, January 2019). Workers' massive mobilization to demand a higher minimum wage in 2013 upset the political peace that the ruling party has enjoyed for several decades. Workers wanted to exploit the opportunity presented by the election in 2013 to increase the minimum wage through exercising political pressure. Since then, the government has tried to gain workers' support through increasing direct contact with workers, allowing for a generous increase of the minimum wage, and reviving the social welfare law while controlling unions with introducing the Trade Union Act and filing criminal charges against unionists leading strikes.⁴

Conclusion: Long-term Implications for the Cambodian Labor Movement

Since the mid-1990s, the strong presence of the US, the ILO, and international brands have contributed to creating and operating the IR system in specific ways in Cambodia. In particular, the US and the ILO introduced IR institutions through a process I call institutional implantation. Two institutions, the BFC and the AC, were designed in response to the request of the US to ensure that there were significant improvements to working conditions in Cambodia.

These legacy institutions have brought about some benefits for workers and unions. The BFC project has contributed to the improvement of working conditions. It gave Cambodian garment factories an incentive to comply with minimum standards under the ILO's monitoring practices until 2004, in addition to an ethical image stamped with approval by the ILO. Unions have actively used awards from the AC, supposed to be a part of state authority but

⁴ When minimum wage has increased by US\$82 from US\$100 in 2014 to US\$182 in 2019, the prime minister always added US\$5 more to the amount agreed by the tripartite body composed of employers' associations, unions and government.

under the aegis of international actors, to lobby and advocate for international apparel brands to implement the awards.

In short, this problem-solving model based on implanted IR institutions provided some important victories for the Cambodian labor movement. However, there are several problems with this model. First, this model has prevented unions from expanding their organizing coverage out of the garment export sector. More seriously, this outside leverage from international actors may encourage union multiplicity by seeking to compensate bargaining power given by international actors rather than increasing their organizing capacity.

Second, while unions used the BFC and the AC to emphasize legal compliance, unions' efforts have concentrated strictly on legally stipulated minimum rights but have not ratcheted up the demands. Moreover, it has kept the Cambodian unions from thinking beyond economic issues.

Third, more seriously, this model may potentially damage the long-term gains of the Cambodian labor movement. This model has made the role of the state vague. In the landscape of labor affairs, unions have conflicted and worked with brands, suppliers, and international labor groups, not the state. The government had seldom been involved in the scene of labor disputes or labor affairs except in some cases that disturb the social order or that pose potentially political challenges.

The experience of a massive mobilization of workers in 2013 and resulting changes of the government's labor policies suggest the importance of political power in labor affairs. The 2013 mass protests in which hundreds of thousands of workers took to the streets and demanded a minimum wage increase and a transparent election posed a serious political challenge to the Cambodian government that has enjoyed political dominance since the mid-1990s. It has led to new dynamics among local actors in the labor scenes in which the government's role had once been obscure. The Cambodian government has begun to be more seriously engaged in labor politics. Since 2014, the government has introduced various labor policies to gain popular support from workers and control the unions. Some examples of the former include the implementation of a social welfare law and the significant increase of minimum wages. Simultaneously, the government has taken several measures to suppress unions, including a new trade union law and criminal suits against union leaders. These changes have influenced the existing IR institutions, especially the AC, which became less accessible due to the new trade union law, requiring unions' majority status to bring the dispute cases to the AC. This new development is an intriguing topic but is

beyond the scope of this article. I will explore the theme in further research.

(Submitted: February 24, 2021; Revised: March 23, 2021; Accepted: March 23, 2021)

References

- Adler, Daniel and Woolcock, Michael. 2010. "Justice without the Rule of Law? The Challenge of Rights-based Industrial Relations in Contemporary Cambodia." Pp. 529-554, in *Human Rights at Work: Perspectives on Law and Regulation*, edited by Fenwick, C. and T. Novitz. Oxford: Hart Publishing.
- Anner, Mark and Peter Evans. 2004. "Building bridges across a double divide: Alliances between US and Latin American labour and NGOs." *Development in Practice* 12(1/2): 34-47.
- Arnold, Dennis and Toh Han Shih. 2010. "Fair Model of Globalisation? Labour and Global Production in Cambodia." *Journal of Contemporary Asia* 40(3): 401-424.
- Better Factories Cambodia (BFC). "Various years. Synthesis Report on Working Conditions in Cambodia's Garment Sector." Unpublished report. Retrieved March 17, 2021 (<http://betterfactories.org/?cat=6>).
- Campbell, John. 2006. "Institutional Analysis and the Paradox of Corporate Social Responsibility." *American Behavioral Scientist* 49(7): 925-938.
- Clean Cloth Campaign. 2000. "Ongoing Labour Dispute in Cambodia." Retrieved March 17, 2021 (<https://archive.cleanclothes.org/newslist/127-ongoing-labour-dispute-in-cambodia.html>).
- Community Legal Education Center & Clean Clothes Campaign. 2013. "10 Years of the Better Factories Cambodia Project." Retrieved March 16, 2021 (<https://cleanclothes.org/resources/publications/cccl-clec-betterfactories-29-8.pdf>).
- Dunlop, John Thomas. 1993. *Industrial Relations Systems*. United Kingdom: Harvard Business School Press.
- Evans, Peter. 2004. "Development as Institutional Change: The Pitfalls of Monocropping and the Potentials of Deliberation." *Studies in Comparative International Development* 38(4): 30-52.
- Fransen, Luc and Brian Burgoon, B. 2012. "A market for worker rights: explaining business support for international private labour regulation." *Review of International Political Economy* 19(2): 236-266.
- Friedman, Eli. 2009. "External pressure and local mobilization: Transnational activism and the emergence of the Chinese labor movement." *Mobilization* 14(2): 199-218.
- Gumbrell-McCormick, Rebecca. 2008. "International Actors and International Regulation." Pp. 325-345, in *The SAGE Handbook of Industrial Relations*, edited by Paul Blyton, Edmund Heery, Nicolas Bacon, Jack Fiorito. London: Sage Publication Ltd.

- Hall, John A. 2000. "Human Rights and the Garment Industry in Contemporary Cambodia." *Stanford Journal of International Law* 36(1): 119-174.
- Hughes, Caroline. 2007. "Transnational Networks, International Organizations and Political Participation in Cambodia: Human Rights, Labour Rights and Common Rights." *Democratization* 14(5): 834-852.
- International Labour Organization (ILO). 2005. "The Work of the ILO in Cambodia." Retrieved March 19 2021 (http://www.oit.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_bk_pb_191_en.pdf).
- Kaufman, Bruce. 2004. *The Global Evolution of Industrial Relations*. Geneva: International Labour Office.
- Kolben, Kevin. 2004. "Trade, Monitoring, and the ILO: Working to Improve Conditions in Cambodia's Garment Factories." *Yale Human Rights and Development Law Journal* 7: 79-107.
- Lakhani, Tashlin, Sarosh Kuruvilla, and Ariel Avgar. 2013. "From the Firm to the Network: Global Value Chains and Employment Relations Theory." *British Journal of Industrial Relations* 51(3): 440-472.
- Lin, Justin and Jeffrey Nugent. 1995. "Institutions and Economic Development." Pp. 2301-2370, in *Handbook of Development Economics*, edited by Hollis Chenery & T. N. Srinivasan Elsevier.
- Mkandawire, Thandika 2009. "Institutional Monocropping and Monotasking in Africa." Unpublished report. United Nations Research Institute for Social Development.
- Noord, Hugo., Hans Hwang, and Kate Bugeja. 2011. "Cambodia's Arbitration Council: Institution-building in a Developing Country." Working Paper No. 24. ILO.
- North, Douglass. 1991. "Institutions." *The Journal of Economic Perspectives* 5(1): 97-112.
- Nuon, Veasna and Melisa Serrano. 2010. "Building Unions in Cambodia: History, Challenges, Strategies." Unpublished report: Friedrich Ebert Stiftung.
- _____. 2018. "Unions and Development in Cambodia." Unpublished report: Friedrich Ebert Stiftung.
- Park, Jinyoung. 2019. *Institutional Implantation: The International Communities and Their Roles in Building Industrial Relations Systems in Emerging Markets*. Doctoral Dissertation. Unpublished. Cornell University.
- Purcell, John. 1993. "The end of institutional industrial relations." *The Political Quarterly* 64(1): 6-23.
- Polaski, Sandra. 2006. "Combining Global and Local Forces: The Case of Labor Rights in Cambodia." *World Development* 34 (5): 919-932.
- Wetterberg, Anna. 2011. "Public-private Partnership in Labor Standards Governance: Better Factories Cambodia." *Public Administration and Development* 31: 64-73.
- World Bank. 2009. "Cambodia Sustaining Rapid Growth in a Challenging Environment: Country Economic Memorandum." Report No. 49158-KH.

JINYOUNG PARK holds a Ph.D. in International and Comparative Labor from Cornell University and a Master's Degree in Women's Studies from Ewha Womans University in South Korea. Her current research focuses on 'institutional implantation,' a process for international actors to build industrial relations systems based on their blueprints, influencing local labor politics and union behaviors. In another research project, she examines buyers' pricing practices on their suppliers that may impact workers' wages in garment industry global supply chains. Her broad research interests are industrial relations systems, global production chains, transnational labor movements, and labor politics in Asia. Before pursuing an academic career, she worked for local and international labor organizations in South Korea and Thailand for fifteen years. [email: jpp5894@psu.edu]

