



# **Global Framework Agreements and the World's Garment Industry**

## **at IndustriALL Global Union's Executive Committee meeting**

**Phnom Penh (Cambodia), December 9 and 10, 2015**

With the participation of around 200 people, the Executive Committee of IndustriALL Global Union (IGU) met in the Cambodian capital on the above date. Previously, on December 8, the international union's Working Group for the Textile-Clothing industry met. On December 10, we participated in the gathering convened in Phnom Penh to mark International Human Rights Day, supported by the country's unions, and to demand a Decent ("Living") Wage in Cambodia. And on December 11, visits were made to 5 Cambodian factories that work for important clothing brands: 2 that work for Inditex and 1 for each of the following brands: H&M, Nike and Marks & Spencer. Spanish trade unions (CCOO and UGT) were represented in the meeting by Juan Blanco, International Secretary of CCOO-Industry, along with Isidor Boix and Víctor Garrido, also from CCOO-Industry, as IGU Coordinators for the Global Framework Agreement with INDITEX.

This report refers exclusively to Global Framework Agreements and the clothing industry in the country, as well as the result of the round table on this industry at the beginning of the EC meeting. A complete report of the meeting can be found at:

<http://www.industria.ccoo.es/industria/Inicio:919527-->

[El comite ejecutivo de IndustriALL analiza en Camboya las lineas de actuacion y concreta los asuntos relativos al proximo congreso](http://www.industria.ccoo.es/industria/Inicio:919527--) and at: <http://www.industriall-union.org/es/la-industriall-global-union-apoya-a-los-trabajadores-camboyanos-en-el-comite-ejecutivo-en-phnom->

[penh?utm\\_source=Newsletters+in+spanish&utm\\_campaign=dc5ad74ae0-](http://www.industriall-union.org/es/la-industriall-global-union-apoya-a-los-trabajadores-camboyanos-en-el-comite-ejecutivo-en-phnom-penh?utm_source=Newsletters+in+spanish&utm_campaign=dc5ad74ae0-)

[Los titulares de IndustriALL 17112 11 2015&utm\\_medium=email&utm\\_term=0 515a4c16f8-dc5ad74ae0-10811121.](http://www.industriall-union.org/es/la-industriall-global-union-apoya-a-los-trabajadores-camboyanos-en-el-comite-ejecutivo-en-phnom-penh?utm_source=Newsletters+in+spanish&utm_campaign=dc5ad74ae0-Los%20titulares%20de%20IndustriALL%2017112%2011%202015&utm_medium=email&utm_term=0_515a4c16f8-dc5ad74ae0-10811121)

## **1.- The clothing industry in Cambodia**

There are currently around 600,000 workers in the sector in the country, more than half of which belong to the underground economy. Almost all clothing factories, particularly large ones, belong to Chinese (from the PRCh, Taiwan and Hong Kong) and Korean businesspeople. They export 80% of their production, particularly to the United States and the European Union, with H&M being the country's most important clothes-making brand. In 2014, 57 factories worked for Inditex, with around 70,000 workers; their production amounted to approximately 2% of its different brands' annual total of 1 billion annual garments.

The country's Minimum Wage this year (2015) is US\$ 128 per month, with an increase to \$ 140 approved for January 1 (compared to \$ 68 in Bangladesh, \$ 85 in Myanmar<sup>1</sup> and \$ 314 in China, this year, and \$ 155 in Vietnam for next year).

The speeches of the representative of the Government and the employers' organisation (which encompasses around 600 employers) highlight that their main concern is competition from Vietnam's clothing industry (with a certain degree of confusion regarding costs, since Vietnam's wages are slightly higher than Cambodia's, although it seems that unequal agreements between both countries and the USA may have an impact). The government and employers claim that the main international brands are paying less each year for the garments they make for them, while workers' wages are increasing. The union leader that participated in the round table explained that with small wage increases, production per worker is increasing to a greater extent.

## **2.- Cambodia's minimum wage and the union fight for a decent ("living") wage, promoted by IndustriALL Global Union**

The demand for a decent wage, i.e. one that enables a working family to subsist, is an essential matter in the defence of decent work, along with the right to union freedom and collective bargaining. IndustriALL Global Union is planning a worldwide campaign to reach this goal, particularly in Southeast Asia, with particular emphasis on the clothing industry.

For years, Cambodia's unions have been at the vanguard in this region in the fight for a minimum "living" wage. This struggle has intensified since September 2014 and in January 2015 IndustriALL managed to sign a Memorandum with 12 brands, with a commitment on their part to increase the prices they pay to Cambodian factories for their clothes, if the latter increase their wages. To that end, they also assumed the commitment to urge their main suppliers to participate in collective bargaining in this regard with Cambodian unions. Meetings have already been held on the matter in London, Amsterdam and Hong Kong during this year, with another one in London before the Christmas holidays. The Friedrich Ebert

---

<sup>1</sup> A Birmanian union leader explained the country's situation: after the latest political elections, which have resulted in an important step forward in its democratic transition process, a minimum wage of \$ 85 per month has been established (compared to a de facto wage of \$ 30 previously), as well as a new body of labour legislation, whose application is causing new problems for them (e.g. benefitting from the new structure and wage scale requires subscribing a new contract, which generates a new trial period and loss of possible rights due to seniority).

Foundation and the Clean Clothes Campaign are playing an important role in carrying out this campaign.

The following are the brands that are directly involved in this process, into which we have to incorporate others (particularly North American ones, which are important clients of the Cambodian industry) and which we have to pressure so that they continue demanding that their suppliers negotiate with Cambodian unions, supported and coordinated by IndustriALL: INDITEX, H&M, C&A, TCHIBO, NEXT, PRIMARK, ESPRIT, ARCADIA, N BROWUN GROUP, TESCO, PENTLAND, DEBEHAUS, TOPMAN, ASOS and NEW LOOK.

This was a central theme in the aforementioned round table, highlighting the fact that it is not going to be easy to attain, with a certain degree of confusion regarding the brands' role, especially on the part of the country's government and employers, who point to the prevalence of the "market economy" when speaking about salaries, but fail to do so when commenting on the price of their products. With numerous speeches aimed at explaining the harsh reality and, seemingly, at moving businesspeople, almost everyone seems to ignore the importance of the clash of interests in the country itself and in this region of Southeast Asia, and the necessary, inevitable union action for dealing with it. This action has to be carried out in the country, with the objective of reaching agreements with governments and employers to significantly increase wages. IndustriALL Global Union has placed this matter among its union priorities.

#### **4.- Global Framework Agreements. The GFA with H&M**

Kemal Ozkan, General Vice-Secretary of IGU and the person in charge of GFAs, explained the advances in concluding Framework Agreements and the current lines of work in this regard. He pointed out that there are currently 47 GFAs signed by the same number of industry multinationals with IndustriALL Global Union, mentioning the latest one, subscribed with H&M, which is of great importance in the sector of the fashion industry. This Global Framework Agreement, along with the long-standing one with Inditex, has created a new situation in the sector and enables proposing, in better conditions, the extension of Framework Agreements to multinationals of the clothing industry, particularly those based in Italy, Germany, England, France, United States, Japan, ...

Kemal Ozkan also highlighted the need for dealing with the situation of so-called "sleeping" Framework Agreements, i.e. ones with little or no practical results, without any impact on the production chain, including those of Mizuno and Prym in the fashion industry. In relation to all of them, IGU is going to propose their necessary and urgent reactivation.

The meeting mentioned the ongoing negotiations in this regard with Michelin and, in the clothing sector, with Hugo Boss and Primark. It is worth remembering that there have been conversations on the matter with other brands for several years. In Spain, this subject has been discussed with companies and brands such as MANGO, EL CORTE INGLÉS, CORTEFIEL, ...

## **5.- Some proposals for global union work in the clothing industry**

The debate on Framework Agreements enabled us to participate with 3 specific proposals for union action in the worldwide clothing industry:

1.- A meeting with the unions of the main brand's parent companies, in relation to brands that already have an active Framework Agreement and the many others with Corporate Responsibility policies, convened and directed by the IndustriALL management, in order to exchange experiences and promote those of greatest union interest.

2.- A similar meeting in the main countries included in the industry's production chains, with the most important brands in each country, convened by the country's unions in coordination with the respective IndustriALL Regional Office.

3.- Advancing in the worldwide campaign against Sumangali<sup>2</sup>, in order to eradicate this brutal practice of exploiting child labour and adolescent girls, which first of all affects India (where it is practiced, mainly, in the cotton spinning and weaving industry), but also all clothing multinationals since most of them use cotton fabrics exported by India. In our recent trip to India to visit factories that work for Inditex (regarding which we will soon prepare the corresponding report) we could see the direct relationship between some multinationals, which supposedly do not use such, and the country's spinning mills; verification of this by means of the unions and audits would enable us to start to intervene in coordination with ongoing initiatives such as the ETI and others.

**December 2015**

**Isidor Boix  
V́ctor Garrido**

International Secretariat of CCOO-Industry  
Coordination of IndustriALL Global Union for the Framework Agreement with INDITEX

---

---

<sup>2</sup> See report in this regard at [http://www.industria.ccoo.es/comunes/recursos/99927/2029999-Informe\\_Sumangali\\_una\\_manifestacion\\_de\\_brutal\\_explotacion\\_laboral.pdf](http://www.industria.ccoo.es/comunes/recursos/99927/2029999-Informe_Sumangali_una_manifestacion_de_brutal_explotacion_laboral.pdf)