

## **Information Relevant to the End of the MFA from Workers meeting 24<sup>th</sup> October 2004, WAC Office.**

### **MFA Awareness**

- Many workers did not know anything about the end of the quota system or the potential factory closures.
- Some workers (for example at Sam Han factory) had heard about it from the workers network and WAC.

### **Some factories continue to operate as usual:**

- Work continues as normal at the Terratex Factory and Hong Wa Factory
- The PCCS factory management told the workers that the factory will stay open after the end of the MFA
- The factory manager at the European Factory has told the workers that they won't close because this factory has its own market.

### **In Other Factories The Impact of the End of the MFA is Already Apparent. The issues are:**

#### **Temporary Closures**

- Mighty Spectra will close until April. Workers have been asked to return to work every month to sign a document to confirm that they remain workers of the factory. If they do not have this then they may not have jobs if the factory re-opens. It hasn't been confirmed whether they will be paid.
- Top One Factory – the workers have heard rumours from the administration personnel that the factory will close in December for 3-4 months
- Lucky Zone Factory has been temporarily closed for the last four months. The workers only receive 50% of their salary (around \$30 a month). They have to sign a record every 3-4 days and sometimes they have work for 1 or 2 days.
- Quan Jing Factory – this factory only opened 3 months ago. Work has been suspended for one month (non-continuous) starting in September because there is no work to do. It is not clear whether the workers will be paid on the days when work is suspended.
- WearWell Factory – the workers have been told they will have one week holiday in December, but they don't know what this is for. They have been told that after December they will have less work.

#### **Factory Closures**

- San San Factory - The factory manager said that the factory will close down at the end of the year.
- Joyful Factory – the workers heard a rumour that the factory would close

#### **Job Losses**

- Top One Factory – Some probation/contract workers have already been made redundant
- Wingtai Factory – Has switched production from jeans to trousers and the workers in the cutting section no longer have continuous work. They are only called in when needed

- CityNew Factory – At the end of December, the factory will let off workers who have worked from 2001 onwards. The factory will pay these workers a 5% benefit in addition to their yearly salary (about \$60 for each year worked). Workers who have worked from 1996 to 2000 may still have their jobs.
- Sam Han Factory has already dismissed all probation workers and intends to let go of all permanent workers from line 72 upwards soon.
- June Factory – the workers have heard rumours that the factory will close in December, but the management have not confirmed this yet.

### **Changes to Employment and Working Practices**

- SportWear Factory – The factory owner re-contracts with workers to keep them on probation and avoid paying benefits. The management is looking for ways to cancel contracts with old workers and re-contract with them for short periods of time.
- The Belgium Factory (which is a branch of Lucky Zone) has suspended its workers without pay.
- Komara Factory – workers no longer have any overtime work.
- Universal Apparel Factory – the workers no longer have any over-time work
- Great Lancelot - There is now a new rule that workers must stay on probation for 6 months before becoming permanent [note: by law it is only three months probation]. There has been no over-time for the last three months.
- Sportek Factory – Workers were asked to decide by majority vote whether to take 18 days annual leave or continue to work as usual. Workers were afraid that the factory would close in their absence and decided to continue to work.

### **Pay Reductions**

- Mighty Spectra has asked the workers to accept a around a 50% pay cut. It wants to shift from a generous piece rate to a set wage of \$2.50 per day.
- CityNew Factory – The price of piece work has already decreased. For example, before they received 3 cents per piece, now they will receive 1 cent.

### **Pretending that the Workers Are Responsible**

- Mighty Spectra factory management has told the workers that if they agree to accept a pay cut of about 50% then the factory may re-open in April, if not then it may be delayed till June.
- Wingtai Factory –The workers have been told that if they can prove that they can produce complicated trousers then the factory may not close down. The worker representatives told the workers to work harder or the factory will close.
- WearWell Factory - The factory management and unions advised workers to be patient and work hard.
- Sun Tex Factory – The workers are being forced to do more over-time. The supervisor said that the conditions are very competitive and the workers have to produce good quality products. If they do not then the work will go to other countries.
- Joyful Factory - The factory manager told the workers that if the quality of their production is very good and competitive then they will continue to get orders.

## **Unions**

- Chushing Factory - There has been major conflict between the unions in this factory. The workers there no longer trust the unions.
- Sportek Factory – The FTU operates in this factory
- Wingtai Factory - There are six unions in this factory.
- Sam Han Factory – There are two unions in this factory.
- Phnom Penh Concept Factory - CCAWDU and the Free Trade Union were fighting in this factory so the factory management banned all unions.
- PCCS – there are four unions in this factory
- Lucky Zone Factory – there are four unions in this factory
- Komara Factory - there are two unions in this factory
- WearWell - there are two unions in this factory
- Joyful Factory – the FTU operates in this factory
- Chien Wy – there are four unions in this factory