

The Impact of International Labour Standards Enforcement Initiatives: The Case of the Cambodian Garment Industry

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Summary

Inadequate working conditions are frequently reported within clothing manufacturing, particularly in the least developed countries where loose legislative enforcement contributes to lower labour costs that are favoured by retail buyers. Global efforts, including from the International Labour Organisation (ILO), seek to develop better working practices however the effectiveness of such efforts are not fully understood. The research proposed focuses on Cambodia, assessing the effectiveness of two initiatives led by the ILO, namely, Better Factories Cambodia and Cambodia Decent Work Country Programme. The lens of Institutional Theory will be used to understand the dimensions of Isomorphism and Decoupling that influence stakeholder responses to pressure to raise worker conditions. Inductive Semi-Structured Interviews are planned with ILO officials, factory owners and factory workers to gain depth understanding of key stakeholders' views, particularly surrounding changes enacted 'on the ground' and the motives and barriers to compliance with international standards.

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Research context and framework:

With the global expansion of fast fashion, cost and lead time of production are top concerns (Köksal et al., 2017). Garment manufacturing has been concentrated in the least developed countries where loose legislative enforcement of labour standards contributes to lower labour costs (Shen, 2014). Inadequate working conditions and unethical treatment of workers are frequently reported (e.g., Khan et al., 2019; Gold et al., 2015; Köksal et al., 2017; Holdcroft, 2015; Giuliani, 2016; Salmivaara, 2018) and have been highlighted in several high-profile incidents such as the Rana Plaza garment factory collapse in Bangladesh (2013) and Ali Enterprise garment factory fire in Pakistan (2012) (Arrington, 2017).

Promoting decent work for all is part of the UN Sustainable Development Goals (Goal 8), and for sustainable supply chain management, Seuring and Müller (2008) highlight the importance of adopting a cooperative approach with suppliers, supported by clear communication and integration. However, many suppliers face compliance pressures without the support from the buyer brands/organisations. Focusing on the Cambodian garment industry, this research aims to understand the impact of two global partnership initiatives; Better Factories Cambodia (BFC) and Cambodia Decent Work Country Programme (DWCP), which aim to improve working conditions in the Cambodian garment industry/factories specifically (BFC) and in Cambodia at large (Cambodia DWCP).

The Cambodian DWCP was launched with the timeframe of 2016-2018 and has been renewed for 2019-2023. The programme's prioritised agenda includes strengthening occupational safety and health and improving rights at work (ILO, 2019). The programme provides targets for factory-level compliance within the garment (and footwear) export sectors, stating, for instance, that by 2023 "At least 50% of factories in the garment and footwear export sectors meet compliance standards on the BFC 21 critical issues". It also provides strategies and measures to support these targets (ILO, 2019).

Created in 2001, BFC also helps the Cambodian garment industry improve working conditions and achieve compliance. The programme has its root in the US-Cambodia bilateral trade agreement, which provided market access to the garment factories in return for improving their workers' treatment/working conditions. When the agreement expired in 2004, the US asked the ILO to take over the monitoring role and produce reports on the factories' progress on compliance to the international labour standards. The US granted export quotas according to the results, which offered incentives for each factory to improve the working condition. This enabled the ILO for the first time to monitor the working conditions directly at the factory level in Cambodia (Kolben, 2004). The initiative implementation included unannounced factory monitoring visits and the provision of a range of training and advisory services for workers, union leaders, supervisors and factory managers. BFC programme's effectiveness on improving the working conditions in Cambodia has been well acknowledged (Kolben, 2004; Polaski, 2006; Arnold and Han Shih, 2010; Oka, 2016; Ward and Mouly, 2016), yet, it still has areas for improvement, such as freedom of association and rights to collective bargaining (Salmivaara, 2018; Arnold and Han Shih, 2010).

These two programmes are managed by the International Labour Organisation (ILO) in partnership with the Cambodian government, the employers' (factory owners), organisations, and workers' organisations (unions). The impacts/effectiveness of such partnership programmes is not fully understood by the world and the extent to which existing theories can help analyse the situation is unclear, both representing a significant knowledge gap. Using qualitative interviews with 20 ILO officials, 10 factory owners and 25 workers in the Cambodian garment sector, and using Institutional Theory as the framework for analysis, this research seeks to holistically understand the impact of the two international initiatives, particularly focusing on the improvement of worker's conditions they have brought and the challenges they face in striving for further enhancement of the labour standards.

To this end, the study aims to achieve four objectives: 1) to develop a critical understanding of the impact the two international initiatives have on garment industry workers' work conditions and lives; 2) to develop a detailed understanding of the motives and barriers for Cambodian garment sector factory owners to comply with national laws and international regulations of labour standards; 3) to make theoretical contributions through identifying the extent to which Institutional Theory can help assess/understand the impact of international initiatives on different stakeholders; and 4) to make social and policy impacts in the area of labour standards and their enforcement.

Theoretical framework:

Institutional Theory advocates that social structures, such as rules, norms and requirements, generate authoritative guidelines for social behaviours (Meyer and Rowan, 1977; Meyer and Scott, 1983; Scott, 2008). The theory has two main dimensions: isomorphism and decoupling. In the face of social structure, organisations either conform to the rules, norms and requirements and change to meet social expectations (isomorphism) or conform only ceremonially and not in actions (decoupling) (Meyer and Rowan, 1977; DiMaggio and Powell, 1983). In the dimension of isomorphism, organisations follow one of three isomorphic mechanisms/processes. 1) Coercive isomorphism takes place when organisations change because of the pressures from dominant stakeholders. 2) Mimetic isomorphism occurs when organisations, facing uncertainty, try to adopt and follow the best practices of successful institutions. 3) Normative isomorphism indicates organisations change to follow the norms widely accepted in the society (DiMaggio and Powell, 1983).

Decoupling occurs when an organisation "builds gaps between the formal structures and the actual work activities" (Meyer and Rowan, 1977, p. 341). That is, for example when the "firm adopts certain CSR or other formal policies symbolically rather than substantially" (Giuliani, 2016, p. 40). When decoupling, organisations try to avoid being evaluated by both internal and external inspectors (Meyer and Rowan, 1977). Moreover, organisations may conform only to certain rules/norms and ignore others, which is categorised as selective decoupling (Giuliani, 2016; Jamali et al., 2017). They may also use a window-dressing approach where organisations dress up the situation for audits, leading to false reporting (Sharma, 2015).

Put under the pressures to improve workers' conditions from the ILO, the government, and also buyers (who worry about the consumer awareness), the suppliers (factory owners and

managers) may turn to decoupling, selective decoupling or window-dressing (Engels-Zandén, 2014; Jamali et al., 2017). Nevertheless, decoupled organisations may begin to conform (recoupling). Engels-Zandén (2014) found recoupling occur mainly for three reasons: 1) as a response to increased external demands and surveillance, 2) as a consequence of change in external demand types, and 3) because of the normalisation and materialisation of symbolic compliance by internal actors.

These mechanisms of organisations' (non)conformation to rules, norms and expectations proposed by the Institutional Theory could provide a useful analytical framework for this study to understand the impact of the two international initiatives on Cambodian garment industry worker's working conditions. In evaluating the effectiveness/impact of the initiatives, understanding the mechanisms influencing factory owners to conform or not conform to the internationally proposed labour standards is crucial, and the theoretical framework provided by the Institutional Theory may help this process. Thus, Institutional Theory may provide support for the holistic understanding of the impact of the international initiatives and contribute to the search for more effective measures and approaches.

Methodology:

Due to the nascent nature of knowledge in this area this research will follow an inductive interpretivist approach. In-depth semi-structured interviewing will be used to collect data providing access to respondents' personal views, experiences and stories. This approach will help us understand the institutional behaviours by allowing us to be attentive to "the subjective ways in which actors experience institutions" (Suddaby, 2010, p. 16). Our sample will include 20 ILO officials who are involved in the running of BFC and DWCP in Cambodia. They play a vital role in monitoring and evaluating labour treatment in the Cambodian garment industry. Therefore, their stories could provide insights of workers' treatment in Cambodia, regulation/law compliance in the garment industry, collaborative relationships between the ILO, the Cambodian government and factory owners, and how the programmes operate – effectiveness and obstacles/challenges.

Semi-structured interviews will also be undertaken with 10 garment factory owners, offering internal information about motives and barriers for the compliance to the labour standards in the industry, and 25 garment factory workers, to find out how the impact of the international programmes is felt on the ground in their working lives and experiences. These may not be representative of all factory owners and workers. Rather, we are in search for the "variation and context of the participant experiences" (Hennik et al., 2011, p. 88). It is anticipated that their stories will provide a rich understanding of the context and impacts of the programmes.

All interviews will be undertaken by the co-author(s) of this study. Interviews to the ILO officers will be conducted in English or Khmer depending on the participants' preferences, and all other interviews will be in Khmer. Interviews will be digitally recorded with consent and transcribed/translated. Following the inductive approach, data will be coded according to the themes that emerge, categorised and analysed. This approach is best suited for the study as it allows the researchers to be open minded in seeking to understand the subject from the perspectives of the interviewees, allowing and ensuring all key themes to emerge and be covered.

The first stage of the data collection will take place in Phnom Penh where many ILO officers of the two programmes are located. The second stage interviews (to the factory owners and workers) will be conducted in both Phnom Penh and Kandal province where the most garment factories are located. The study is cross-sectional, which is suitable for analysing data at a specific point of time but across different groups of people (Omotayo and Kulatunga, in Scott and Udejaja, 2015).

Expected impacts:

Results of this study will produce both academic and social impacts. Institutional Theory studies social structures such as rules, norms and requirements for social behaviours (DiMaggio and Powell 1983; Scott 2008). It may provide the ideal lens through which the impacts of the international initiatives can be examined. Nevertheless, very little is known whether or not the theory's application can be extended to analyse international initiatives and partnership frameworks, which the study will investigate. Socially, through providing a holistic picture, the study will contribute to the search for more effective international initiatives and global partnerships towards more sustainable development. It will also impact policy development through greater understanding of the most effective interventions and mechanisms. Ultimately, this study's findings will contribute to policy advancement and improved international monitoring frameworks, which leverages the international and national collaborations to achieve more ethical worker treatment and decent work for all in Cambodian garment industry and beyond.

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