

Kingdom of Cambodia

Nation Religion King

Joint Statement

on

Severe Violations of the Labour Rights and Basic Freedoms of the Trade Union at NagaWorld Limited

We, as representatives of trade union confederations, federations, associations and civil society organisations working to promote human rights and labour rights in the Kingdom of Cambodia are extremely disappointed with the intention and attempts to dissolve the union leadership structure and the unreasonable and unacceptable planned systematic reduction of staff during the COVID-19 crisis at NagaWorld Limited.

The recent notice of dismissal of trade union leaders and activists clearly shows NagaWorld's intention to severely violate the basic rights and freedoms of professional organisations (trade unions) stated in the core conventions of the International Labour Organisation (ILO). Article 1 of Convention No. 98 on the Right to Organise and Collective Bargaining states: "*Workers shall enjoy adequate protection against acts of anti-union discrimination in respect of their employment,*" including compulsion to not join or to resign from a union, dismissal from employment or other forms of harm. Article 2 states: "*Workers' and employers' organisations shall enjoy adequate protection against any acts of interference by each other or each other's agents or members in their establishment, functioning or administration.*" In particular, all actions taken to aid workers' organisations which fall under the compulsion of the employer or employers' organisations or which provide support by monetary means or other means to place workers' organisations under the influence of employers or employers' organisations are considered as acts of interference. Instead, the Ministry of Labour and Vocational Training has agreed to the company's request to dismiss them. Meanwhile, the company pushed those terminated leaders and activists to ask ministerial officials themselves when the union demanded to view the letter authorising dismissal of trade union leaders who otherwise have this special protection.

On 8 April 2021, representatives of NagaWorld Limited announced a planned layoff of 1,329 staff members out of its total of more than 8,000 staff due to the COVID-19 crisis. At the end of April, company representatives confirmed that the company would directly contact each staff listed for layoff, as well as summoning them for a meeting on company premises.

Through the union, a majority of employees objected to this planned layoff and did not accept the reasoning raised by the company as the company had not faced any business losses, having made a net profit of more than US\$102 million in 2020. According to NagaWorld's own financial reports, in the first two months of 2021 alone the company made a net profit of more than US\$172 million whilst staff had their working hours

reduced by up to 60% in order to reduce company expenses and received wages only according to their actual number of days worked.

For this planned mass layoff, the company did not discuss the procedures of preparation according to Article 95 of the Labour Law or present the categories of employees which would be affected by this layoff. Instead, when notifying employees, the layoff only affected those workers with long employment seniority, especially those who are union leaders, shop stewards, union activists and union members, with more than 1,100 of the 1,329 workers (equivalent to 82%) to be laid off being union members.

The majority of workers who received notice of dismissal from the company felt forced to resign from employment and did not dare to continue protesting with the company even though they knew they were victims of injustice. The company provided severance packages not in line with the Labour Law. Of the 1,329 workers, 373 objected and refused to take these severance packages, demanding the company apply the Labour Law and reinstate them to their previous employment.

After multiple negotiations without resolution, worker decided to complain to the Ministry of Labour and Vocational Training in June and continued negotiations to the Arbitration Council at the start of July 2021. Arbitration Council Award No. 12/21 issued on 10 September 2021 did not consider the demands of 373 workers to be reinstated with the Arbitration Council seemingly referring to the reasoning of the company and not the Labour Law which states that the role of the Arbitration Council is to resolve all disputes forwarded to it by the Ministry of Labour. The Arbitration Council pushed procedures back to the Labour Inspector, claiming that the workers' demands for reinstatement currently fell under his consideration.

On 23 September 2021, the union sent a letter requesting the Department of Labour Inspections order NagaWorld to reinstate the 373 workers after NagaWorld submitted a request to dismiss workers to the Department of Labour Inspections on 6 August 2021 which was not legally valid.

On 23 September 2021, the union sent a letter to NagaWorld requesting preparation of work shifts for these 373 workers as for other workers.

On 18 October 2021, the union sent a letter to His Excellency the Minister of Labour and Vocational Training requesting a meeting to report about the dispute and non-implementation of the Labour Law at NagaWorld after failing to receive a reply from the Labour Inspector. However, the Minister has also not responded to the union's request either.

The union has tried to find a peaceful resolution with the company, but the company has ignored the union's requests to meet. Instead, the company has only tried to lobby workers present at the workplace to organise a group to discuss various issues with them which shows the company's intention to discriminate the union and does not have a spirit to promote professional relations in the company with the union.

On 5 November 2021, Human Resources staff of the company issued a notice terminating the contracts of union leaders and shop stewards.

The suffering and injustice suffered by workers at NagaWorld is a reflection of law enforcement in Cambodia and is a bad example for other employers to follow the experience of NagaWorld. We, as representatives of trade union confederations, federations, associations and civil society organisations working to promote human rights and labour rights in the Kingdom of Cambodia will continue to attentively monitor this case and call on the Ministry of Labour and Vocational Training to review the request to dismiss employees which was not implemented properly according to the Labour Law and conduct proper labour inspections based on legal principles to strengthen the rule of law in Cambodia. Moreover, the neglect of legal enforcement by this enormous company will be a bad example for other investors to emulate, causing more workers to suffer injustice, as well as tarnishing the Royal Government's image internationally.

We request the Royal Government inspect and intervene to provide an acceptable resolution to this case. We also call on NagaWorld management to negotiate in good faith with union representatives to find a resolution acceptable to both sides and form good professional relations with the union at the workplace. In particular, we call for the reinstatement of these 373 employees and an end to all discrimination and oppression against the union.

Phnom Penh , 01 Decemeber 2021

This statement is supported by:

1. Cambodian Youth Network (CYN)
2. Cambodia Alliance of Trade Unions (CATU)
3. Independent Trade Union Federation (INTUFE)
4. Coalition of Camodia Farmer Community Association (CCFC)
5. Cambodia Food and Service Workers Federation (CFSWF)
6. Building and Wood Workers Trade Union Federation of Cambodia (BWTUC)
7. Independent Democratic of Informal Economy Association (IDEA)
8. Cambodian Tourism Workers Trade Union Federation (CTWUF)
9. Fee Trade Union of Workers of the Kingdom of Cambodia (FTUWKC)
10. Free Independent Trade Union Federation (FUFU)
11. Coalition of Cambodian Apparel Workers Democratic Unions (C.CAWDU)
12. Cambodia Informal Workers Association (CIWA)

13. Coalition Free Trade Union of the Women Textile (CFTUWT)
14. Workers's Solidarity Strength Independent Union (WSSIU)
15. Solidarity House (SH)
16. Cambodia Independent Public Servant Association (CICA)
17. Cambodia Informal Employment Reinforcement Association (CIERA)
18. Cambodian League for the Promotion and Defense of Human Rights (LICADHO)
19. Center for Alliance of Labor and Human Rights (CENTRAL)
20. Cambodia Human Rights and Development Association (ADHOC)
21. Committee for Free and Fair Election in Cambodia (COMFREL)
22. Cambodia Center for Human Rights (CCHR)
23. Samakum Teang Tnaut (STT)
24. Cambodia Human Rights Action Coalition (CHRAC)
25. Youth Resorce Development Program (YRDP)