

GARMENT WORKER DIARIES



The Cambodia Garment Worker Diaries
កំណត់ត្រាប្រចាំថ្ងៃរបស់កម្មករកាត់ដេរកម្ពុជា

A study of garment workers' lives and wages in Bangladesh, Cambodia, and India.
www.workerdiaries.org

C&A Foundation FASHION REVOLUTION MFO microfinance opportunities

Online version found at: http://workerdiaries.org/gwdiaries/cambodia/story_html5.html

GARMENT WORKER DIARIES

Who Made My Clothes? A Report from Cambodia

We all wear clothes. For the most part, these clothes are made in factories in South and South-East Asia, out of sight of the people who buy and wear them. That is why our partner Fashion Revolution has encouraged people to ask themselves:

"Who made my clothes?"

We sought to answer this question and learn about these workers' lives by collecting data on the economic condition of garment workers in Cambodia. To do this, a team of researchers visited 186 garment workers each week for one year. The researchers collected data on how much the workers earned and spent each week, as well as how many hours they worked and the conditions in their factories. They collected other data too, such as information on food security, financial literacy, and workplace safety. [Chapter 1](#) contains more details on what data we collected and how we did it.

Who Made My Clothes? A Report from Cambodia

We designed this report so that you can explore it. You can read it in the order we present it, or you can use the navigation buttons to jump to the topics that interest you most. Regardless of what you choose, you will identify important findings in each chapter about how workers live, such as:

- **Chapter 2: Wages**
 - Cambodian workers worked overtime hours in **45 percent** of their work weeks.
 - Their earnings were, on average, **above the country's minimum wage**.
- **Chapter 3: Expenditures**
 - A significant share of **workers' spending** went towards food and—for those who did not own their homes—rent.
 - This left little money to spend on goods and services that could **improve their quality of life**.

Note: To mimic the above-mentioned functionalities in PDF, please use the Bookmarks tab on the left.

Who Made My Clothes? A Report from Cambodia

- **Chapter 4: Coping with Financial Stress**
 - Workers managed to **save small sums** in case they needed to make a large, lump sum payment, but these savings came at a cost:
 - **52 percent** of workers reported that limited cash caused them to have limited or inadequate access to food in the past 12 months.
 - Few reported feeling healthy, but they said that access to cash was a **big barrier to seeking medical care**.
 - In effect, this meant that workers' physical health was absorbing financial stress rather than workers' wallets.
- **Chapter 5: Life in the Factory**
 - The threat of fires, poor air quality, and varying levels of ability to exit the factory in an emergency left few workers **feeling safe** in their workplaces all the time.
 - Workers also reported being discriminated against and harassed.

Who Made My Clothes? A Report from Cambodia

Collectively, these data show that garment workers face long hours, questionable pay practices, low wages, financial stress, and mediocre working conditions, but they survive. They overcome adversity and hold their dreams and aspirations closely. You can read some of their individual stories in the worker profiles in [Chapter 6](#).

By the time you are done exploring this report, our hope is that you understand the human cost of fashion and everyday wear and that you use this information to improve workers' lives either by changing where and how you shop or through advocacy work. As a start, we encourage you to let brands know about what you have learned by clicking [here](#). The 186 women who contributed to this report thank you.

Eric Noggle, Research Director, MFO

Conor Gallagher, Research Associate, MFO

Guy Stuart, Executive Director, MFO

Take Action [Link](#)

Chapter 1: Project Background

The Garment Worker Diaries was a yearlong study of the lives of roughly 540 female garment workers in Bangladesh, Cambodia, and India. In Cambodia, MFO selected 186 participants from communities in Phnom Penh and Kampong Speu. The selection process resulted in a sample that was likely more stable than female, Cambodian garment workers generally are.



- What are the Garment Worker Diaries?
- Sampling Procedure
- Sample Demographics and Living Conditions

Project Partners

The Garment Worker Diaries was led by Microfinance Opportunities (MFO), a United States-based non-profit organization that conducts research on the behavior of low-income households. Fashion Revolution supported the project with advocacy and outreach efforts. The project was funded by C&A Foundation, which supports efforts to transform the fashion industry to improve the lives of the men and women who make our clothes.



What are the Garment Worker Diaries?

The Garment Worker Diaries was a yearlong research project that collected data on the lives of approximately 540 garment workers, evenly divided between Bangladesh, Cambodia, and India. The project's goal was to uncover the economic realities that garment workers face.

The project lasted from the summer of 2016 until the summer of 2017. Through weekly interviews, MFO captured data on workers' earnings and expenditures as well as their living and working conditions.

[Why these countries?](#)

Why these Countries?

The three countries MFO and C&A Foundation selected are major garment producers, and the garment industry is very important to their economies.

According to the [World Bank](#), Bangladesh was the second largest exporter of clothing globally in terms of U.S. dollars in 2015, the most recent year for which data are available. India was the third largest exporter, while Cambodia was the fourteenth largest exporter. Exports of textiles of clothing accounted for 90 percent of all exports in Bangladesh, 65 percent of all exports in Cambodia, and 14 percent in India. As a share of all exports, Bangladesh and Cambodia rank first and third in dependence on clothing and textiles, while India ranked twenty-ninth.

Additionally, C&A Foundation prioritize activities in these, among other, countries.

World Bank [Link](#)

Data Collection Methodology

The Garment Worker Diaries utilized the [Financial Diaries](#) methodology, a panel survey methodology that collects data on participants' economic activity on a weekly basis. Our research teams asked detailed questions about workers' earnings and expenditures, working conditions, daily schedules, physical well-being, and major events that happened in their lives.

Additionally, the research teams conducted three cross-sectional surveys with the participants that covered topics such as financial literacy, factory conditions, food security, and health security. To achieve a better understanding of workers' experiences, MFO conducted 36 in-depth interviews per country with a sub-sample of workers.

Financial Diaries [Link](#)

Sampling Procedure

MFO implemented a five-stage sampling strategy:

1. Understand garment worker neighborhoods and work tendencies
2. Identify geographic areas with concentrations of garment workers in which to work
3. Randomly select sub-areas in which to sample participants
4. Randomly select participants from within those areas using a random walk
5. Screen participants based on a predetermined set of criteria to ensure they were good candidates for the study.

[Detailed Sampling Procedure](#)

Detailed Sampling Procedure

MFO's Financial Diaries sampling procedure balanced three priorities:

1. **Feasibility:** Due to the frequency of interviews, geographic areas had to be selected so that researchers could reach their participants in a reasonable amount of time given the distance from one worker to another and the distance between workers' dwellings and a researcher's dwelling.
2. **Representativeness:** The sample needed to be broadly, but not statistically, representative of the population of interest.
3. **Stability:** A successful study required that MFO have a stable sample for one year. This required the research team to enroll participants that were unlikely to migrate during the course of the study.

MFO engaged in a five step sampling procedure with these priorities in mind.

Detailed Sampling Procedure

Step 1: Primary and Secondary Research on Garment Worker Locations and Tendencies

Research teams were asked to conduct primary and secondary research on which provinces or districts within their countries contained concentrations of garment factories. Within these areas, MFO asked the researchers to collect basic information on garment workers that could help inform the sampling strategy. The teams collected information on things like work schedules, willingness to conduct interviews at or near factories, distances from respondents' homes to factories including whether the workers lived in factory dormitories, and the likelihood that garment workers would migrate.

Detailed Sampling Procedure

Step 2: Purposively Sample Major and Minor Administrative Units

MFO purposively selected major administrative units that contained concentrations of garment factories within each country. Typically, these administrative units were metropolitan cities, districts, or provinces. Within each of these major administrative units, MFO purposively selected minor administrative units that contained concentrations of garment factories or garment worker residences.

Detailed Sampling Procedure

Step 3: Randomly Select Enumerator Areas within Minor Administrative Units

Research teams developed a list of all enumerator areas—standardized areas used for national censuses—within each minor administrative unit. MFO randomly selected enumerator areas in which the research teams would conduct enrollment.

Detailed Sampling Procedure

Step 4: Random Participant Identification through a Random Walk

Within each enumerator area, the research team conducted a random walk to identify potential respondents. A random walk involves picking a random starting location within the enumerator area and then beginning the walk by heading in a randomly assigned cardinal direction. Enumerators then select houses along their route to identify potential participants using a skip method. In other words, they did not visit every house—they skipped a designated number of houses/apartment units before visiting a new home. The combination of the random walk and skips helps limit bias in the identification of potential participants.

Detailed Sampling Procedure

Step 5: Participant Selection and Screening

Enumerators began the enrollment process by determining how many female garment workers lived within a household. Enumerators used a Kish grid to randomly select a female garment worker living in a household if there was more than one. If only one garment worker lived in the home, then the enumerator chose her for the screening process.



Screening Process

To create a stable sample, MFO used the following criteria to screen workers before offering participation in the program:

1. *Full-time or part-time status:* Only full-time workers were selected
2. *Worker's schedule:* To ensure the worker had availability for interviews
3. *Plans to switch jobs or travel:* MFO screened out individuals that reported that they planned on switching factories or typically migrated for more than a month during the year as these individuals were a high drop-out risk
4. *Mobile phone ownership/access:* Owning a mobile phone or having access to one was necessary to ensure respondents were reachable to schedule interviews and to perform make-up interviews if necessary



Sample Description

The sample of Cambodian garment workers consisted of 186 women from Phnom Penh and Kampong Speu Province. Two-thirds of the sample lived in and around the city of Phnom Penh, while the remaining one-third lived in Kampong Speu Province. Participants were predominantly younger women—the average age was 29—and most workers were married and received little formal education.

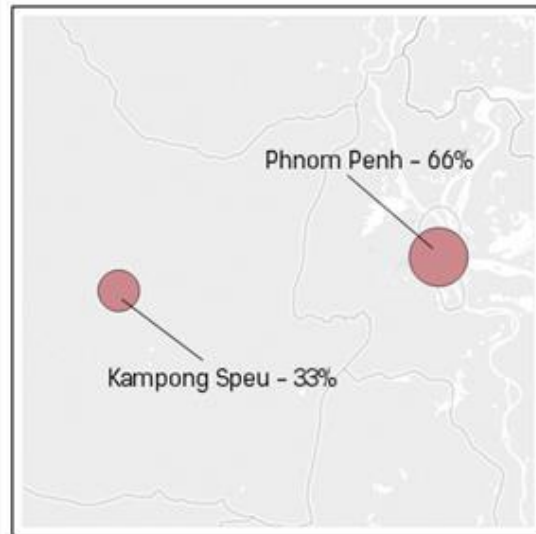
As part of MFO's analysis, workers were segmented according to their living situation and whether or not they remained full-time garment workers during the study. While this section presents data on all workers, upcoming chapters focus on the 85 percent of participants who were full-time throughout the study.

[Demographics Data](#)[Worker Segmentation Data](#)

GARMENT WORKER DIARIES

Locations

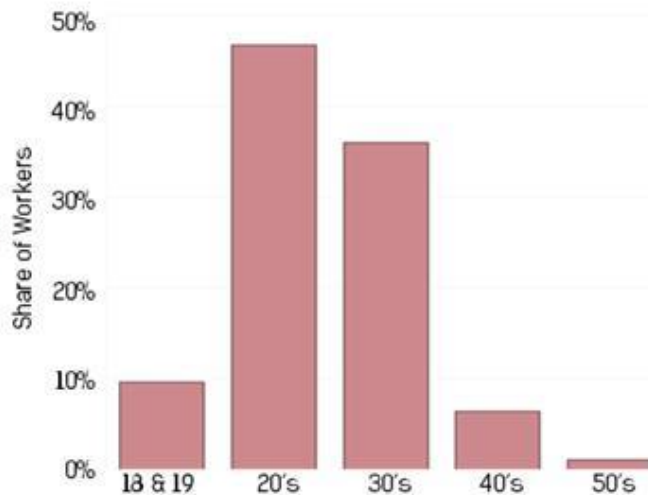
Of the 186 women participating in the study, roughly 66 percent lived in Phnom Penh, and 33 percent lived in Kampong Speu. This distribution was determined by MFO to provide enough data to draw conclusions about the experiences of workers in Phnom Penh and in more rural areas like Kampong Speu.

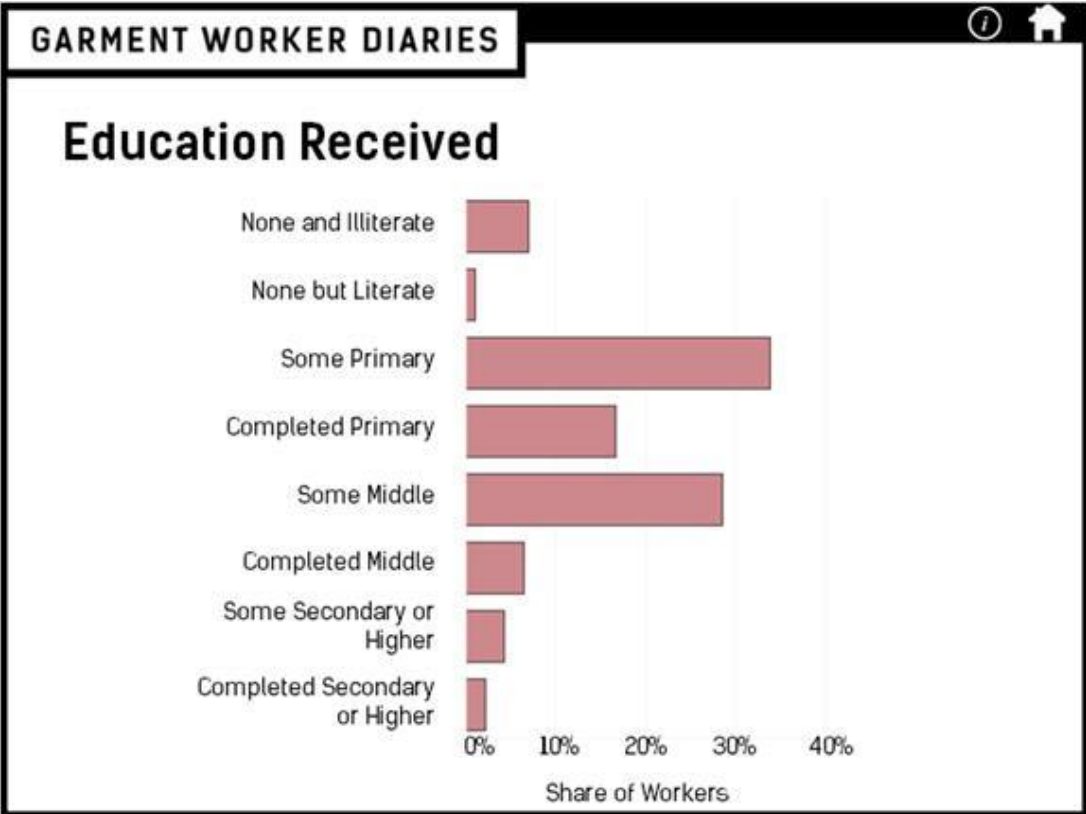
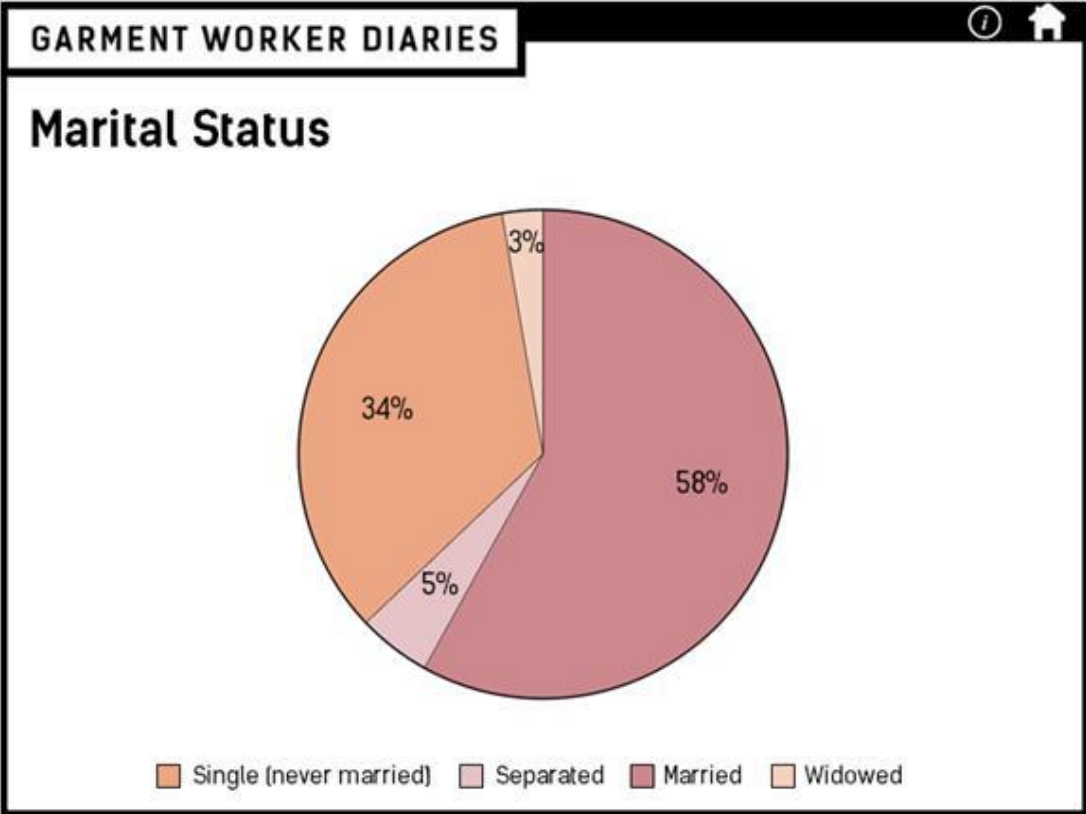


GARMENT WORKER DIARIES

Ages

MFO excluded any workers under the age of 18 from the study, but 52 percent of workers said they personally knew someone under 18 who worked in a garment factory.





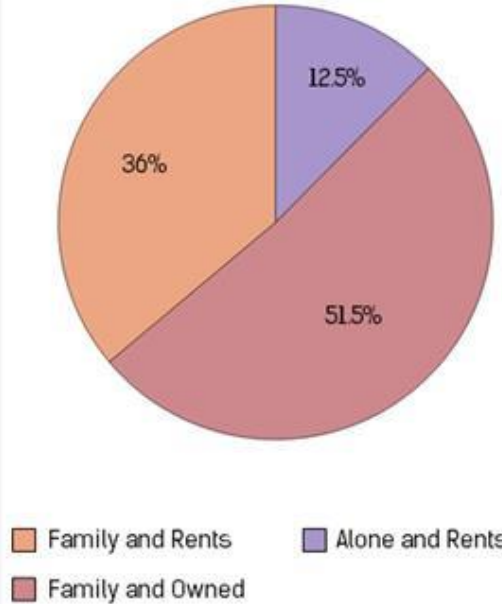
Living Situations

MFO identified three types of living situations into which most women fell:

Family and rents: worker lived with her family, and the family rented their home

Alone and rents: worker did not live with her family, although she may have had a roommate, and she rented her home

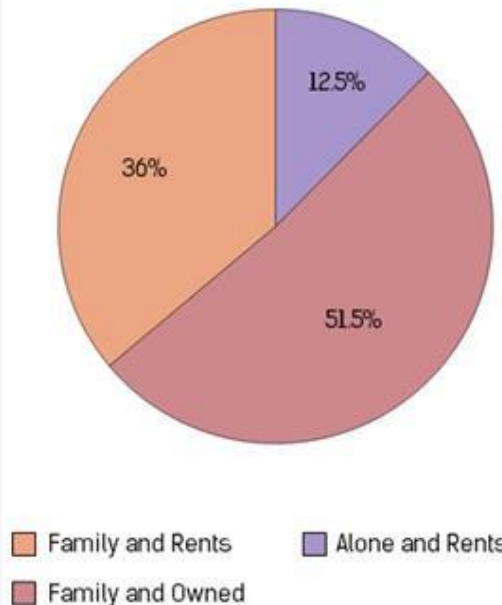
Family and Owned: worker lived with her family in a family-owned home



Living Situations

All but one worker who rented their home lived in Phnom Penh, while those who owned their home were split between Kampong Speu and Phnom Penh at a 2:1 ratio.

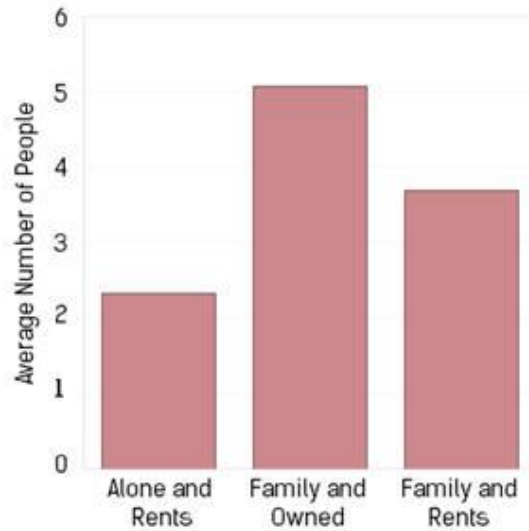
These living situations impacted how workers managed their money. For example, women who lived alone were more likely to send money back to their parents in the village. Women who lived with their family had more people they were responsible for day-to-day. These differences will be explored more in later chapters.



GARMENT WORKER DIARIES

Average Household Size

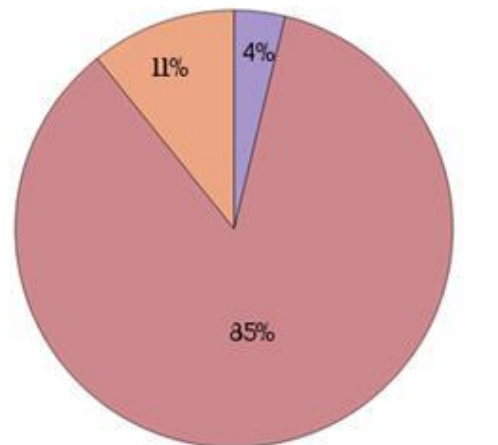
The average household size for all participants was 4.5 people per home. Workers who lived with their families in a family-owned home had slightly larger household sizes than those who rented their homes. The household size for the Alone and Rents segment reflects the number of dwelling members the worker lived with.



GARMENT WORKER DIARIES

Workers' Status

Throughout the project, workers updated us on their employment status at their factories. The figure shows the share of workers who either quit the factory and never returned, received extended leave, or worked full-time.



Quit Factory
Received Extended Leave
Full-Time Worker

GARMENT WORKER DIARIES ⓘ 🏠

Better Factories Cambodia

Lastly, MFO segmented full-time workers who did not switch factories during the study according to whether or not their factories were monitored by [Better Factories Cambodia](#)-an organization responsible for monitoring safety conditions in garment factories. A majority of participants (56 percent) did work in a factory that was monitored by the organization. These segments will be explored more in Chapter 2 and Chapter 5.

Factory Type	Percentage
"Better Factories Cambodia" Factory	56%
Other Factories	44%

Better Factories Cambodia [Link](#)

GARMENT WORKER DIARIES ⓘ 🏠

Living Conditions

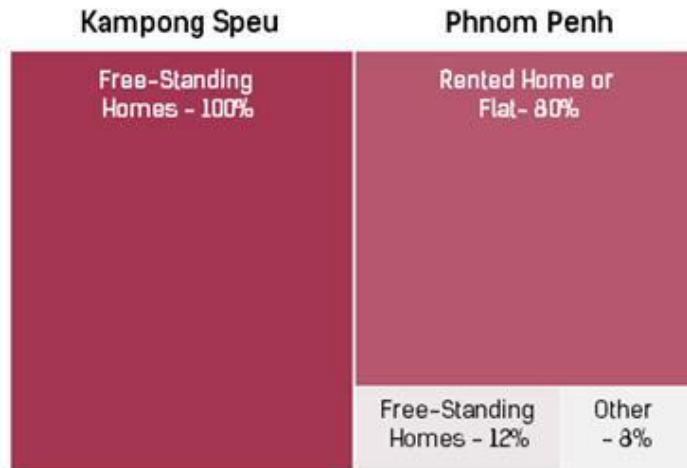
Workers had different living conditions depending on the province they lived in. All workers in Kampong Speu lived in free-standing homes, while most workers in Phnom Penh lived in rented rooms or homes.

Homes in Phnom Penh were constructed out of sturdier materials than those in Kampong Speu. Workers in Phnom Penh also had better access to utilities, like grid electricity and in-door plumbing, than workers in Kampong Speu.

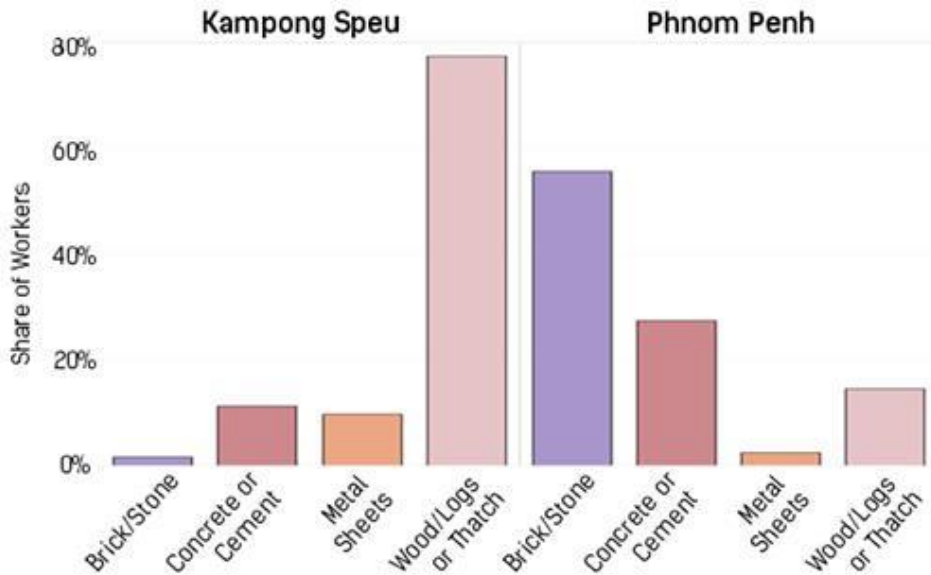
[Data on Living Conditions](#) [Housing Photo Gallery](#)

Workers' Dwelling Type

In Phnom Penh, the "Other" category includes owned homes that are similar in structure to apartments.

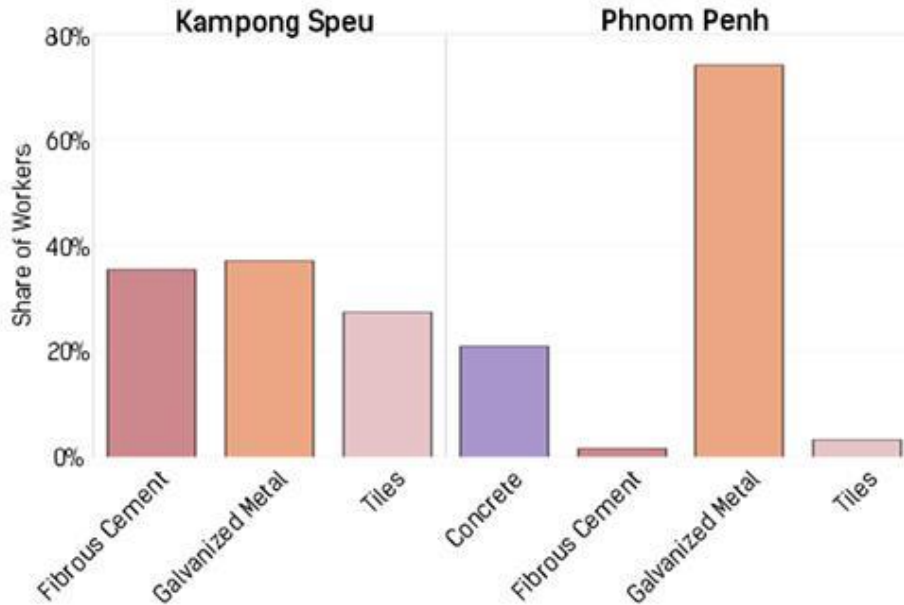


Wall Material of Workers' Homes

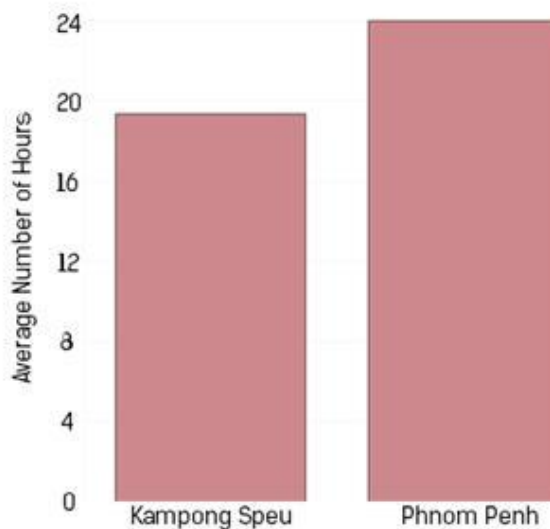




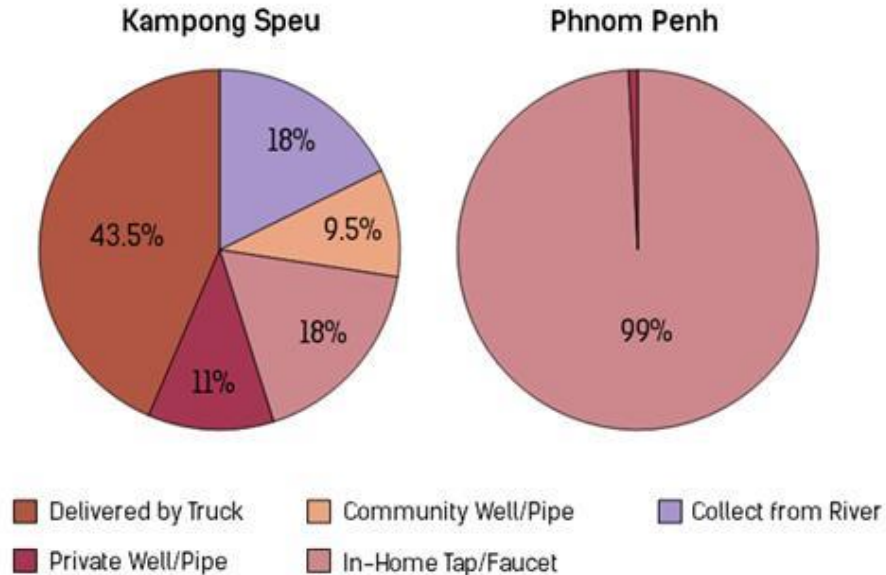
Roof Material of Workers' Homes



Average Length of Workers' Access to Grid Electricity per Day

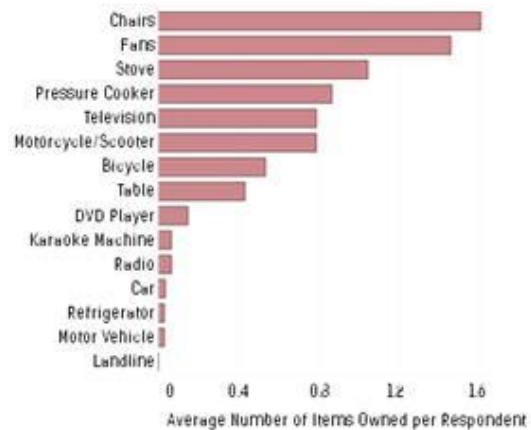


Workers' Primary Water Source



Asset Base

At the start of the study, we provided participants with a list of assets and asked them how many of each item they owned. Most participants reported owning few physical assets. The most commonly owned item was a chair. The second most common was a fan. Reasons for low asset ownership are explored in Chapter 4: Coping with Financial Stress.



Living Conditions

Outside a group of rented flats in Phnom Penh.



Living Conditions

Outside a worker's flat in Phnom Penh.



Living Conditions

Inside a worker's flat in Phnom Penh.



Living Conditions

Outside a worker's home in Kampong Speu.



Living Conditions

A worker's kitchen in Phnom Penh.



Living Conditions

Outside a worker's flat in Phnom Penh.



Living Conditions

A worker's kitchen and storage area in Phnom Penh.



Living Conditions

Outside two homes in Kampong Speu.



Living Conditions

Outside a worker's home
in Kampong Speu.



Living Conditions

Pots and pans hung inside a
worker's home in Kampong
Speu.



Living Conditions

A worker's cooking station in Kampong Speu.



Living Conditions

Outside a worker's home in Kampong Speu.



Living Conditions

Outside a worker's home
in Kampong Speu.



End of Chapter Summary

MFO selected the Garment Worker Diaries sample in a way to emphasize stability during the study year. The women were in their late twenties, on average, and most were married. Most women lived with their families, most often in rented rooms. MFO's photo gallery provided visuals of how women in Phnom Penh and Kampong Speu lived.

Of the 186 women who provided enough data to be included in analysis, 85 percent worked full-time at their factories for the duration of the study, 11 percent quit their jobs, and four percent took extended leave.

The rest of this report examines the experience of the full-time factory workers, looking at the relationship between their earnings, expenditures, and financial stress.

Chapter 2: Wages

Participants worked an average of 48 hours per week, and they worked overtime in 45 percent of weeks. That overtime was an important way for workers to increase their earnings—about 10 percent of gross wages were from overtime hours. In addition, at about 3,500 riels per hour, most workers earned above the 2016 and 2017 minimum wage on an hourly basis.



Hours Worked and
Take-Home Pay

Hourly Wages

Hours Worked and Take-Home Pay

On average, participants worked 48 hours per week, though this varied due to holidays. They also often worked overtime, doing so in about 40 percent of study weeks.

Participants' take-home pay was composed of their wages plus any supplementary pay like allowances or bonuses. The data show that some workers did receive these supplemental allowances. On average, together, these payments totaled about 185,000 riels per week, equivalent to about \$45 per week.

While the bulk of workers' pay was the result of their regular work hours, overtime was important to workers' earnings: 10 percent of gross wages were from overtime hours. Participants mostly received their wages in full and on time, but it was common for workers to experience variation in when they were paid and how much they received on a gross and hourly basis.

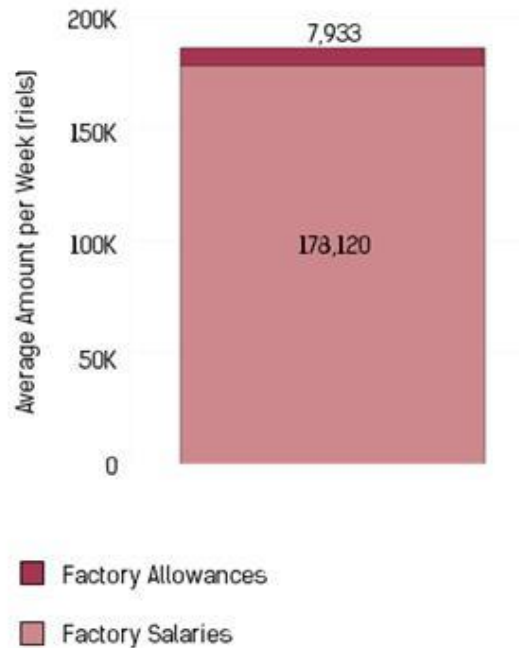
Hours Worked

Take Home Pay

GARMENT WORKER DIARIES

Composition of Pay

The majority of workers' take-home pay came from their salary while a very small portion came from allowances to purchase meals or transportation; not all workers received allowances.



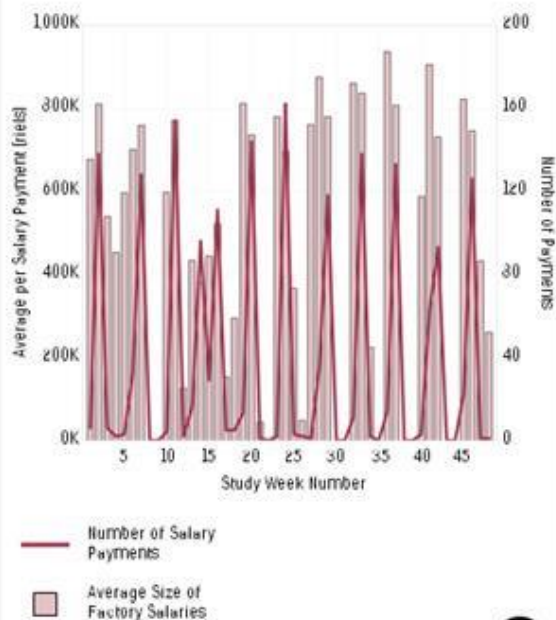
GARMENT WORKER DIARIES

Timing of Payments and Salary Amounts

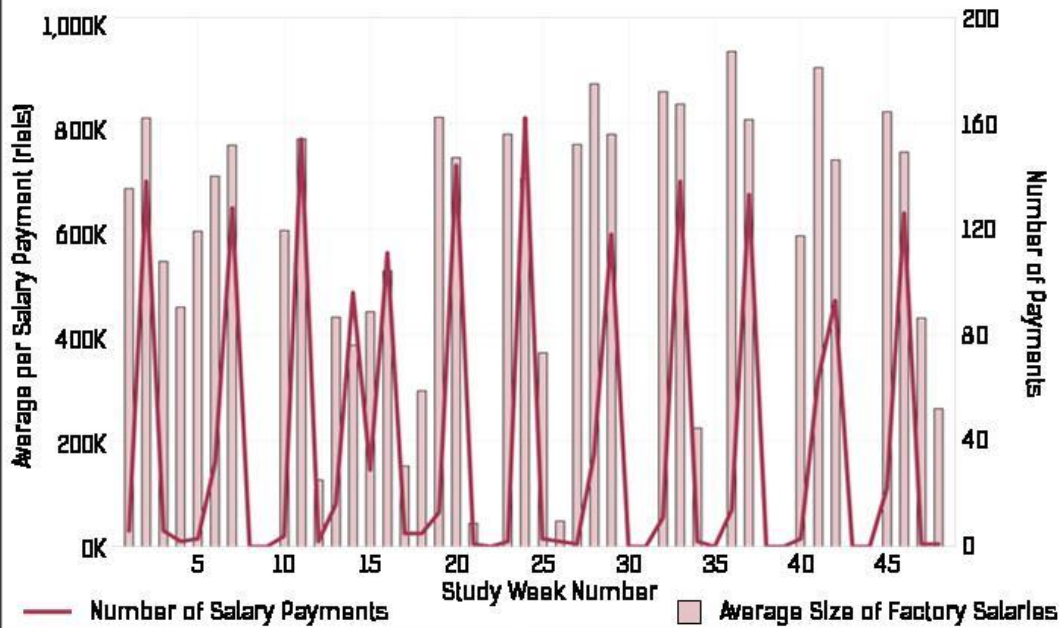
This graph shows the number of salary payments that were disbursed to participants in a given week (the line) and the average size of those salary payments (the bars).

Most workers were paid on time and in full like in Week 24 when 162 workers received an average payment of 695,000 riels (\$170).

Other times, workers were paid late, partially, or asked for advances, meaning fewer payments for smaller amounts. The period between Week 12 and 15—corresponding to a major holiday—is one such example.



Timing of Payments and Salary Amounts



Share of Salary from Overtime

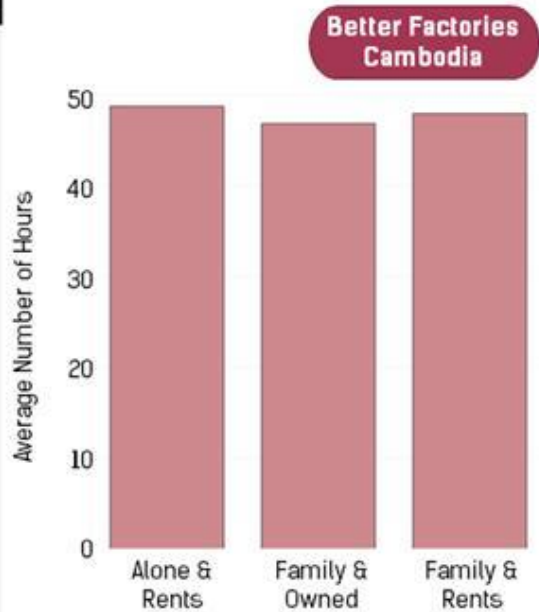
Overtime hours were important to the gross salaries that workers earned. On average, 10 percent of workers' wages resulted from their overtime hours. In conversations with workers, they noted that they often seek out overtime work to boost their incomes.

GARMENT WORKER DIARIES

Average Number of Hours Worked

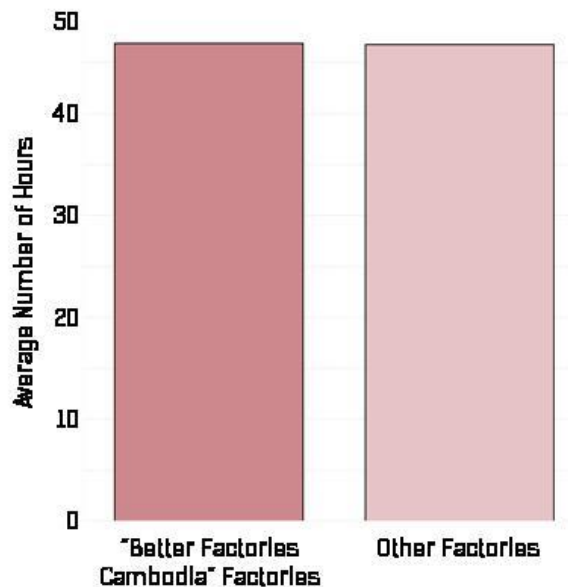
The participants typically worked an average of 48 hours per week, though there was some variation between the different living situations.

48 hours per week is the maximum allowed in Cambodian labor law before workers are eligible for overtime pay.



GARMENT WORKER DIARIES

Average Number of Hours Worked



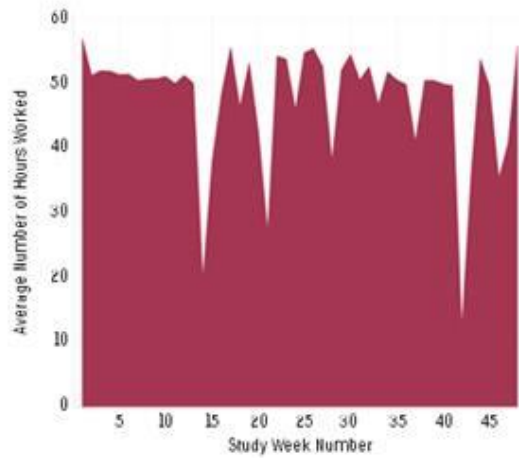
GARMENT WORKER DIARIES

Work Hours Volatility

Although workers averaged 48 work hours per week, this number hides the volatility in their work hours.

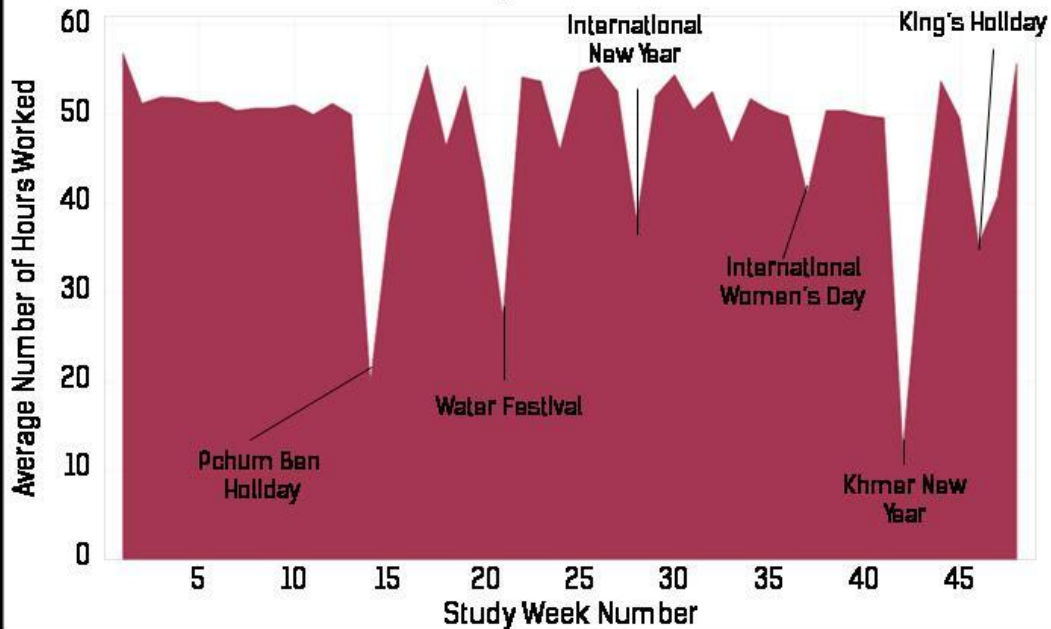
As the graph shows, participants had major reductions in work hours in weeks with major holidays, which reduces the average.

In weeks without these holidays, workers often averaged more than 50 hours per week.



GARMENT WORKER DIARIES

Work Hours Volatility



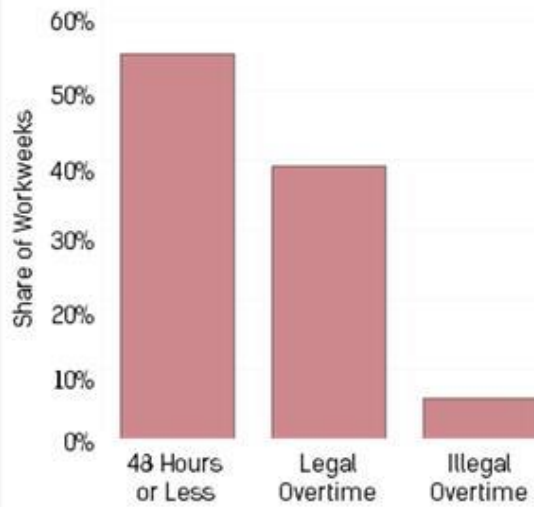


Overtime Hours

In most weeks, participants worked 48 hours or less, including weeks with reduced hours due to holiday, illness, or other time off.

In about 40 percent of weeks, workers worked between 48 hours and 60 hours per week. These are legal overtime hours--Cambodian labor law limits legal overtime to 60 hours per week.

In about five percent of all weeks, workers reported working more than 60 hours per week, an illegal amount of overtime.



Hourly Wages

Garment workers are entitled to a minimum wage under Cambodian labor law. In 2016, during the first 27 weeks of this study, the minimum wage was set at about 573,000 riels (\$140) per month. The government raised the minimum wage in January of 2017 to about 626,000 riels (\$153) per month, a nine percent increase from the previous year.

Based on a 48-hour work week and an average month, the legal minimum wage was equivalent to about 2,750 riels (67 cents) per hour in 2016 and 3,004 riels (73 cents) per hour in 2017. The data show that most workers earned more than the minimum wage during the observation period in 2016 and 2017. Their average hourly rate was 3,496 riels (85 cents).

While this is positive, it masks significant nuance in understanding worker pay. As these slides will show, workers were very reliant on overtime.

Hourly Wage

Hourly Wage Calculation



Hourly Wage Calculations

Cambodian labor law stipulates rules governing working hours and wage rates. An accessible summary of those laws can be found in ["Fashion Focus: The Fundamental Right to a Living Wage"](#) prepared by the organization The Circle. Not all participants had thorough enough knowledge of the labor law or their salary payments to align hourly wage calculations with all of these legal requirements. It is also possible that some factories did not abide by these laws.

Consequently, MFO's hourly wage calculations represent an approximation of the hourly rate, assuming that participants received 1.5 times their normal hourly rate for all hours worked above 48 hours in a week. MFO based these calculations on participants' reported earnings and work hours in complete pay periods reported during the course of the study.

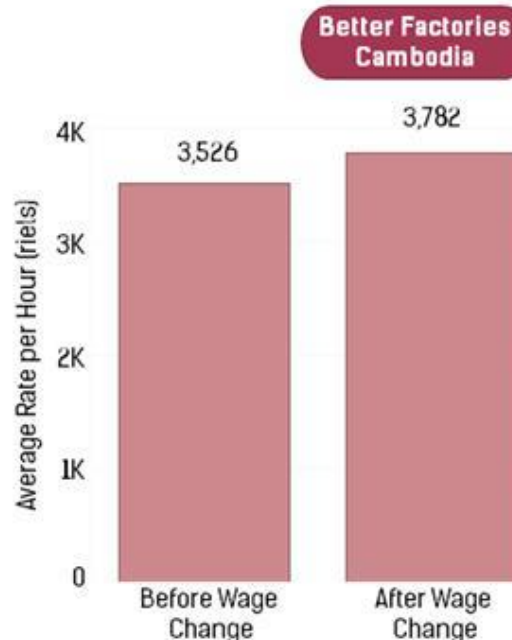
"Fashion Focus: The Fundamental Right to a Living Wage" [Link](#)



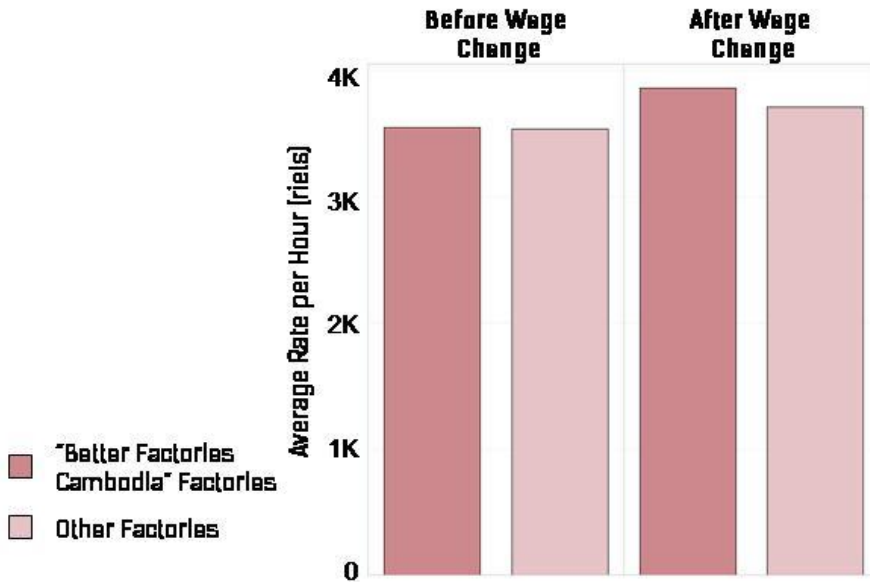
Hourly Wages Before and After Change

Starting in 2017, workers received a salary increase from \$140 per month to \$153 per month. Although workers were already receiving more than the minimum wage before the change, they received a pay increase.

This change was equal to about a seven percent increase, slightly less than nine percent mandated by law.

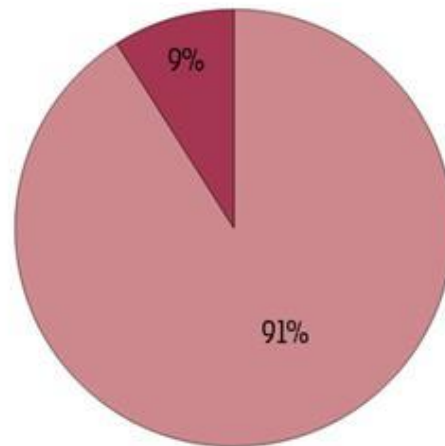


Hourly Wages Before and After Change



Workers Receiving Minimum Wage

Not every worker received the minimum wage or benefited from this pay increase. Of the full-time workers, 9 percent earned an hourly wage that was less than the 2017 minimum wage during the course of the study.



■ Above Minimum Wage
■ Below Minimum Wage

End of Chapter Summary

Participants worked 48 hours per week on average, but that average is brought down by holiday weeks. When looking at regular work weeks, participants worked at least 50 hours. These overtime hours were important to workers—10 percent of their gross earnings were from overtime hours.

On an hourly and gross basis, workers received wages above the 2016 and 2017 minimum wage. It is positive that workers received more than the minimum wage, but the next chapters will show that, even on these higher wages, workers struggled to provide themselves with necessities while also planning for emergencies, major life events, and general improvements in their standard of living.

Chapter 3: Expenditures

Of all money spent on goods and services, participants spent 86 percent on non-durable, consumable goods or services, including 55 percent on food. The lack of spending on durable goods, as well as other data, suggests workers were struggling to improve their standard of living.



Household Expenditures

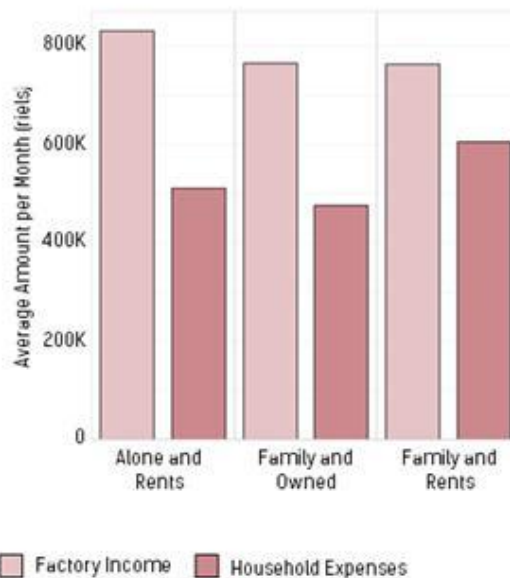
Standard of Living

Lump Sum Purchases

Monthly Expenditures

On average, workers spent less than they earned each month, but rent-paying households spent slightly more per month than families who owned their homes.

This section will dive into workers' expenses, exploring their spending priorities as well as the variation workers face in their spending each week. The following chapter will then discuss what participants did with their leftover earnings and try to explain why their spending was lower than their earnings.



Weekly Expenditures

The following slides will review participants' average weekly expenditures over the course of the study. MFO categorizes expenditures into the following groups:

1. **Food:** Unprepared and prepared food
2. **Housing:** Rent and utility payments
3. **Health and Basic Services:** Health, personal hygiene, transportation, education, and communication/airtime
4. **Household Items and Fuel:** LPG, gasoline, daily household items (cleaning supplies, clothes, utensils, etc.)
5. **Agriculture and Construction:** Fertilizer, pesticides, other farm inputs, building materials (bricks, sand, cement, doors, roofing materials, etc.)
6. **Special Events:** Wedding, funerals, birthdays, and religious donations
7. **Other:** Recreational substances, electronics, cosmetics, leisure items, etc.

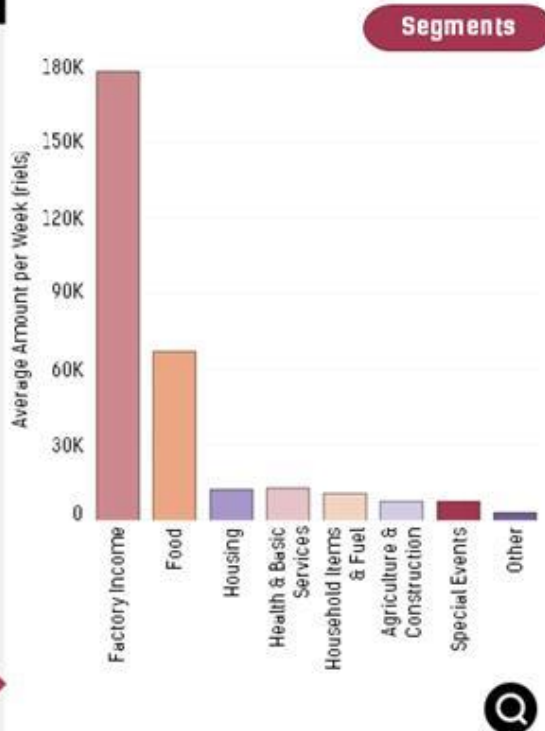
Average Weekly Spending

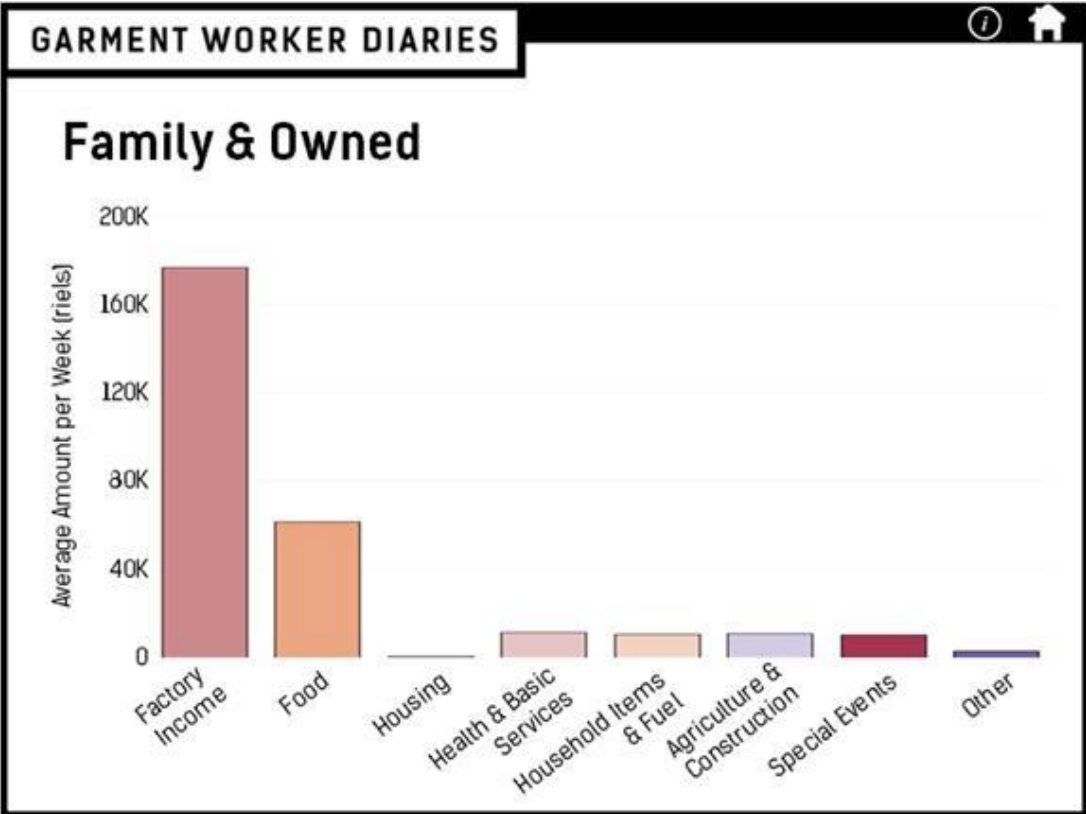
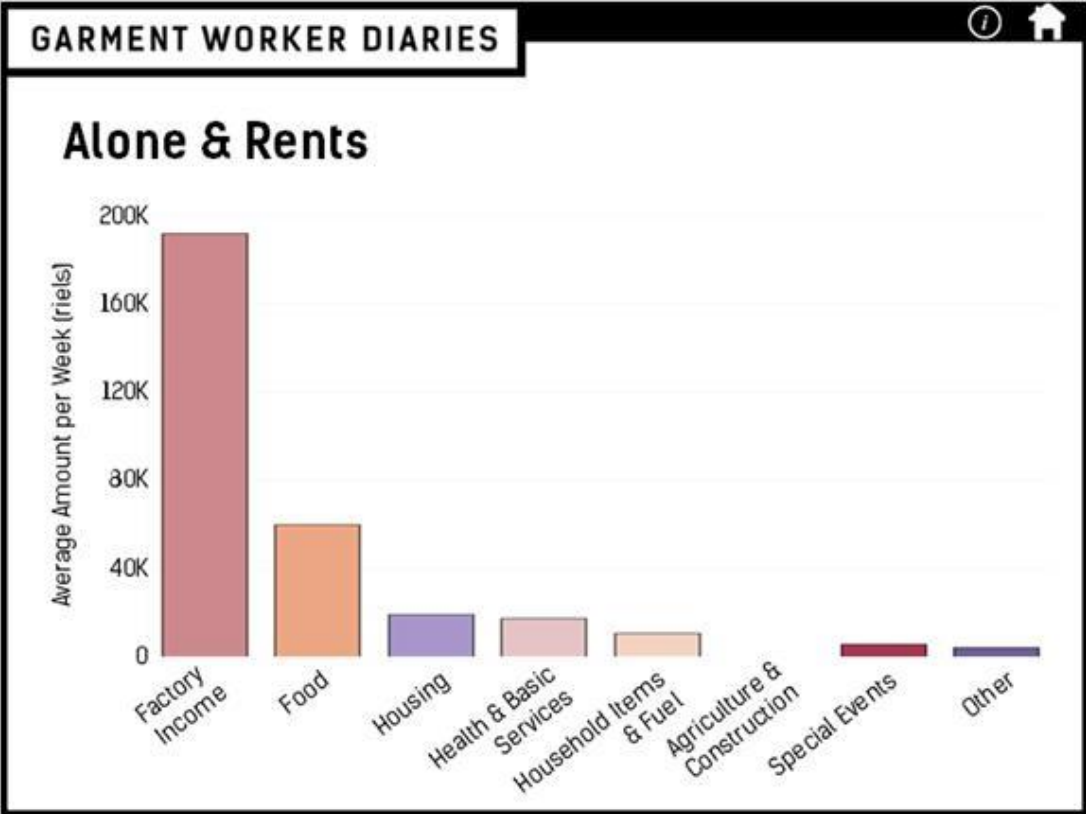
On average, households spent about 120,000 riels per week, although this varied based on living situation.

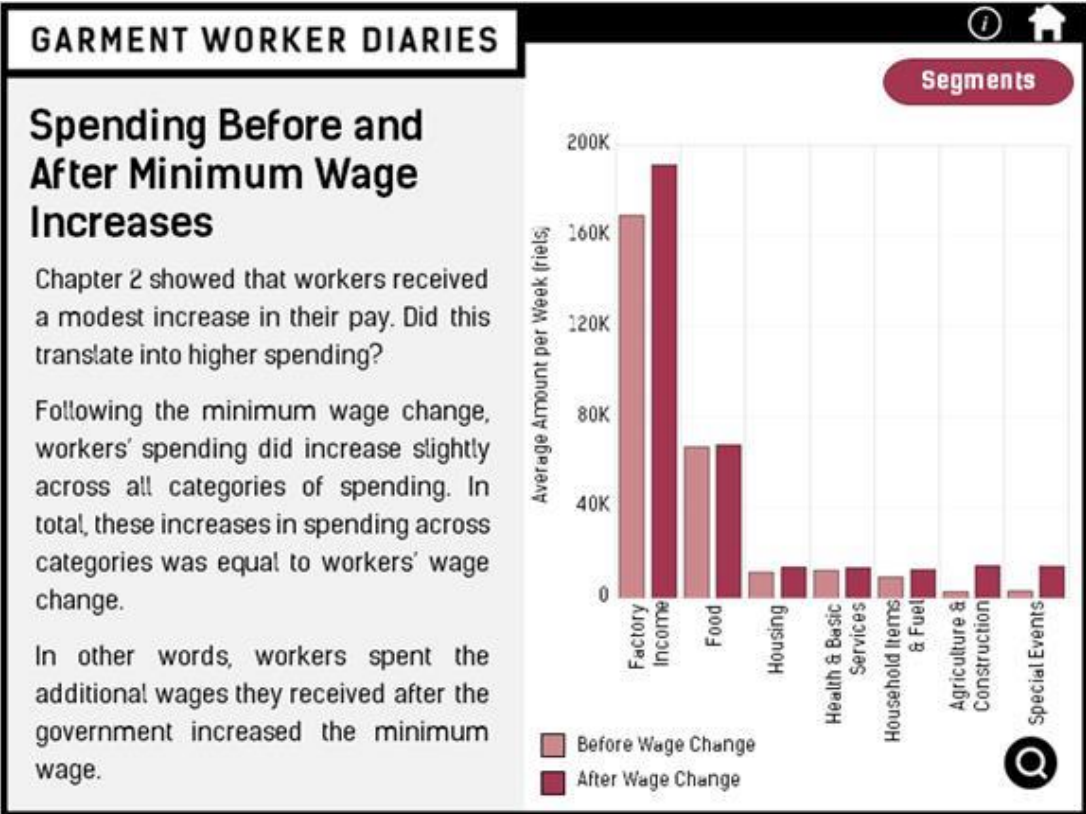
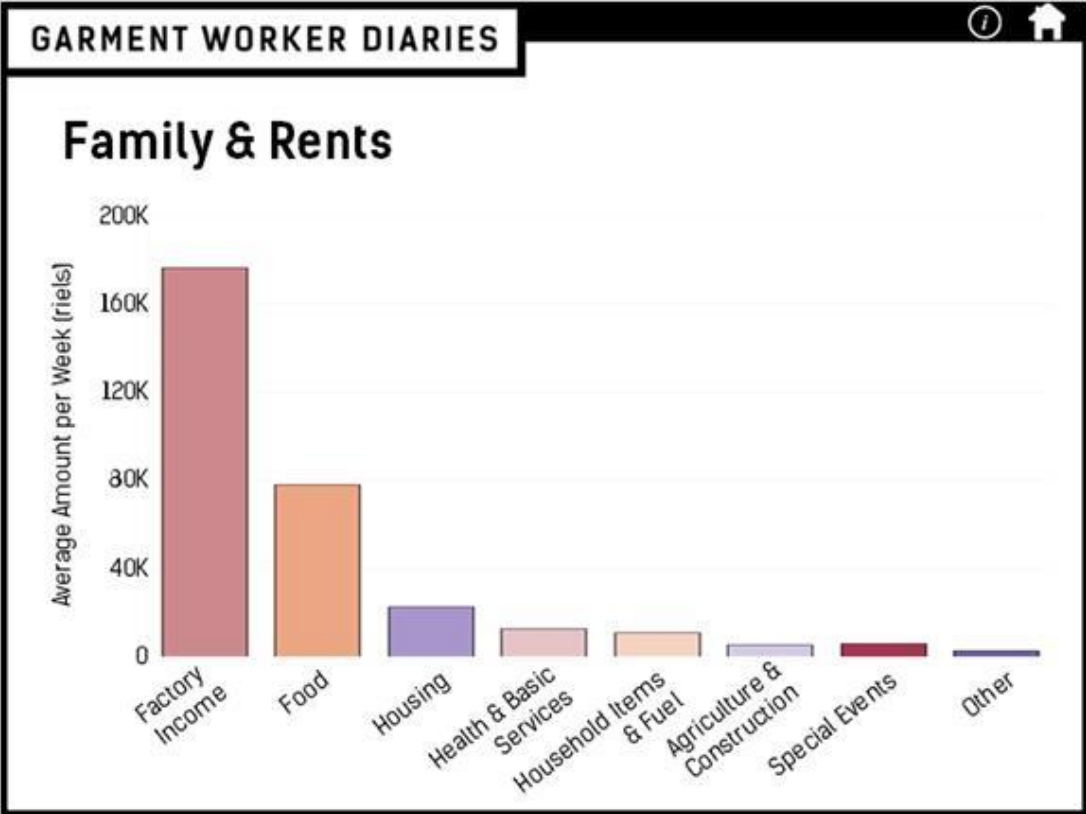
About 55 percent of spending on goods and services was on food. About 17 percent of spending was devoted to housing expenses for those who rented their homes.

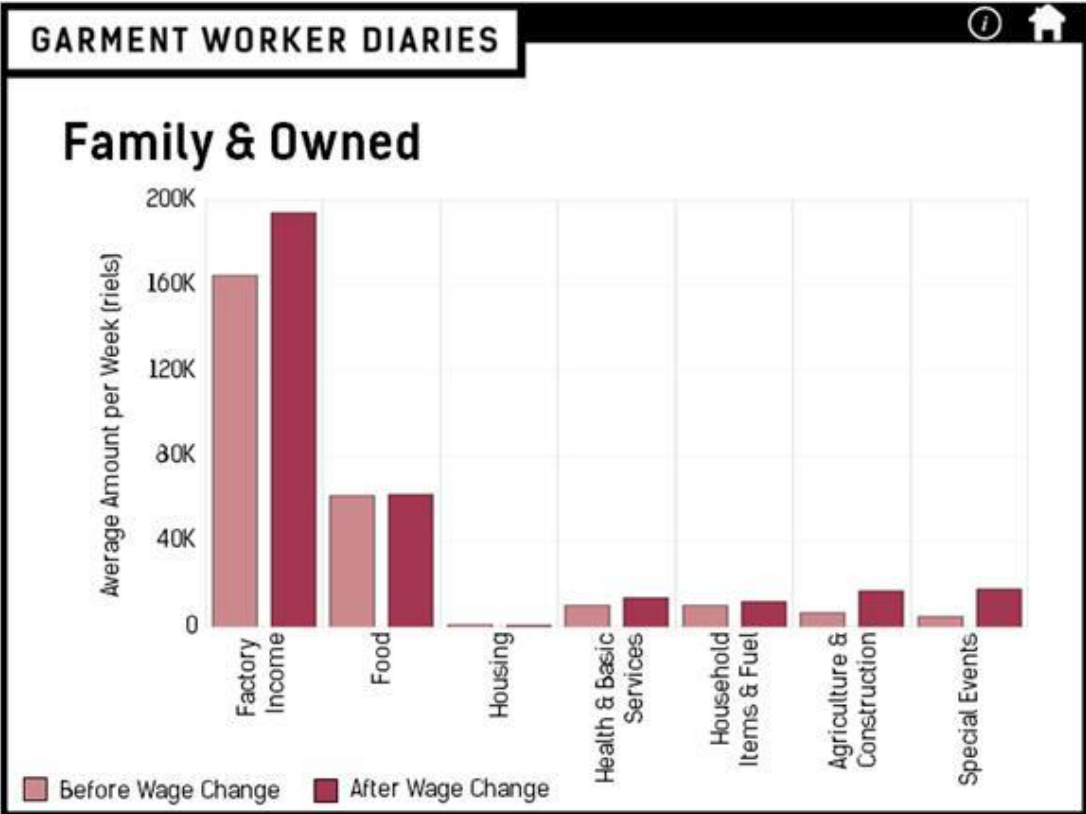
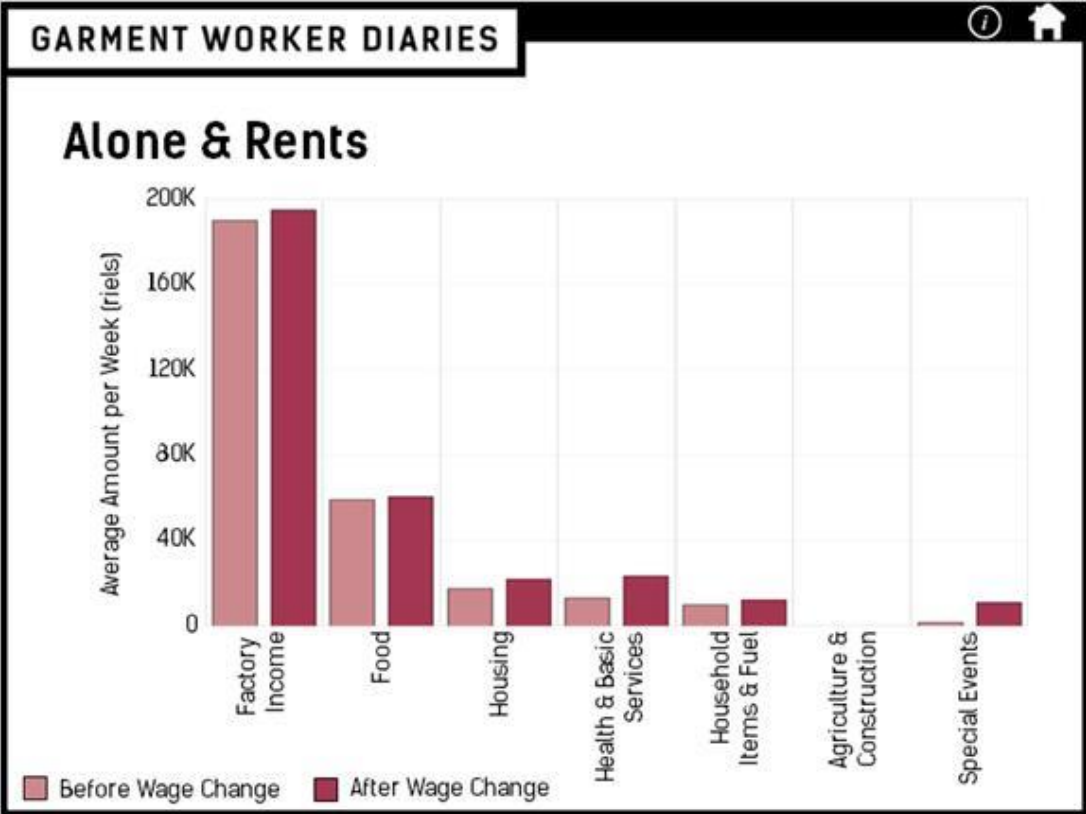
Click the "Segments" button to explore the differences between living situations—see if you can see how home owners spent the money they did not spend on rent.

Helpful Hint:
MFO often presents expenditures as averages per week. This helps normalize the data for differences based on different participants or sub-segments of the sample completing a different number of interviews.





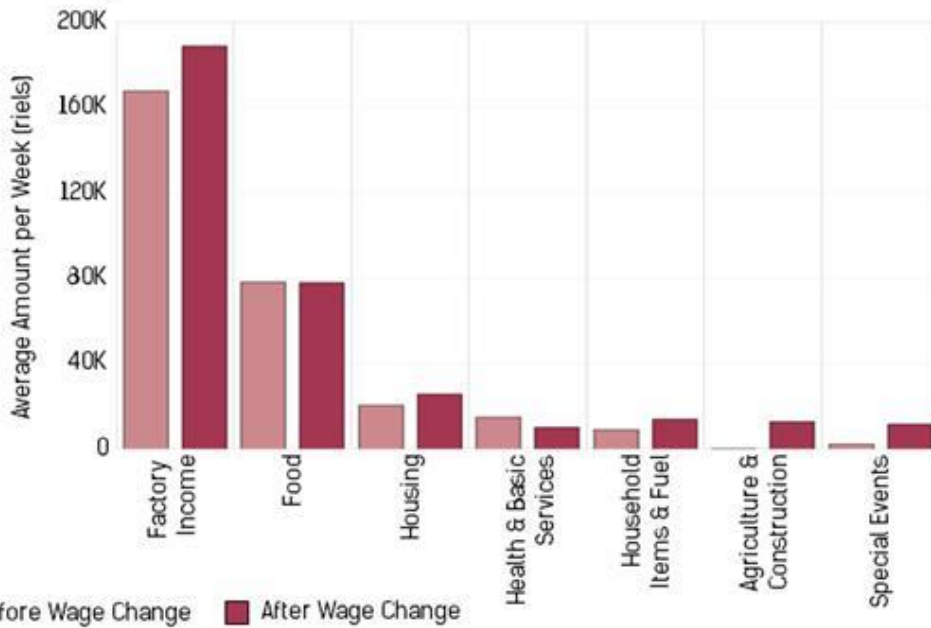




GARMENT WORKER DIARIES



Family & Rents



GARMENT WORKER DIARIES



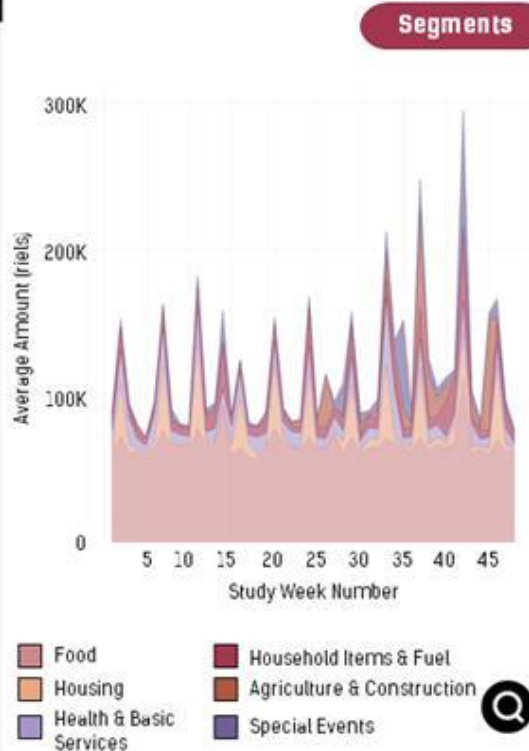
Spending Across Weeks

In addition to understanding averages, it is important to show how spending varies across weeks.

The graph shows that most spending categories—namely food, household items, and health and basic services—were relatively constant from week to week.

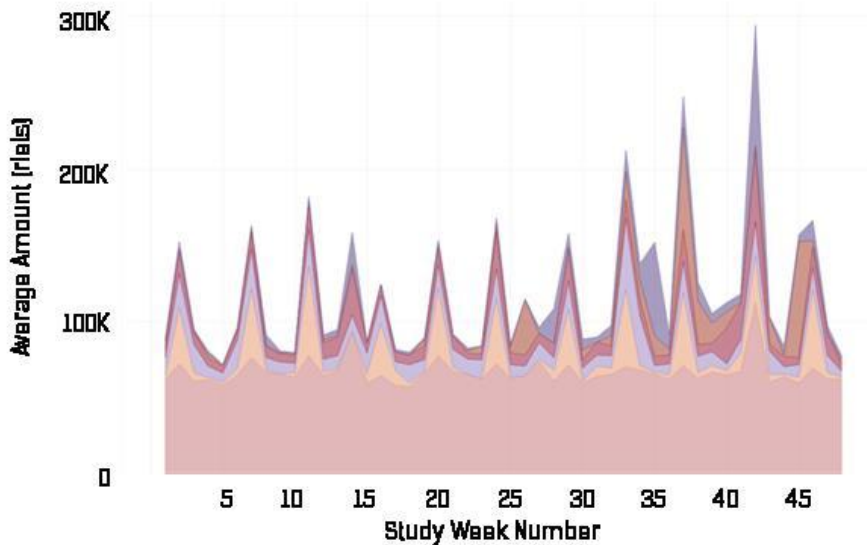
There were spikes in spending that were driven by regular monthly payments (housing) and periodic expenses on major life events, but spikes were more common for renters than homeowners.

Click the “Segments” button to learn more about how the different groups spent money over time.



GARMENT WORKER DIARIES

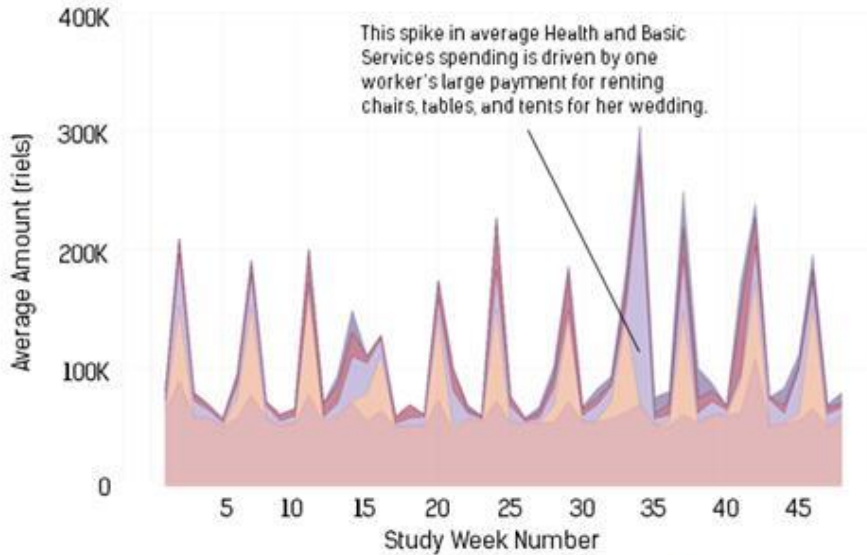
Spending Across Weeks



- Food
- Health & Basic Services
- Agriculture & Construction
- Housing
- Household Items & Fuel
- Special Events

GARMENT WORKER DIARIES

Alone & Rents

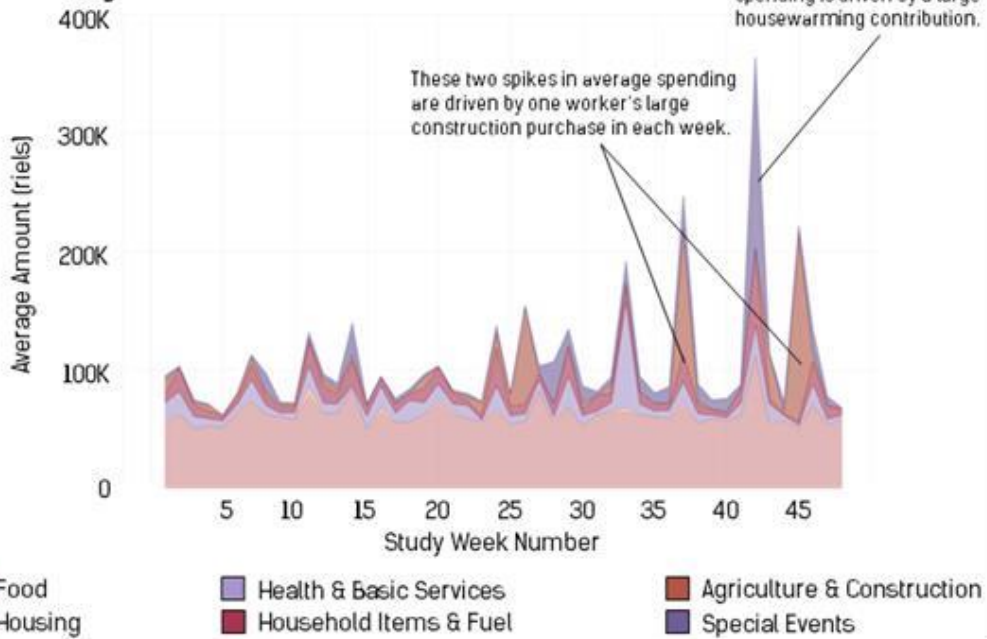


- Food
- Health & Basic Services
- Agriculture & Construction
- Housing
- Household Items & Fuel
- Special Events

GARMENT WORKER DIARIES



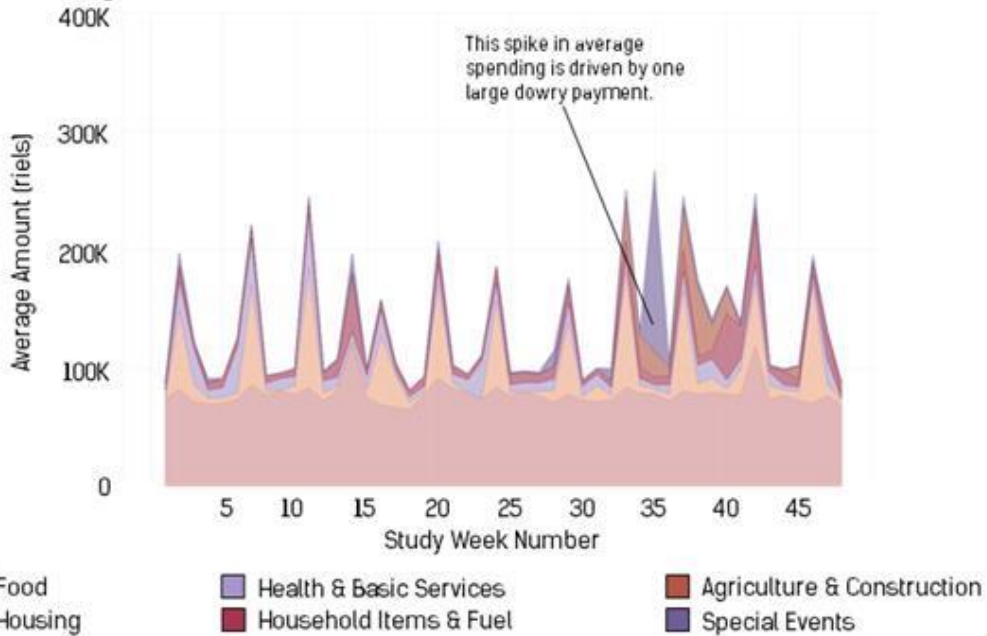
Family & Owned



GARMENT WORKER DIARIES



Family & Rents



Improving Standard of Living

Another way to categorize spending on goods and services is to think about whether the purchase is for immediate consumption or whether it represents an investment in improving an individual's standard of living. Goods and services for immediate consumption are non-durable. While they are important for day-to-day living, they do not typically result in major shifts in standard of living. Goods and services to improve standard of living can be:

- **Agricultural Inputs:** Agricultural inputs allow for subsistence farming as well as income-generating production.
- **Durable Goods:** Assets likely to last several years like pots and pans or motorcycles
- **Education Investment:** For adults and children; education is linked to better economic outcomes
- **Labor Hire:** An investment in the production of a product; often used in farming to help with harvest or in the construction of a home
- **Medical Care:** Improving health improves quality of life

Standard of Living Expenses

The vast majority of money spent was on non-durable goods and services, suggesting that participants rarely made asset purchases or other purchases that would lead to medium or long-term improvements in their standard of living.

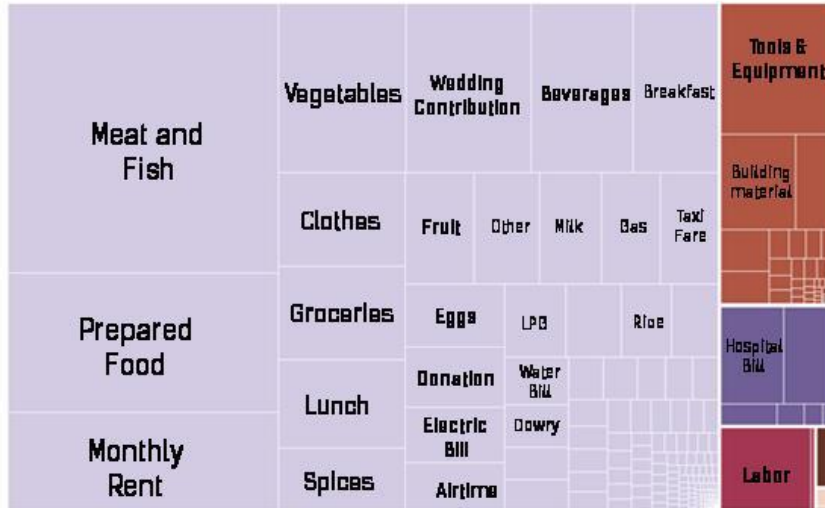
Segments



- Agricultural Inputs
- Durable Goods
- Labor Hire
- Education Investment
- Medical Care
- Non-Durable Goods/Services

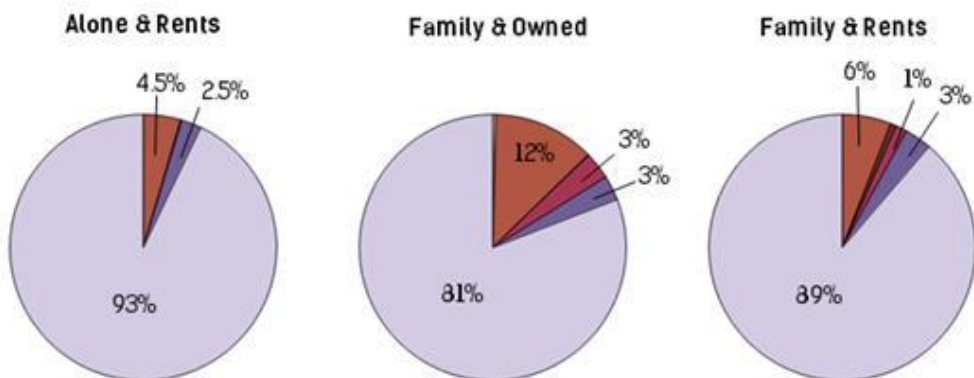


Standard of Living Expenses



- Agricultural Inputs
- Education Investment
- Medical Care
- Durable Goods
- Labor Hire
- Non-Durable Goods/Services

Share of Money Spent by Item and Category



- Agricultural Inputs
- Education Investment
- Medical Care
- Durable Goods
- Labor Hire
- Non-Durable Goods/Services

Lump Sum Purchases

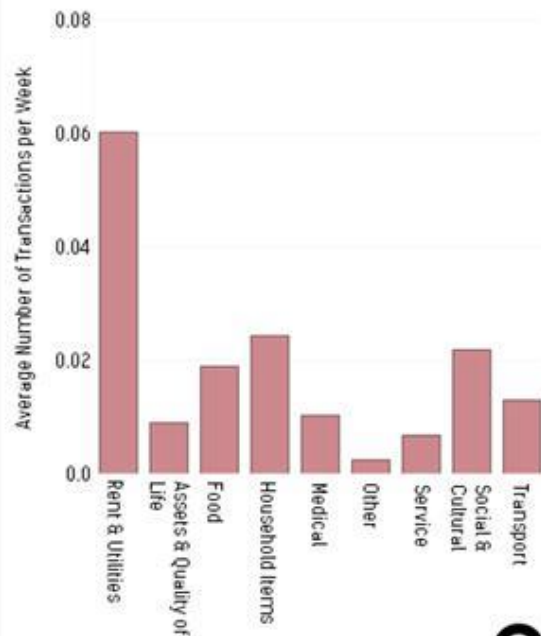
Lump sum purchases are those that are especially large for a participant. MFO identifies these purchases by looking at expenditures that are more than three standard deviations away from the average purchase for each participant. Lump sum purchases are important for understanding workers' economic lives for two main reasons:

1. *Lump sum purchases require lump sums of cash.* If participants are not making major purchases, then they are either struggling to build sums of cash or holding on to cash instead. Which circumstance is true and why can provide insight into levels of financial stress.
2. *The types of purchases participants make tell you about their condition.* For low-income households, major purchases on basics like housing, food, medical care, or education rather than assets may indicate difficulty in improving standard of living.

Lump Sum Purchases

Types of Lump Sum Purchases

Participants made lump sum purchases very infrequently. On average, they made one large purchase every 41 days, and almost one-third of all these purchases were on rent or utilities. The next most common purchases were on basic items: bulk purchases of food or items for the household (often clothing), but these were rare, happening just more than once a year on average.

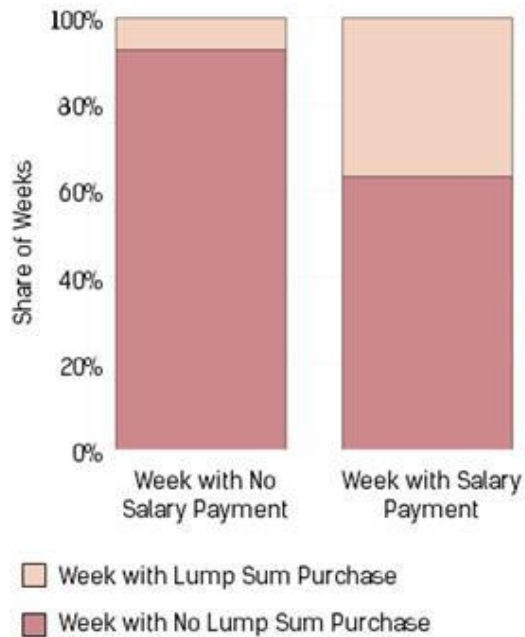


Helpful Hint:
0.01 transactions per week equals one transaction every two years; 0.02 equals one every year.

Frequency of Lump Sum Purchases

Lump sum purchases were much more frequent during the same week that workers received their salary payments. Many of these payments were for rent and utilities, which were due during the same weeks as participants' paydays.

Even with taking those rent purchases into account, this graph suggests that workers almost always made big purchases when they received their salaries and were flush with cash.



End of Chapter Summary

This chapter showed what participants spent their money on and when they spent it. It showed that an influx from a salary payment led to a spike in spending, but this was driven by one-off expenditures like rent.

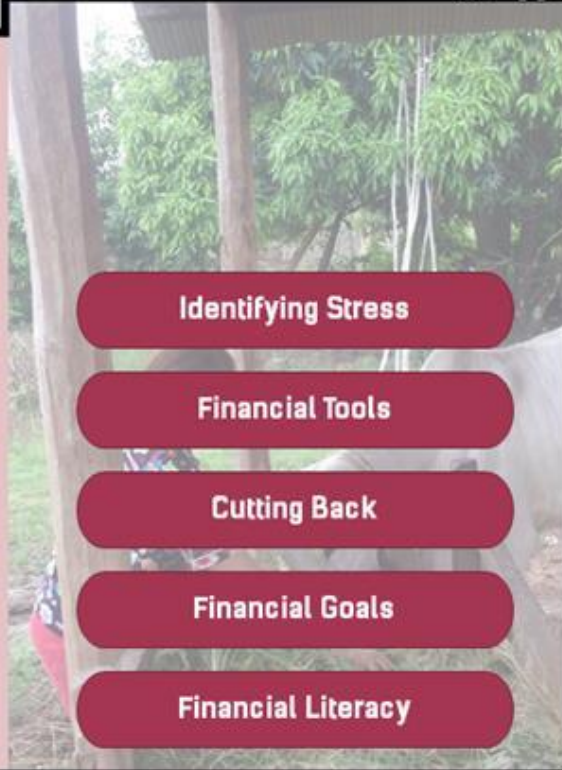
Of all spending on goods and services, more than half was on food, and spending on other necessities like rent, utilities, and household items accounted for much of the rest of participants' expenditures each week.

Purchases of goods or services that could lead to medium or long-term improvements in quality of life were limited. Roughly half of all lump sum purchases were on consumable items like rent, food, and medical expenses.

The next chapter examines whether these purchasing patterns were representative of individuals who thought their standard of living was adequate, and thus did not need to make major purchase to improve their standard of living, or of individuals facing financial stress, who were not making purchases because of the financial burden.

Chapter 4: Coping with Financial Stress

Most workers reported having limited or uncertain access to food during the past 12 months and finding cash was a major problem when seeking medical care. This suggests inadequate access to cash. However, most workers saved money during the year. Why the paradox? Workers were likely cutting back to save for emergencies and for the long-term.



Identifying Stress

Financial Tools

Cutting Back

Financial Goals

Financial Literacy

Identifying Stress

There is no objective measure of financial stress—it is relative to personal experience and context. A garment worker may be under less financial stress than a farmer in the same country but may face more financial stress than a lawyer. With that in mind, MFO considers four criteria when discussing stress:

Remember
Chapter 1 showed basic assets like a fan, stove, and chairs were most common.

Remember
The last chapter showed that these purchases were rare.

1. Participants' reported standard of living at the outset of the study, including things like asset ownership and poverty-level.
2. The purchases of goods and services to improve their standard of living during the study.
3. Participants' access to and use of financial tools, including savings, loans, cash transfers, and insurance.
4. The degree to which participants cutback on purchases, especially of necessities, as a means of managing their expenditures.

Financial Tools and Financial Stress

There are four types of financial tools: savings, loans, cash transfers, and insurance. Individuals use financial tools to manage their cash flow by either pulling money in through these tools (as in the form of a savings withdrawal or by receiving a loan) or pushing money out through these tools (as in the form of a cash transfer to a family member or paying an insurance premium). Individuals use financial tools within networks. The more combinations of tools and networks, the more flexible an individual's cash management toolkit.

Understanding these different combinations of tools and networks is critical for understanding how people manage their money and their financial stress. For example, savings is low stress, while use of loans, which can involve either informal or legal obligations to repay, is more stressful.

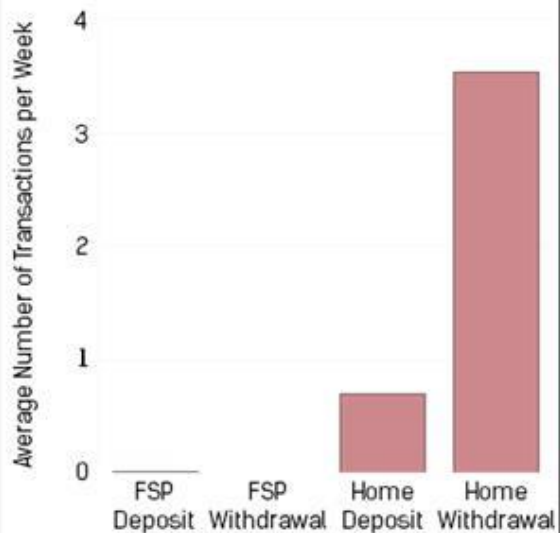
Financial Tool Use

Savings

Individuals can save by themselves at home or with a financial service provider (FSP) like a bank. Saving at home is more common in low-income communities than saving with FSPs for various reasons.

That pattern is also true here. Workers typically saved at home. The frequency of deposits and withdrawals suggests that workers made one large deposit after receiving their paycheck and then took out smaller sums several times to meet their expenditures during the subsequent weeks.

Savings is considered a low-stress financial tool (although choosing how and when to spend savings is often stressful).

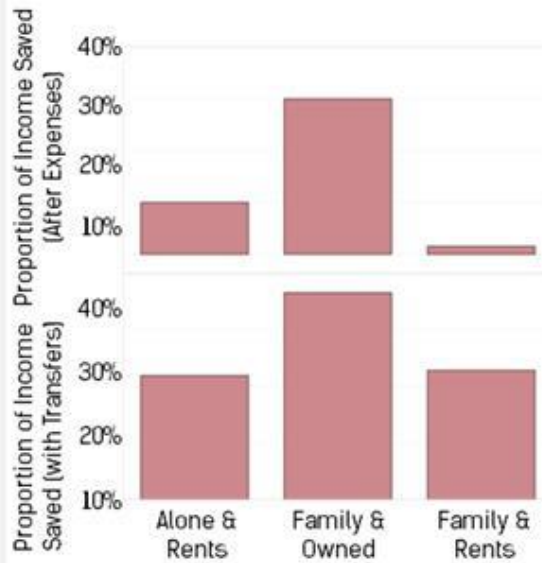


GARMENT WORKER DIARIES

Savings as Share of Wages

The top graph shows the proportion of total factory income workers saved after making all their expenditures, making cash transfers to family and friends outside the home, and repaying loans. *Workers who lived in an owned home with their families were able to save the largest portion of their wages, while workers who lived with their family in a rented room struggled to save.*

The bottom graph presents the share of workers' income they were able to save after including other types of inflows like cash transfers from people living in the home. *These other flows appear to be critical to workers' savings, especially for workers in the "Family & Rents" category.*

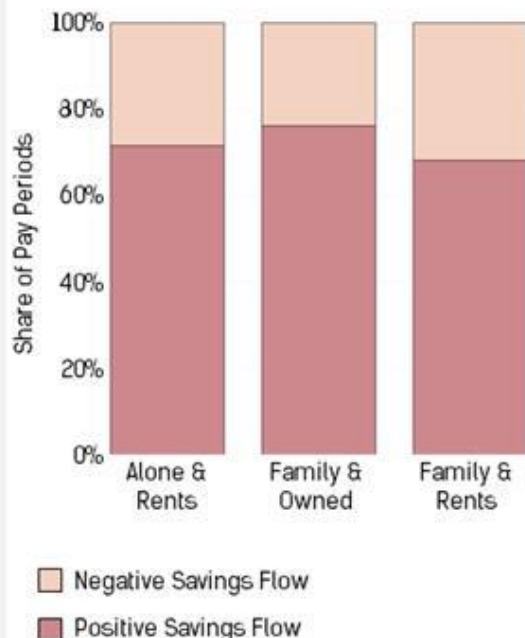


GARMENT WORKER DIARIES

Savings in Pay Periods

This figure shows the share of pay periods where workers maintained a positive savings flow (greater value of deposits than withdrawals) and the share where workers had a negative savings balance (greater withdrawals than deposits).

It shows that while workers were often able to save, they faced negative savings flows in just over 25 percent of all pay periods.



GARMENT WORKER DIARIES



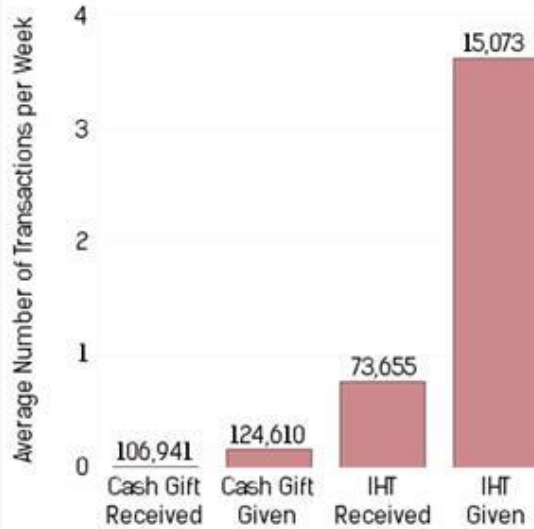
Segments

Cash Transfers

Cash transfers—where one person sends money to another without an explicit obligation to repay—are considered less stressful than loans, although needing to ask for money from friends and family or to send money to support them is a burden.

The data show that workers primarily transferred cash *within* their home (called intra-household transfers or IHTs). The frequency and amounts with which they engaged with IHTs suggests workers who lived with their families were acting as money managers for their households.

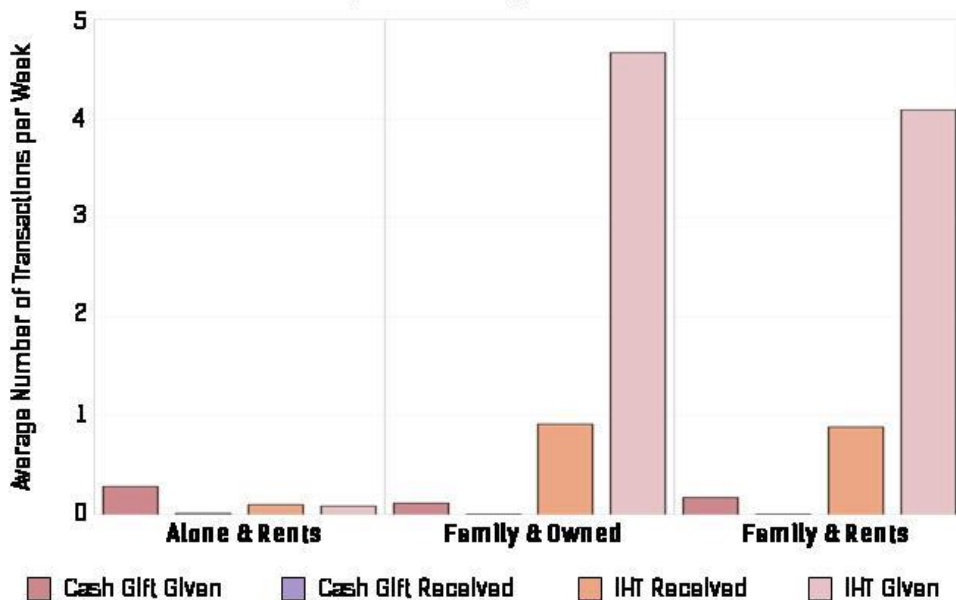
Click the “Segments” button to learn more about how each lifestyle group used cash transfers.



Note: The average amount per transaction, in riels, is provided above each bar.

GARMENT WORKER DIARIES

Cash Transfers by Lifestyle Segment



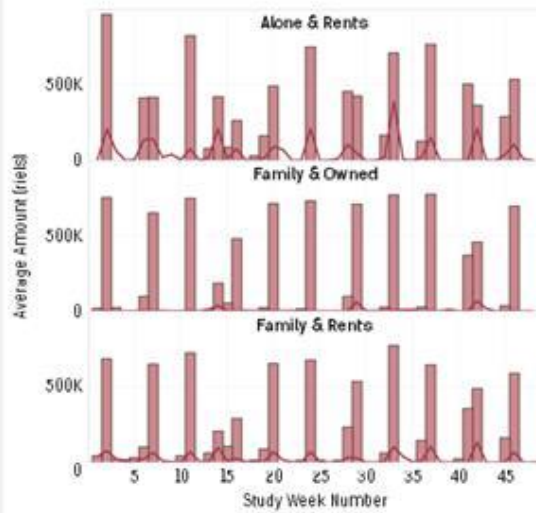
GARMENT WORKER DIARIES

Cash Gifts Over Time

Cash transfers outside the home are called cash gifts. The previous slide showed that workers sent these about once per month on average.

These cash transfers occurred in the same weeks workers received their salaries most of the time.

Workers who lived alone sent cash most frequently, typically to their mothers in their home villages, and often sent large sums.

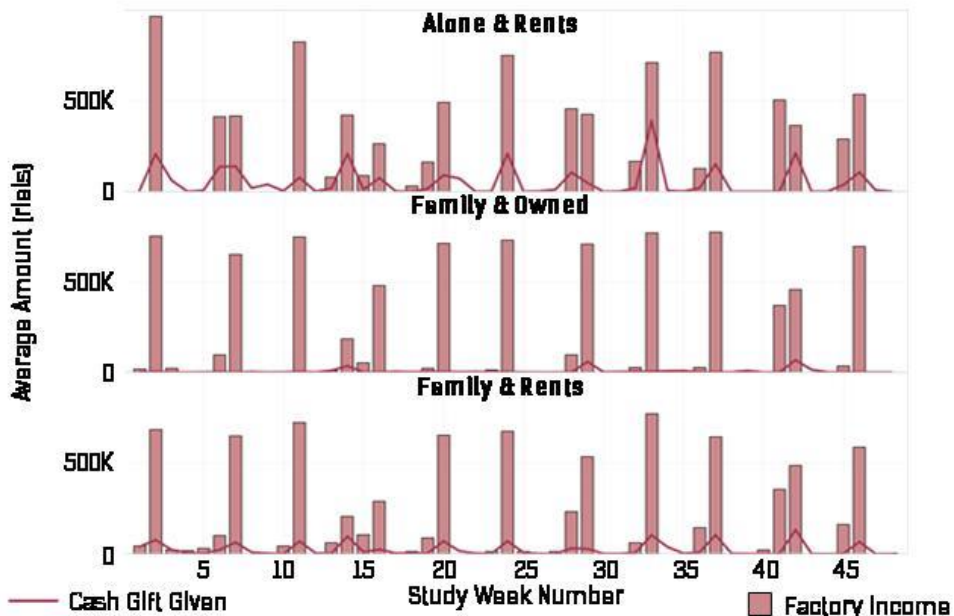


Insight:
83 percent of full-time workers sent cash gifts during the study. The median number of cash gifts sent was 5.

— Cash Gifts
■ Factory Income

GARMENT WORKER DIARIES

Cash Gifts Over Time



GARMENT WORKER DIARIES



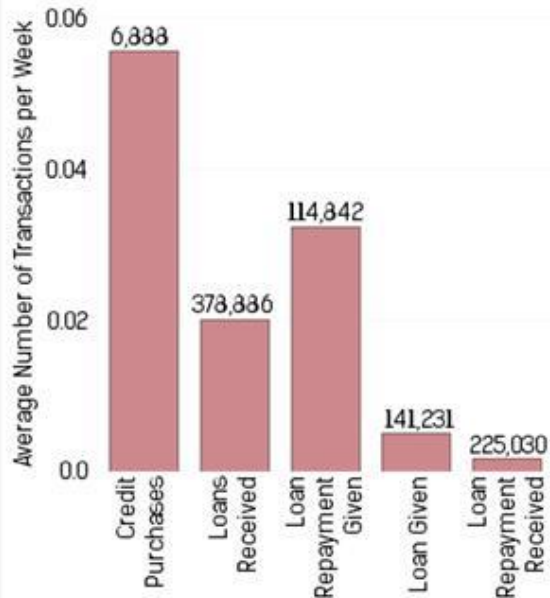
Segments

Loan Use

Loans are considered the highest stress financial tool because they include an explicit obligation to repay, and interest payments mean it incurs a tangible cost.

Workers used loans the least of any financial tool. Credit purchases, such as those at market stalls, were the most common and occurred about three times per year. On average, workers took a loan once every year.

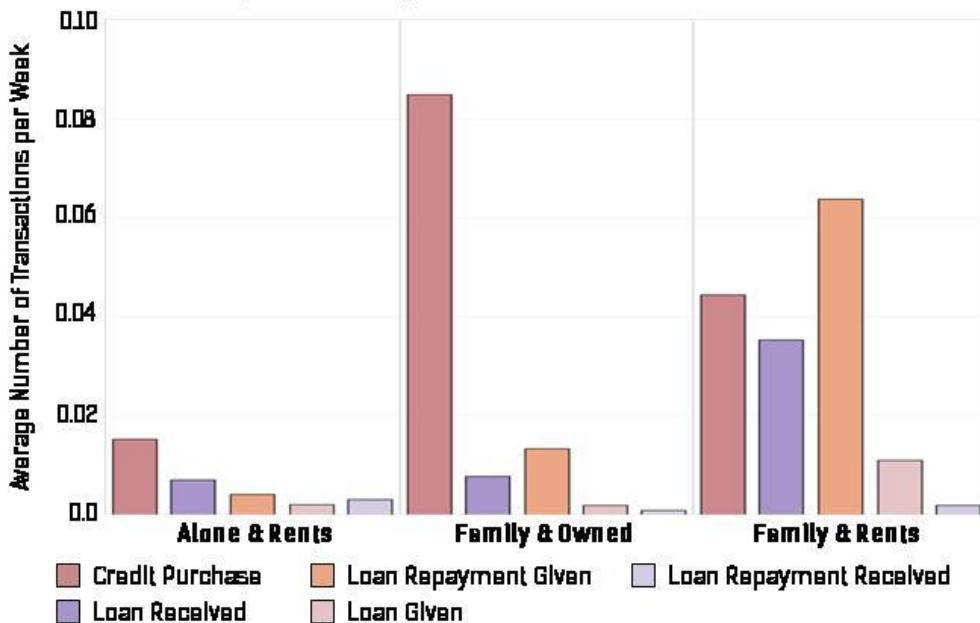
However, borrowing was more common in households where workers lived with their immediate family.



Note: The average amount per transaction, in riels, is provided above each bar.

GARMENT WORKER DIARIES

Loan Use by Lifestyle Segment



Cutting Back

The Financial Tools section showed that workers were primarily using low-stress financial tools like savings and cash transfers, but workers were typically net senders of cash transfers outside the home. These transfers helped support families back in rural villages which makes them more of a high-stress obligation.

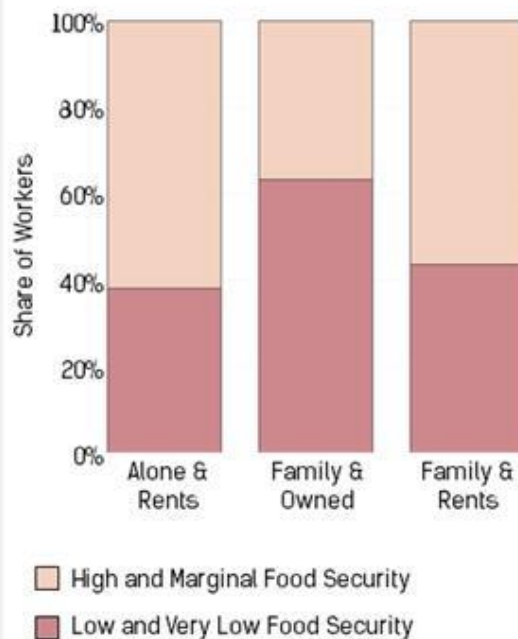
Another component of stress is the degree to which individuals are cutting back on necessities in order to manage their expenses. Cutting back on basics like food or health care are high-stress coping mechanism because they require the body, rather than the wallet, to absorb the shock.

Data from the topical survey on food security and health provides evidence that workers were under this type of stress.

Cutting Back

Workers' Food Security

Food security surveys are a common measure of people's access to adequate amounts and nutritious types of food. The results from a food security survey performed with workers showed that 52 percent had limited or uncertain access to food during the previous 12 months ("Low and Very Low Food Security"). A central component of these food security questions is the degree to which money is a barrier to getting more or better quality food, and these results suggest that workers perceived access to cash as a major barrier.



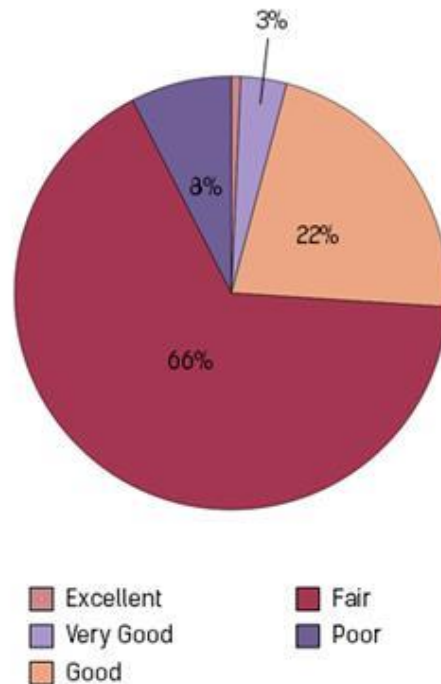
GARMENT WORKER DIARIES

Current Health

Another area where it is common for workers to cut back is on medical care—rather than seek care for chronic and acute issues, they absorb the “shock” in their bodies.

(Eating less because they are cutting back on food to save money is another example of the body absorbing financial stress.)

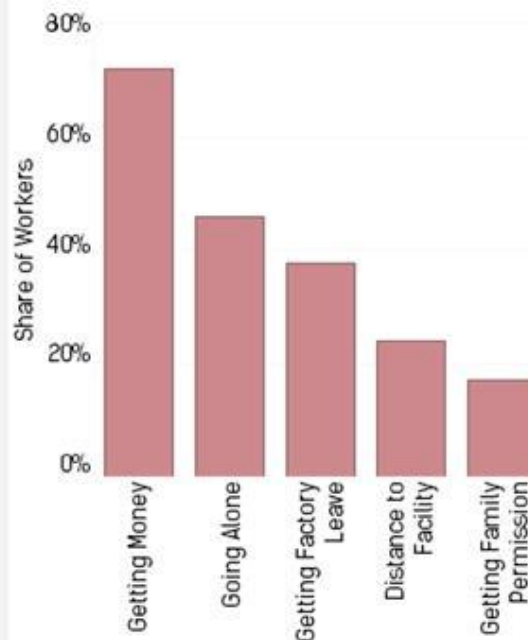
MFO asked workers to self-evaluate their health, and three-quarters said their health was only fair or poor. Almost no one said they were in excellent health.



GARMENT WORKER DIARIES

Problems Seeking Care

In addition to food insecurity, workers may have to limit their medical care to avoid health issues. About 70 percent of workers said that getting money for medical care was a big problem.



Savings Goals

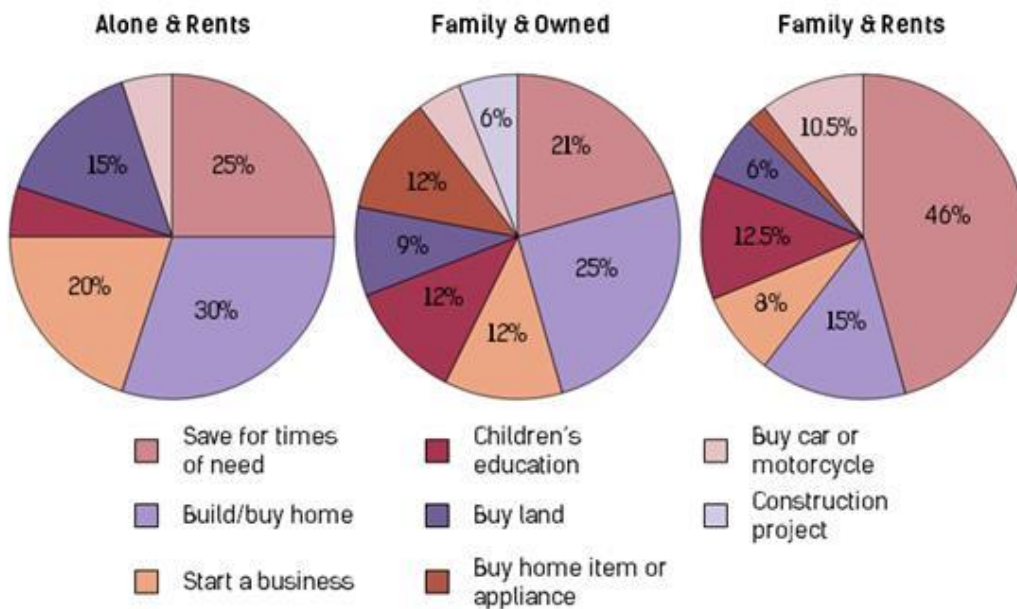
Another way to understand workers' stress and their current cash management decisions is to understand their goals and desires. To that end, MFO asked workers two questions:

- What is your number one savings goal?
- If you unexpectedly received a large sum of cash, what would you do with the money?

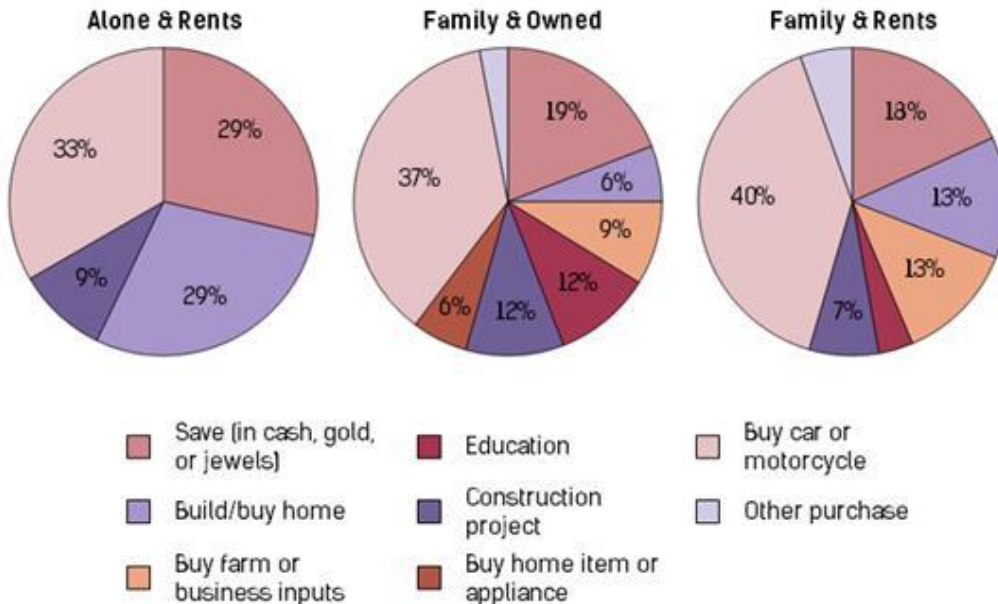
The answers reveal that most workers were savings for a "time of need" like an emergency or major life event. They also saved with the goal of improving their quality of life by building a home (thus relieving the pressure of rent), investing in their children's education, and starting a business that would take them out of the garment factory. If these workers received an unexpected large sum of money, many would devote it to these goals, although a large share would purchase a motorized scooter.

Savings Goals
Cash Windfalls

Top Savings Goals



Cash Windfall



Financial Literacy

Financial literacy is a person's ability to process economic information and make informed decisions about financial planning, wealth accumulation, debt, and pensions. While not conclusive, research suggests a link between an individual's financial literacy and how she manages her money.

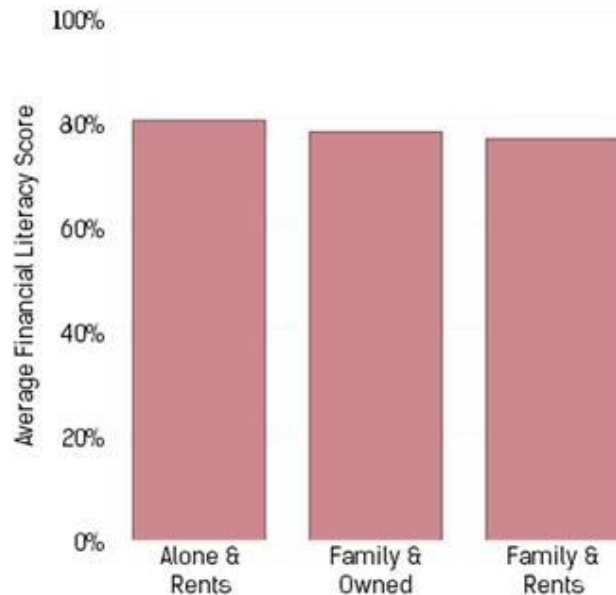
MFO conducted a financial literacy test, adapted from the Organization of Economic Development and Cooperation's (OECD) financial literacy survey. The results showed a high level of literacy. The average score for the participants was 77 percent. For comparison, if these garment workers were their own country, their scores would place them among the ranks of countries like France, Finland, and Hong Kong.

Workers' high levels of literacy may contribute to their reliance on self-sufficient mechanisms—like cutting back and saving—to make ends meet rather than rely on high stress financial tools like loans.

Financial Literacy Scores

Financial Literacy [Link](#); OECD [Link](#)

Financial Literacy Scores



End of Chapter Summary

Most participants saved money from their factory incomes during the course of the year but just because they saved does not mean they were not under stress. Workers were money managers in their homes and sometimes supported families living in other homes by sending large cash gifts.

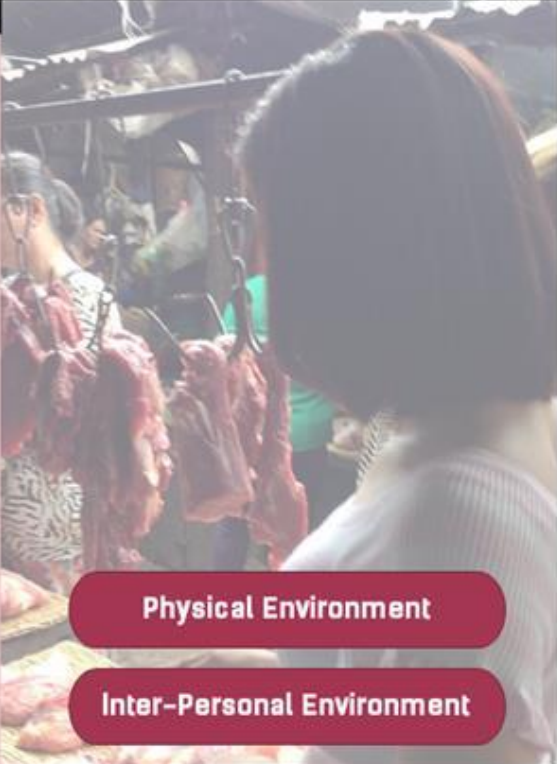
Despite saving, workers reported money was a barrier to purchasing food and seeking medical care, suggesting that workers' savings were intended for a particular purpose. Data from topical surveys confirmed this was the case—most workers were saving for a "time of need" like an emergency or major life event. They also saved with the goal of improving their quality of life by building a home (thus relieving the pressure of rent), investing in their children's education, and starting a business that would take them out of the garment factory. If these workers received an unexpected large sum of money, many would devote it to these goals, although a large share would purchase a motorized scooter.

This data suggests that workers are likely under financial stress—they are purchasing the basics and saving for long-term goals or protection against financial shocks. They may be making the choice to manage their money in this way, rather than using risky financial tools to boost current consumption, because of their high levels of financial literacy.

GARMENT WORKER DIARIES ⓘ 🏠

Chapter 5: Life in the Factory

In addition to financial stress, workers face a stressful work environment. Seventy-seven (77) percent of participants reported not feeling safe all the time in their factory, and 40 percent witnessed a fire. More than half of participants were, at most, only somewhat confident that they could access an emergency exit if needed.



Physical Environment

Inter-Personal Environment

GARMENT WORKER DIARIES ⓘ 🏠

Physical Environment

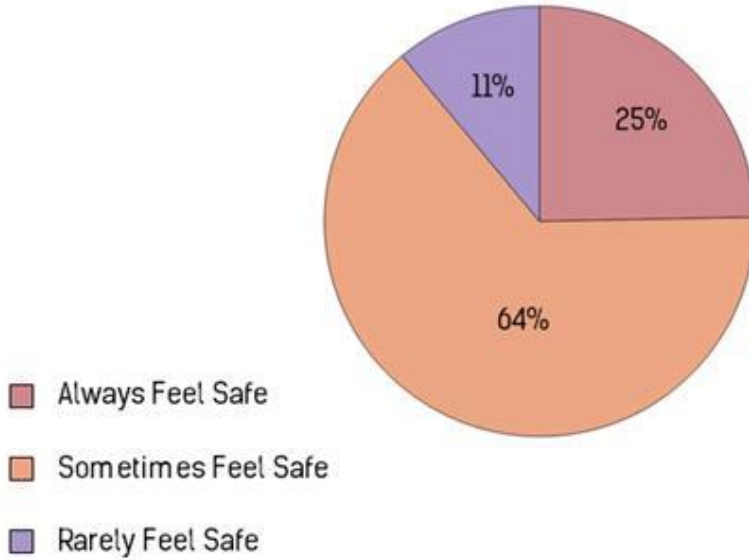
Many workers reported that they felt safe and healthy in their factories. For those that did not, going to work elicited real concerns about their well-being:

"I think the safety is okay, but the place is very small. The access corridor is narrow and difficult to walk through, so I think if there is any emergency in the factory, we will all die. We can't escape." – Garment Worker, 27, Phnom Penh

"I work with elastic bands and they have chemicals...They have a strong smell...and we can hardly stand that smell. Everybody almost fainted because of the smell. Sometimes workers wear masks, which makes it okay. They don't give this work...to people who just had a baby that much. They give them work with a better environment." – Garment Worker, 20, Kampong Speu

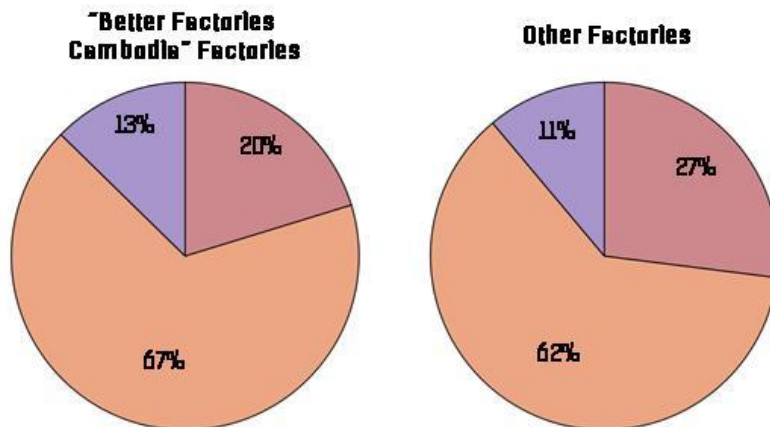
Safety **Fires** **Air Quality**

How Safe Workers Feel in their Factories



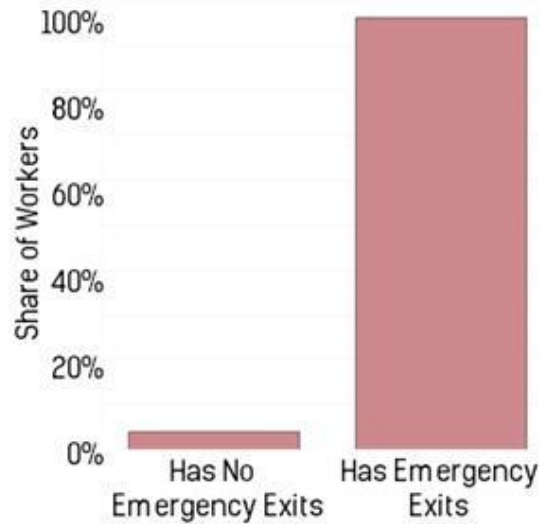
**Better Factories
Cambodia**

How Safe Workers Feel in their Factories



- Always Feel Safe
- Sometimes Feel Safe
- Rarely Feel Safe

Do Workers' Factories Have Emergency Exits?

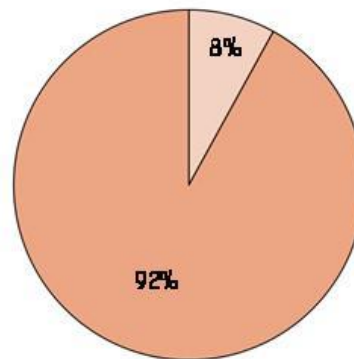
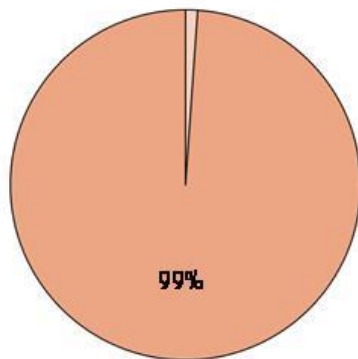


Better Factories
Cambodia

Do Workers' Factories Have Emergency Exits?

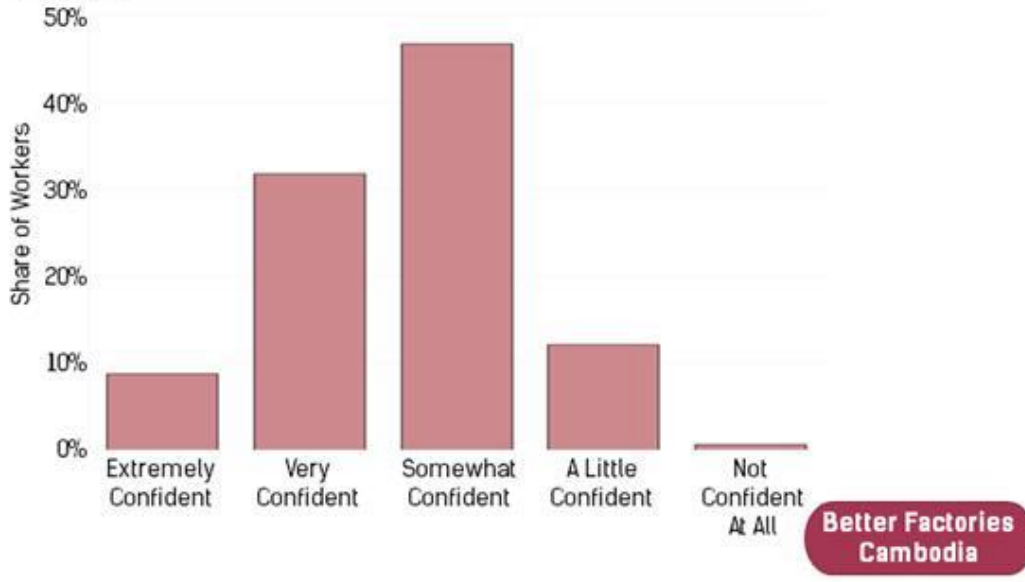
"Better Factories
Cambodia" Factories

Other Factories



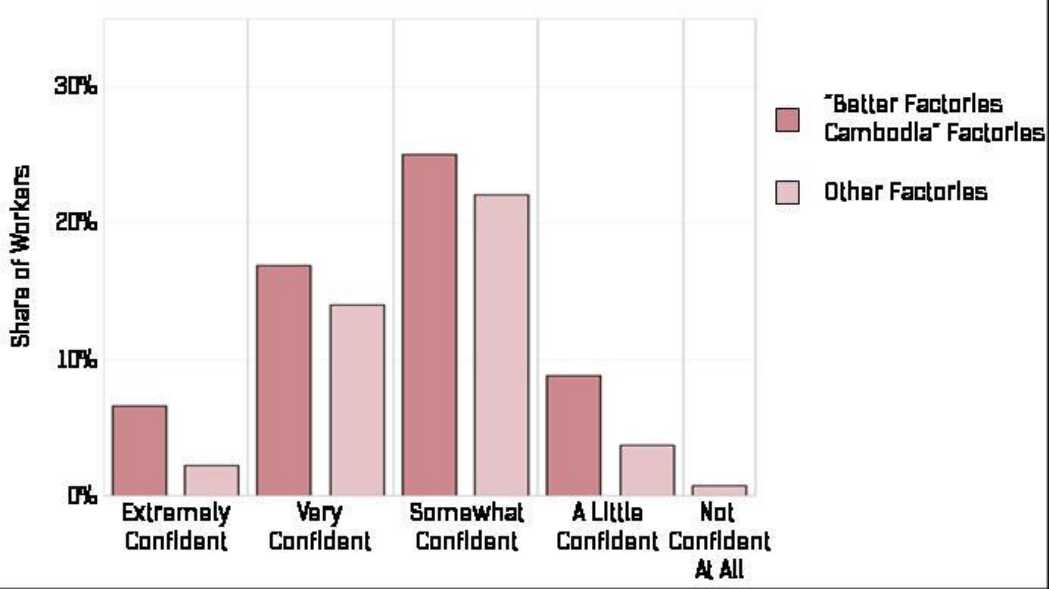
Yes
No

Workers' Confidence in Using Emergency Exits

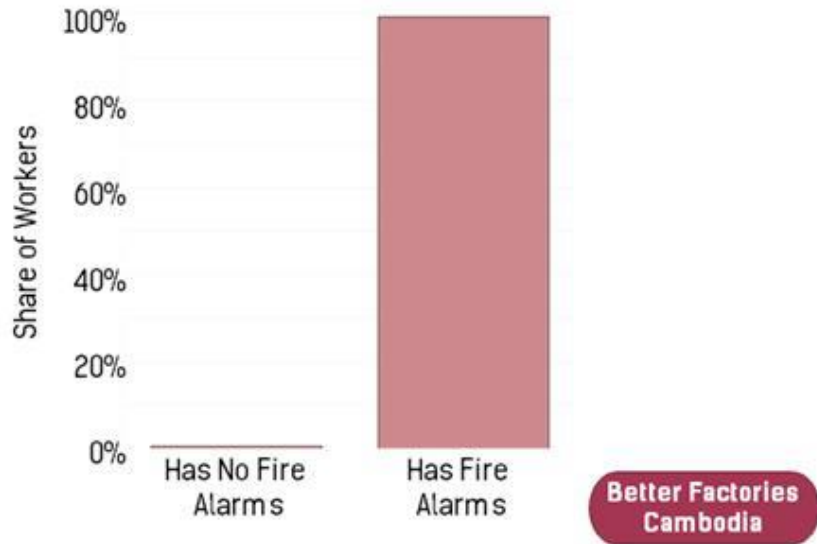


Better Factories Cambodia

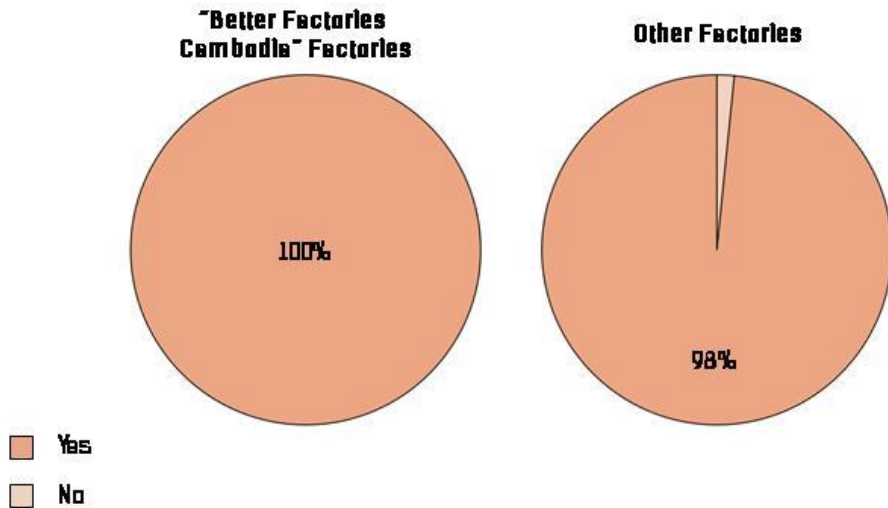
Workers' Confidence in Using Emergency Exits



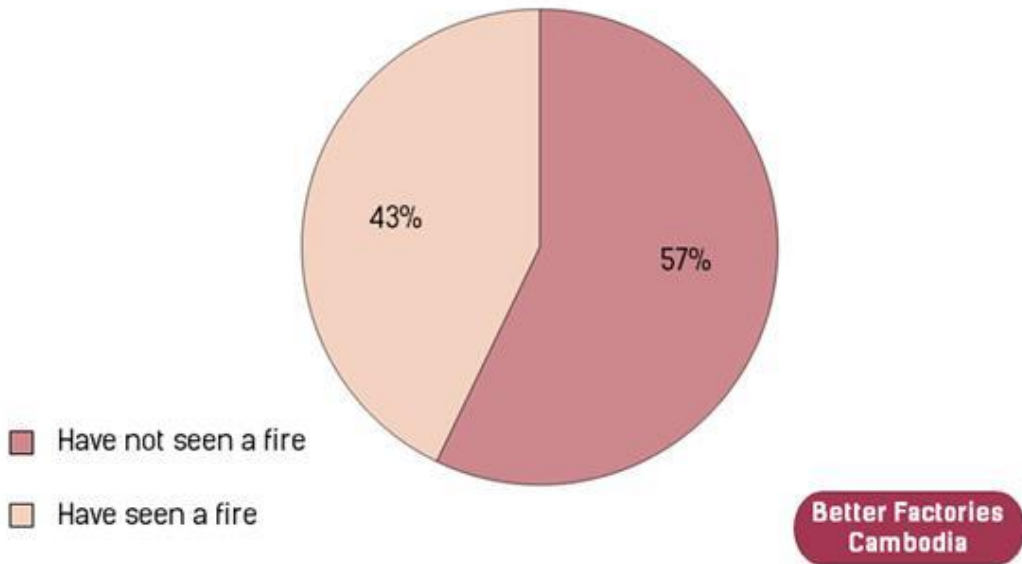
Do Workers' Factories Have Fire Alarms?



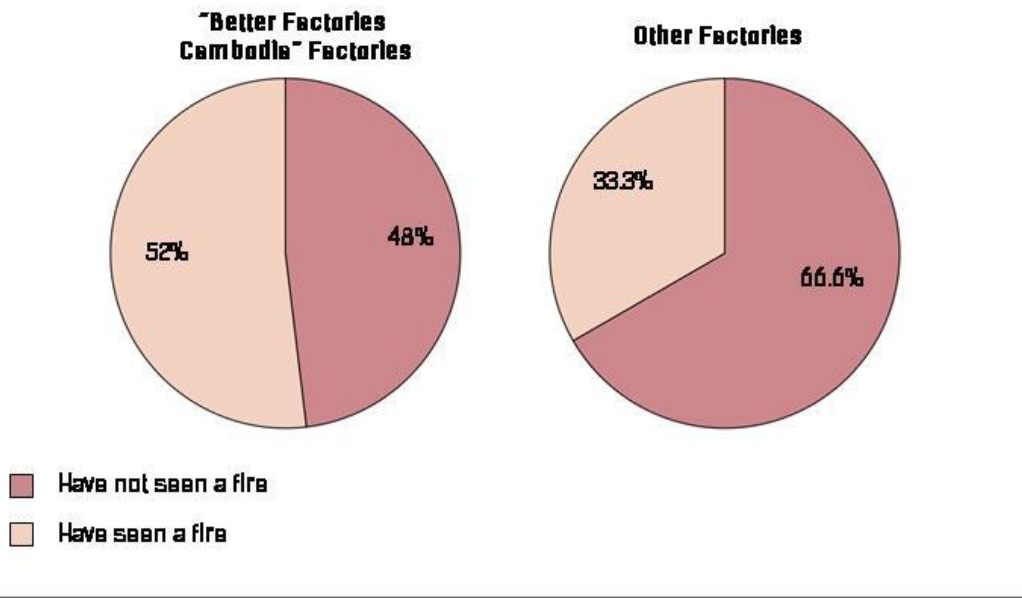
Do Workers' Factories Have Fire Alarms?



Witnessing a Fire



Witnessing a Fire



GARMENT WORKER DIARIES

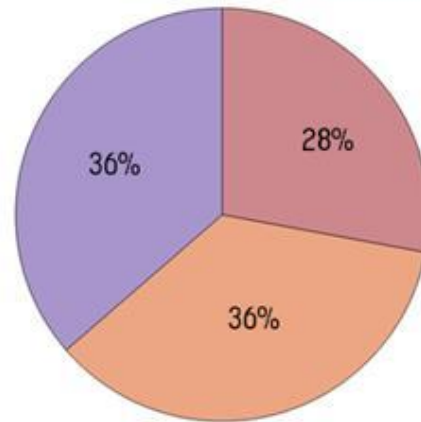


Better Factories
Cambodia

Airborne Pollutants

MFO asked workers whether they were concerned or not about airborne pollutants in the factory.

Most workers said that they were concerned about these pollutants, but they were divided about whether or not they had taken action to try and remedy it.

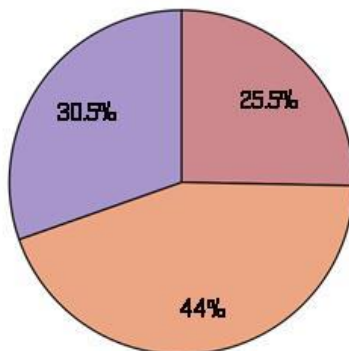


- Not Concerned
- Concerned and discussed with someone
- Concerned but did nothing

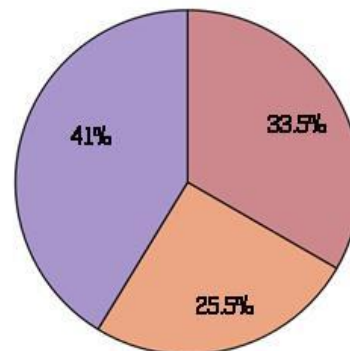
GARMENT WORKER DIARIES

Airborne Pollutants

"Better Factories
Cambodia" Factories



Other Factories



- Not Concerned
- Concerned and discussed with someone
- Concerned but did nothing

GARMENT WORKER DIARIES

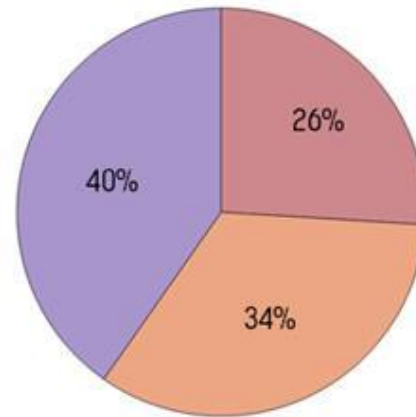


Better Factories
Cambodia

Chemical Smells

MFO also asked workers if they were concerned about chemical smells in their factories.

Workers said that they were concerned about chemical smells, but 41 percent opted to do nothing in contrast with 36 percent who spoke with someone at the factory to try and change it.

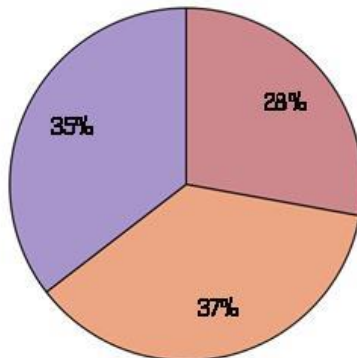


- Not Concerned
- Concerned and discussed with someone
- Concerned but did nothing

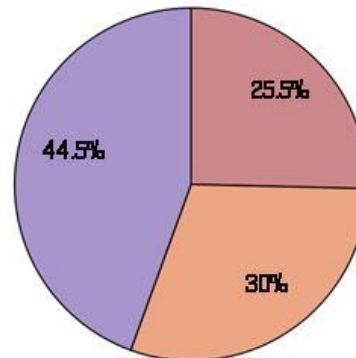
GARMENT WORKER DIARIES

Chemical Smells

"Better Factories
Cambodia" Factories



Other Factories



- Not Concerned
- Concerned and discussed with someone
- Concerned but did nothing



Inter-Personal Environment

The “fast fashion” nature of the garment industry puts immense pressure on factories and their workers to create products quickly. As a result, workers often report that their supervisors yell at them if the supervisor thinks the worker is going too slow or making too many errors.

“He said I worked so slowly, and at that time, I did not feel well but he forced me to work faster. I was about to faint and I did not have energy to talk. I was so angry and I could not speak...I cried after that. I was angry, I was not well, and he still forced me. I was so angry but I could not do anything.” – Garment Worker, 29, Phnom Penh

Discriminating against workers who may not be able to work long term—because of pregnancy, age, or other issues—was common as was discrimination against women who engaged in union activities.

Discrimination

Harassment

Unions

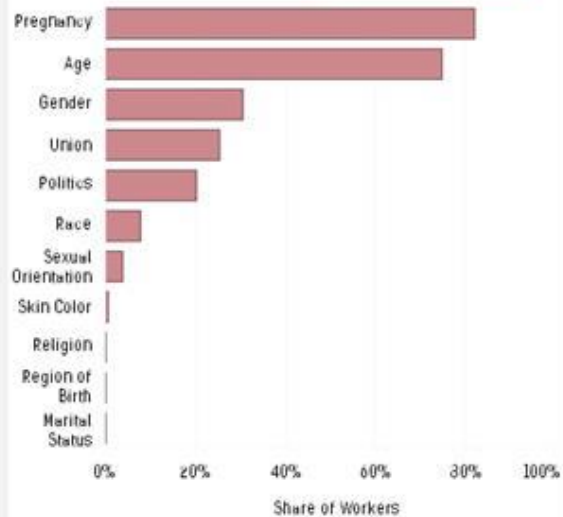


Workplace Discrimination

MFO asked workers how common various types of discrimination were in their factories, particularly as it related to being hired by a factory.

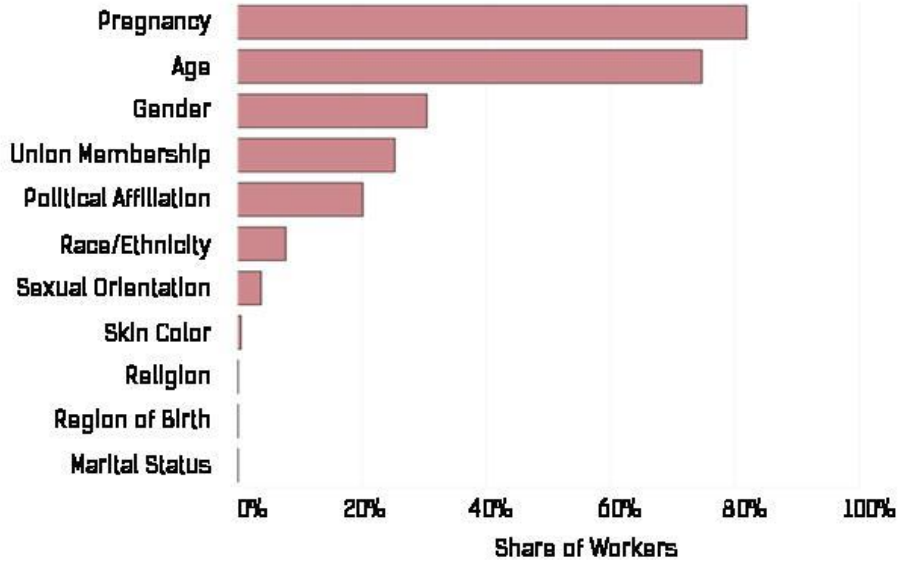
The most commonly reported type of discrimination was against women who were pregnant. Discrimination based on age, gender, and union membership were also common.

Better Factories Cambodia



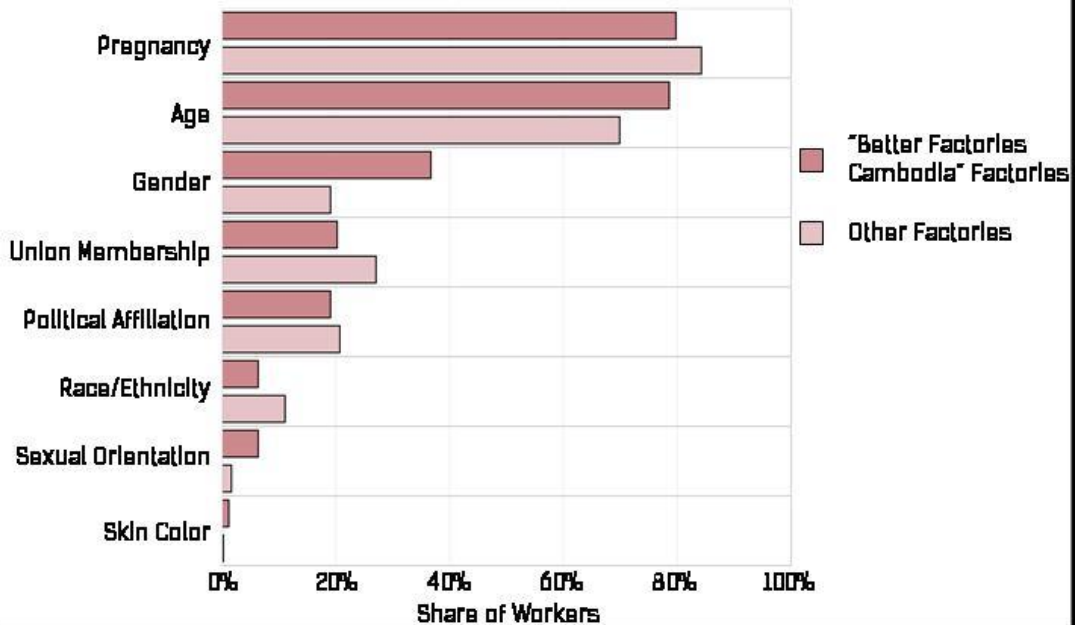
GARMENT WORKER DIARIES

Workplace Discrimination



GARMENT WORKER DIARIES

Workplace Discrimination



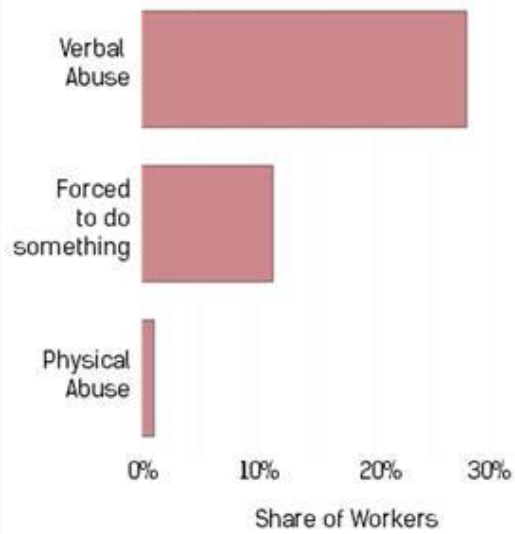
GARMENT WORKER DIARIES



Harassment

Throughout the study, we asked workers whether they experienced any type of harassment or abuse in their factories.

Over one-quarter of participants reported types of verbal abuse like being yelled at or insulted. About 11 percent reported being forced to do something under some type of duress (such as a threat of losing their job). One percent of workers reported some type of physical abuse like being hit or having objects thrown at them.



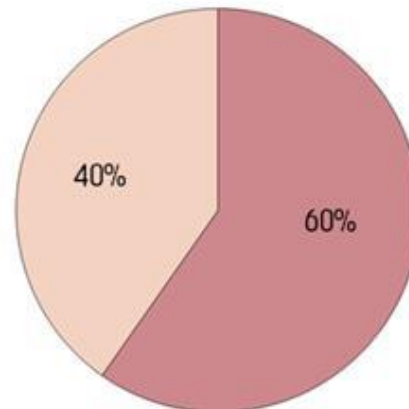
GARMENT WORKER DIARIES



Union Membership

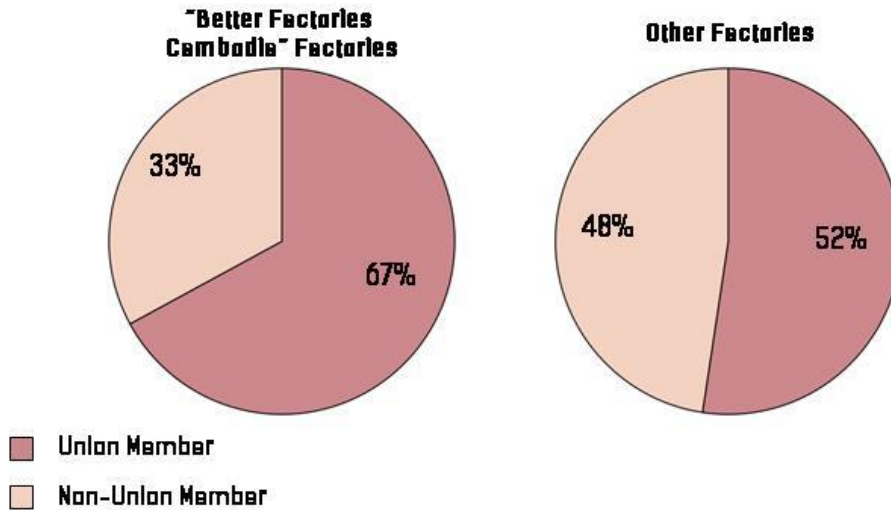
Despite potential benefits of collective bargaining, only 60 percent of the workers MFO interviewed were members of a union.

Better Factories
Cambodia



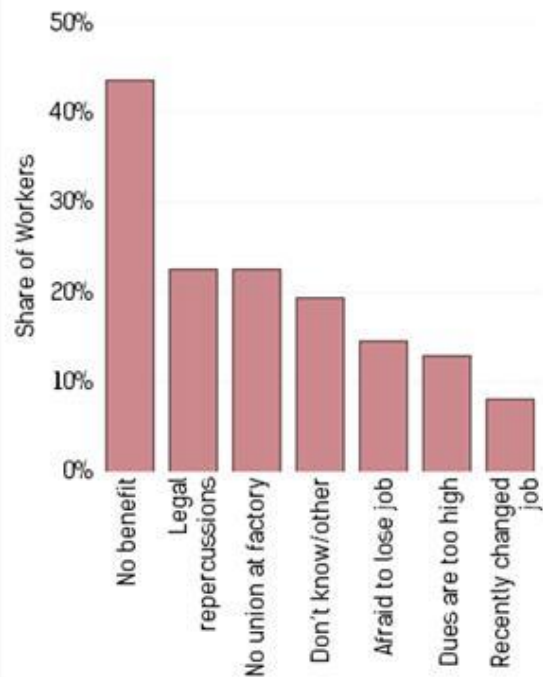
- Union member
- Not part of a union

Union Membership



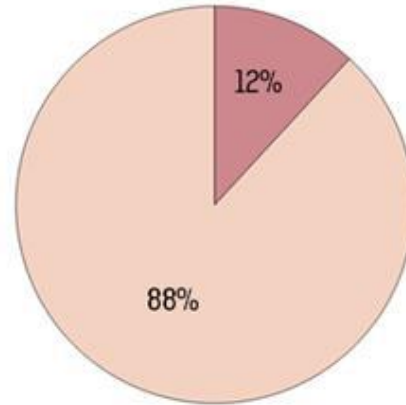
Reasons for Not Joining a Union

Of the workers who did not join a union, 36 percent said they did not see a benefit to joining a union. However, 19 percent said that they feared legal repercussions, and 12 percent said they were afraid they would lose their job.



Workers Reporting Intimidation by Factories

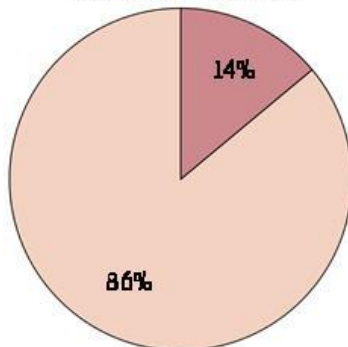
These fears are not totally unfounded. While the majority of workers reported that their factories were not hostile to union members, 12 percent of workers *did* say that factories supervisors intimidated workers based on union membership.



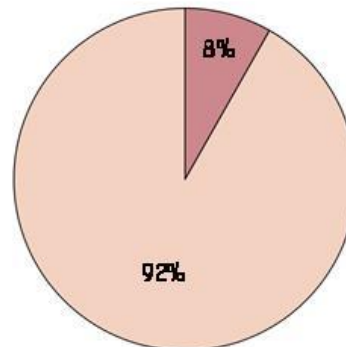
- Workers' whose factories intimidate union members
- Workers' whose factories do not intimidate union members

Workers Reporting Intimidation by Factories

"Better Factories Cambodia" Factories



Other Factories

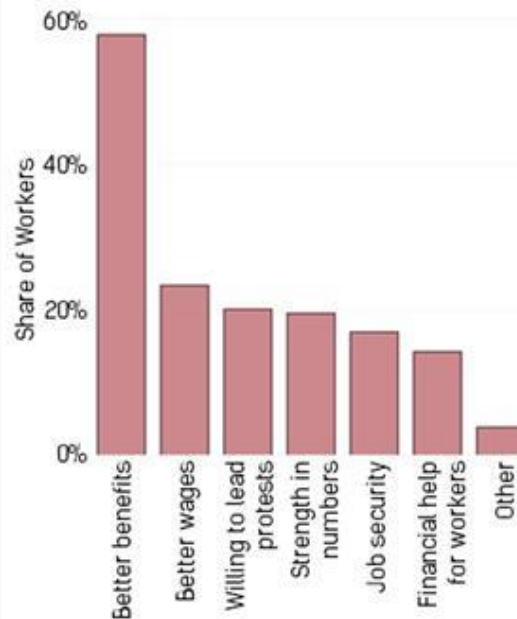


- Workers' whose factories intimidate union members
- Workers' whose factories do not intimidate union members

Benefits of Joining a Union

For those workers that did belong to a union, they reported a number of positives, namely better benefits and/or wages.

About 17 percent of union members also valued the willingness of unions to organize and lead protests and valued the “strength in numbers” that a union can provide.



End of Chapter Summary

Participants faced difficult working conditions. About three-quarters of respondents said they did not feel safe in their factory all of the time. They faced concerns about electrical fires and pollutants in the air.

Additionally, a third of workers reported that their supervisors yelled at them on a regular basis while others reported being forced to work faster than they were able. Smaller numbers of respondents reported having objects thrown at them or being hit.

Discrimination in the work place was common too—women said their managers discriminated against women in hiring for being pregnant, being too old, or belonging to a union.



Chapter 6: Worker Profiles

This report detailed the lives of 186 garment workers living in Cambodia. But how do these findings play out for the individual workers? This chapter will explore the stories of Chenda, Srey Leak, Maly, and Chan—four garment workers struggling to get by. All names in these profiles have been changed from their originals. To protect confidentiality, the women in photos are not the same as the women in the story. Photos of homes are representative of situations in which garment workers lived generally.



Chenda's Story

Chenda's story is like those of other garment workers in Cambodia. After divorcing her husband in 2011, Chenda moved to her mother's home where she worked in the family's rice fields. The work was exhausting and did not provide the family with a sustainable source of income. For these reasons, Chenda made the difficult decision to move to Phnom Penh and join the garment industry. Although her financial situation improved slightly, Chenda soon faced new hardships due to the mismatch between her regular expenses and her limited earnings.

"Working there was exhausting. That is why I want to work here so that I can earn the money to buy the fertilizer."

"It was desperate [back then]. Even my mom today, she still has no husband and lives all alone."

"If we didn't cultivate the rice, we borrowed money from others, and after harvesting, we took the output to pay [our debts]. That is why I decided to move and work here..."



Chenda's Story

Chenda worked an average of 45 hours each week, receiving five hours of break time. She received a salary of almost 800,000 riels per month, on average, and an allowance that averaged 18,000 riels per week. Chenda used these earnings to purchase food and household necessities, but she often limited herself on the amount of food she could purchase, knowing that she would need her money for other expenses. Because of this, Chenda reported having very low food security.

"Not much. I just eat less than before. I wouldn't have enough money, if we ate a lot because the money has to be divided to support many different areas."

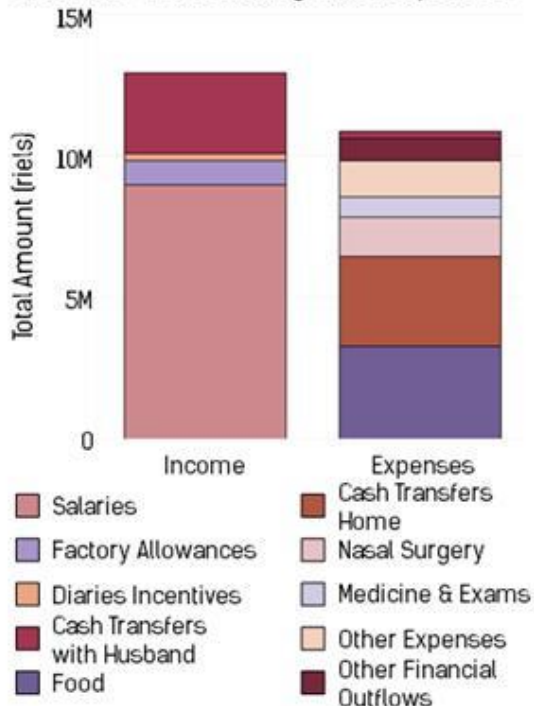
"I still limit my expense on foods for we have to think about the other members in the family like mom, children and myself."



Chenda's Story

Chenda had other financial obligations for which she needed to budget. For example, Chenda tried to send money to her mother and children almost every month. These regular cash gifts cost Chenda 65,833 riels per week, on average. And while Chenda would receive financial support from her husband, she would try to save some of their earnings for future use; they dreamed of opening their own restaurant one day. Unfortunately, they did not reach this goal during the study. Instead, Chenda paid for nasal surgery in late November 2016. She had no insurance at the time and, in total, the surgery cost her 1,418,000 riels—the equivalent of almost two months' salary.

Chenda's Total Earnings and Expenses



GARMENT WORKER DIARIES



Chenda's Story

As a diligent money manager, Chenda placed a strict budget on her spending to meet her other financial obligations. In theory, she could use her leftover earnings to purchase more food, but doing so would mean sending less money home to her mother or saving less. The former option would leave her mother and children destitute, while the latter option would leave her with no funds to build towards a new future or to insulate herself from emergencies. Thus, with few other options, Chenda regularly chose to cut back on her food consumption to provide for her loved ones and to work towards a better future.



GARMENT WORKER DIARIES



Srey Leak's Story

Srey Leak grew up in Svay Rieng Province, a rural area that is about 100 KM southeast of Phnom Penh, where she lived with her parents and siblings. Economic opportunities were limited there, and the family struggled to meet their day-to-day needs. There was one way to increase the amount of money coming into the household: like so many other young women throughout Cambodia, Srey Leak could journey to Phnom Penh, find work in a garment factory, and send a portion of the earnings home to support the family. Srey Leak chose that path. She contacted her uncle, who lived in Phnom Penh, for help finding a place to live and made the two-hour journey to the urban heart of Cambodia.

"[The first time I joined the factory], I had learned very little, and my family was in a difficult situation. So I decided to work in order to help them."

"If I stayed at my hometown, I would have done farming and raising animals and growing vegetables... [I needed to work in the factories to] help my family because we needed to afford our livings such as food, rice, health treatment and everything."

Srey Leak's Story

Life in Phnom Penh, and as a garment worker, was much different than life in her rural province was. She started work as a sewer in a small, unregulated factory but moved to two other factories in the year that MFO interviewed her, making the transition after her short-term contracts expired. Srey Leak suspected that employers refused to renew her contract because, at 30 years old, they considered her too old in an industry dominated by girls in their late teens and women in their early twenties.

"Factories nowadays, they want only young people. You know, even though we are older, we can work the same as young people. Moreover, the older workers are [having a hard time] finding jobs. Where can they find a work?"

"When the contract is expired, [factory owners] will not ask [us older workers] to continue; they just stop us."

Srey Leak's Story

Srey Leak, though, continued to find work, laboring for 53 hours per week on average and earning about 850,000 riels as a monthly salary. These wages were large and large expenses matched them. Her rent was about 110,000 riels per month; she spent about 250,000 riels per month on food and about 160,000 riels per month on other household expenses. On average, that left her with a few hundred thousand riels each month, before she had to pay any other financial obligations.



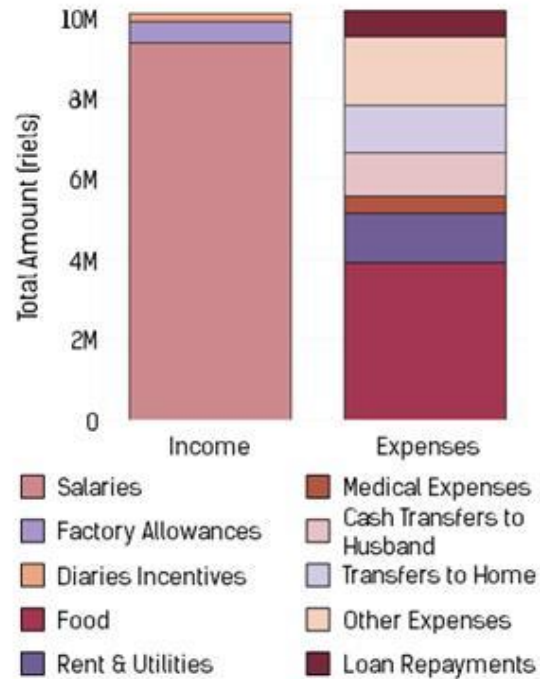
GARMENT WORKER DIARIES



Srey Leak's Story

The prime obligation was the reason she moved to Phnom Penh: Srey Leak needed to support her family, but she quickly realized the difficult financial position supporting herself, sending money home, and saving for the future placed her in. She sent large sums of cash home three times during the first three months of the study—two transfers of 600,000 riels and one transfer of 400,000. Collectively, these transfers were the equivalent of almost five months of savings, and she sent even more cash later in the study.

Srey Leak's Total Earnings and Expenses



GARMENT WORKER DIARIES



Srey Leak's Story

The cash transfers home fulfilled her obligation to her family, but they left Srey Leak in a predicament—she had intestinal problems and sending money home meant having less money available to seek treatment. Thus, Srey Leak, like so many workers, was forced to make difficult choices: should she sacrifice her own well-being for the good of her family, or should she sacrifice the needs of her family to ensure economic stability?

"I have to keep some money for myself and, sometimes, for my family. I need to keep money for when I am sick too."

"[My family] just gives me advice on saving money and not to spending too much. They ask me to spend with a limited budget. They worry that I will spend my money too much and have no saving money for emergencies."

Maly's Story

Maly, 29 years old at the time of the study, came to Phnom Penh from her home 80 KM south of Phnom Penh when she was just 13 years old. "I came to live and work at other peoples' homes as a housekeeper. It's normal for us, poor people, to come out and work to support the family," she said, describing how her grandmother and aunt sent her to work in the city to raise money. Over the course of the next several years, she shifted between jobs, working as a housekeeper first and then as a server at one of the ubiquitous Cambodian BBQ shops that dot city streets.

"At that time my mother wasn't often at home. I stayed with my grandmother, and she didn't have money to support me to study. So, I came to Phnom Penh as I was told [by my aunt and my grandmother]."

"I also didn't want to come [to Phnom Penh], but my grandmother said we didn't have money, so I should come here and work to earn money."

Maly's Story

She met her husband and married him when she was just 18 years old, and she quit her job at the BBQ shop. He worked as a motor taxi driver, and when it was just the two of them, he earned enough-not enough to lift them out of poverty, but enough to get by. But then the couple had two kids, and the expenses mounted as the children grew. Eventually, the financial stress motivated her to go seek employment, and she turned to the garment factories. She has been working as a garment worker for the past several years.



GARMENT WORKER DIARIES



Maly's Story

Maly worked at a garment factory at the outskirts of Phnom Penh. She labored for 53 hours each week, on average, and she earned about 900,000 riels per month. However, the working conditions were poor, and she often did not feel safe. "There has been a fire once," she said. "[I was scared]; it was so hectic." She also complained that the factory could be too hot. "There are [windows], but they don't open them." That heat took its toll on Maly, who told us that she had fainted in the factory.



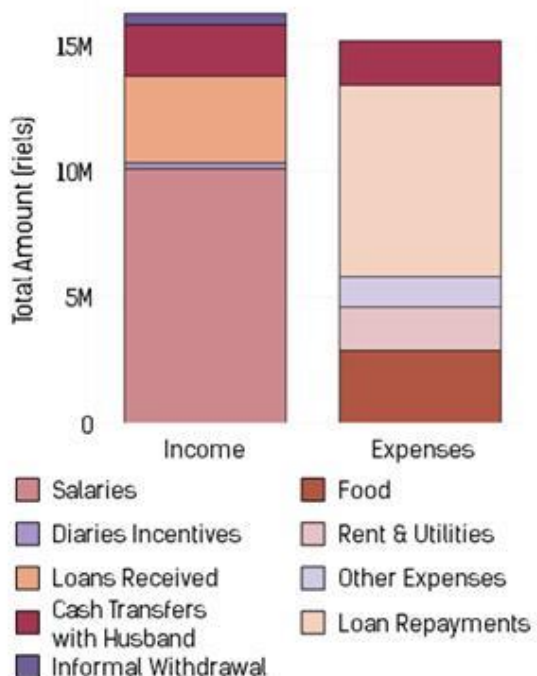
GARMENT WORKER DIARIES



Maly's Story

Maly's salary was a big help to the family at first. She and her husband were earning enough to get by, but two years before the study, her son suffered a tragic accident. The ensuing medical bills forced Maly to borrow large sums from her mother-in-law, co-workers, and local moneylenders, and she was never able to get out from under the debt. "It's like a continuous loan," she said of her situation. "I paid back to one person, and then I borrowed from that person to pay someone else. It goes on and on."

Maly's Total Earnings and Expenses



GARMENT WORKER DIARIES



Maly's Story

Maly ended up in a hopeless situation. She made 13 loan repayments, each averaging more than 600,000 riels, during the study. Her husband did not make enough to clear the debts, and she was unlikely to be able to find a job that paid more than factory work. Things were not about to get easier towards the end of the Diaries study. During the study, Maly became pregnant with her third child, and she worried about how she would be able to cope. "[The factory might give me] about \$300-something [for maternity leave]. It's good, but it's still not enough. We still need to pay the rent, food, and stuff."

[My husband] didn't know that I owed a lot of money... We argued a lot, there was also violence involved. Now, he knows and understands why I did that. At that time, he didn't do anything. I had to work, but it was not enough. So I had to get loans to pay for the rent, food, kids' education.

"If [the money's] not enough, I borrow money again. I paid back, and then borrow again. It's continuous debt."

GARMENT WORKER DIARIES



Chan's Story

Kampong Speu Province lies to the east of Phnom Penh, and getting to its edge can take more than hour if there is traffic. Shops line the main highway that passes through the province. Along it, and sometimes set back from it by several hundred yards, are garment factories. For young women in these areas, the garment factories offer a good source of employment in areas where people traditionally farm, run small shops, do periodic labor, or work one of many other odd jobs to survive.



Chan's Story

Chan, only 18 years old when MFO started the survey, lived here with her parents and four siblings in a wooden house built on stilts. All the adult family members here worked: her father as a barber and her mother and old sister as garment workers. This resulted in relatively more cash flowing into Chan's household than the households of many other garment workers.

"My dad is a barber at home. My mother, my sister and I are working in the factory. My three other younger siblings are around 10 and 8 years old and they are in school."

"We did not have enough money. I need to work to support family."

Chan's Story

The resulting wealth showed in the data. While her home was provincial and the family had to collect their water from a nearby stream, the home was loaded with assets. Everyone had their own phone; there were two scooters and three bicycles, a television, and multiple fans and stoves, among other things. Additionally, Chan reported that the family always had enough food to eat and that getting cash for emergencies was not a big problem.



Chan's Story

Despite her family's comparably comfortable situation, Chan chose to drop out of school in 2014 to pursue work in a garment factory that was opening nearby. As a woman, she thought she would have few economic opportunities other than garment work. Getting a job there was easy: "They just asked me to tailor something...and then I tailored [it] and I passed."

"I wanted [to work in the garment factories]. That is why I work in the factory. Women do not have many choices, and mostly I only see women work in the factory."

"Without factory, I might work at the rice field."

"Some people give high value to education, but for me I am poor so I needed to earn money to support my family."

Chan's Story

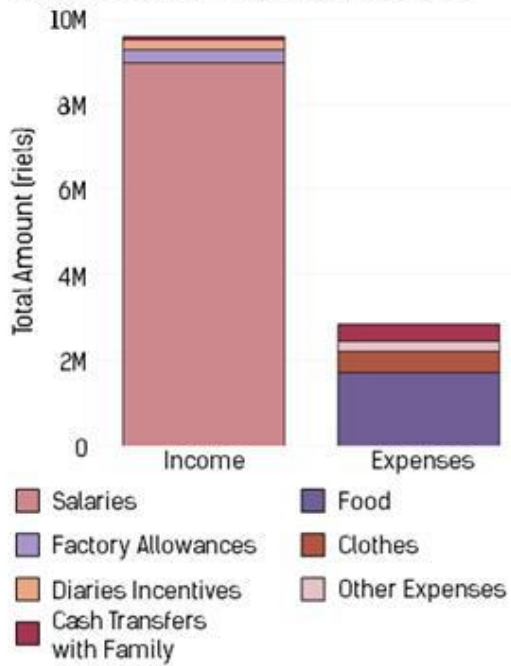
Chan, like other garment workers, labored for long hours—about 50 hours per week on average. She made about 820,000 riels per month. While the hours were long, she said that where she worked was relatively hospitable: "They have electrical lights and cameras everywhere. In short, it is very safe in the factory [where] I work." In addition to these security measures, she said that she had never seen a fire break out in her factory, and there have only been occasional accidental injuries. Other than one incident in which her supervisor yelled at her for making too many mistakes, she has never been verbally harassed.



Chan's Story

Since there are so many earners in the household, Chan does not have to spend money on much. She contributes to household expenses, spending 200,000 to 250,000 riels on food and other household items. The rest she gets to save with the hope that one day soon she will be able to buy her own motorcycle, jewelry, and clothes as well as furniture for the home.

Chan's Total Earnings and Expenses



Lessons Learned

The data from Cambodia showed workers:

1. Worked overtime in more than 45 percent of work weeks, and this overtime work was important to their pay—10 percent of their gross earnings came from overtime work;
2. Earned the minimum wage on a gross and hourly basis, but these wages were not enough to eliminate most financial stress;
3. Spent their earnings on food, household items, and—for those that did not own homes—rent. They rarely spent money on goods or service that would result in a significant improvement in their quality of life;
4. Had points throughout the year when they had limited or inadequate access to high quality food and avoided seeking medical care because of costs.

Lessons Learned

Despite all of this, women saved money over the course of the year, and MFO's interviews with them suggest that they cut back on food and medical expenses for minor issues in order to save for emergencies or for the long-term. In other words, workers were absorbing financial stress in their bodies rather than their wallets.

While the garment sector in Cambodia has taken great strides to improve pay and working conditions for workers, this data suggests that those measures have not been enough to raise their working conditions or standard of living to the levels seen in Bangalore, India.

Take Action

Collectively, the findings presented in this report show that garment workers worked long hours for low wages, suffering from financial stress and poor working conditions. Despite this, they persevere and overcome adversity, holding on to their dreams and aspirations closely.

After learning of workers' conditions, we hope that you now understand the human cost of fashion and everyday wear and that you use this information to improve workers' lives either by changing where and how you shop or through advocacy work. As a start, we encourage you to let brands know about what you have learned by clicking [here](#). The 186 women who contributed to this report thank you.

Take Action [Link](#)