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UNDP/World Bank panel on Gender and the MDGs**

**Speech of H E Dr Ing Kantha Phav
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Ladies and Gentlemen, distinguished speakers, and guests.

I am very pleased indeed to have been invited to take part in this UNDP and World Bank panel on Gender and the MDGs, as part of the 49th session of the Commission of Status of Women. .

The Millennium Development Goals are a key instrument for achieving Cambodia's development aims and objectives, as well as a benchmark for measuring Cambodia's performance.

And key to achieving poverty reduction is ensuring that the CMDGs are gender responsive. In 2003 the Government worked on the CMDGs and UNIFEM and UNDP assisted the Ministry of Women's Affairs in our work to ensure that the targets and indicators took account of gender issues. We succeeded in adding a number of indicators to Goal 2: on education, Goal 4 on child mortality, and Goal 5: on HIV/AIDS. We also added to Goal 3 on gender equality nineteen new indicators addressing secondary education, wage employment, female participation in decision-making and violence against women. The CMDGs were accepted by the Government and launched by the Prime Minister in March 2004. However Goal 1 on poverty and Goal 7 on the environment and resources were not engendered so there is still work to be done.

One of the unexpected positive outcomes of this work was a very comprehensive Gender Assessment which we have called *A Fair Share for Women* and nine Policy Briefs which we are finding are very useful advocacy tools.

At present, the government, in partnership with donors and civil society organizations, is developing a National Strategic Development Plan for the next five years 2006-2010 which builds on the Government's Rectangular Strategy for Growth, Employment, Equity and Efficiency. It will roll into one document the Socio Economic Development Plan and the National Poverty Reduction

Strategy and will incorporate the CMDGS. The Ministry of Women's Affairs is working with line ministries to encourage them to engender their work more thoroughly than in the past and we will be monitoring the process to ensure that gender targets and indicators are also included.

We are helped in this work by a number of technical working groups, including one on gender, which have been established under the Consultative Group Process. These working groups have developed sectoral workplans, which have already been approved. . Our next move will be to identify gender focal points in other working groups who can take gender mainstreaming forward and monitor the sectoral plans.

So this is a brief overview of some of our gender mainstreaming activities. For the rest of my time today, I would like to share with you some of our initial achievements under the Gender and MDGs project. In this project sponsored by UNIFEM and UNDP, Cambodia is one of five case studies world-wide. We have identified Goal 1 on poverty as our focus. Goal 1 is especially notable for its lack of gender focus and benchmarks. Yet as we know, poverty affects women in very specific ways and strategies that target women are much more effective in preventing and reducing poverty than those which are gender blind.

Under Goal 1 the challenge we are facing is the impact of trade liberalization and the end of the MFA quotas. Trade reform has the potential to increase women's poverty, rather than alleviate it, in particular if measures are not put in place to ensure women benefit, and to protect them from any negative affects. We have undertaken a study on the impact of trade liberalization on women in the garment sector, which assesses the risks women face as a result of trade reform, and current and needed interventions to support women workers affected by turbulence in the industry. This study informed a recent multi-stakeholder policy dialogue held in Cambodia which brought together government agencies, donors, the garment industry and garment workers to discuss the issues.

This is a very salient issue in Cambodia at present, because as you know, Cambodia joined the WTO in October last year, and the MFA quota system, which protected Cambodia's garment industry from open competition with countries such as China, ended in December 2004.

Of course, a number of countries are going to be affected by the end of MFA quotas, and by the WTO. The difference is that no country is as reliant on garments or textiles as Cambodia on the garment industry. Cambodia has an extremely narrow economic base, and the garment sector generates around 80% of our exports and about 12% of GDP. The sector plays a disproportionate role in the Cambodian economy – indeed a recent paper by the World Bank noted that 25% of Cambodia’s population depends on the \$15.8 million in wages paid to garment workers each month.

While the sector only employs about 220,000 workers, each of these workers supports a family of at least four people. And in addition the sector supports an estimated 150,000 jobs in the informal economy. So, in total, about 1.5 million people depend on the garment industry for their livelihood. It’s very clear, then, that a downturn in the industry will have a very direct impact on the livelihoods and poverty levels of many Cambodians and their families.

As in other developing countries with textile and garment industries, most jobs in the garment sector are held by women – predominantly young women who come from the provinces to earn a living, support their families, and put their brothers through school, when they themselves have given up education to get a job. In addition, the Cambodian labour market is highly gender stratified – very few occupations are open to women and the garment sector is the main source of waged employment they are able to access. The main other occupations open to women include working in family business in agriculture, and the informal sector.

It is too early to tell whether large-scale redundancies will result from the end of the quota system and WTO accession. Indeed there is cause for cautious optimism – a recent survey of a selection of buyers found that they largely intend to maintain or even to expand, their investment in Cambodia. Cambodia’s competitive edge is our good labour practices – in the past Cambodian garment factories had to comply with the labour code in order to access US quotas. Compliance was independently monitored by the ILO, and this is set to continue as the government works with donors and the ILO to position Cambodia as attractive to socially responsible investors. However, the downside is that the costs of doing business in Cambodia are considerably higher, and productivity lower than other countries.

The government has already committed to implementing a raft of reforms to address these issues. This includes strategies to reduce the costs of doing business in Cambodia and attract investment, diversify our economic base, and generate employment. If we are successful, then it is likely that the industry will expand, and even if smaller factories close, larger businesses will consolidate their operations, and new jobs may become available – including more skilled positions.

However, it would also be fair to say that while the government has influence, it cannot determine the outcomes of trade reform – we are subject to international forces. In a worst-case scenario, there is a risk of redundancies, if not immediately, then in the longer term, if we are not successful in reducing the costs of doing business or in positioning Cambodia as a safe haven for responsible investment.

The risks of redundancy are quite different for women than they are for men. For example, many women leave the garment sector for the sex industry, because it allows them to maintain their income and continue to support their families.

In addition, the garment sector, together with the informal sector, are major drivers of internal migration. If garment sector jobs disappear, more women will migrate overseas for work, which will expose them to significant risk of trafficking, exploitation and abuse.

While many women garment workers would like to return home to their families, the reality is that there is limited demand for the kinds of skills they possess or would traditionally acquire, such as sewing or hairdressing. In the informal sector, women's opportunities are also limited - women tend to be concentrated in street vending or retail, often as own account workers or in family businesses.

The Royal Government of Cambodia is well aware of these risks, and of the specific issues that women face in the event of redundancy. In order to address these risks and put in place strategies to address the needs of women workers, we need to focus on women's access to alternative employment, skill development and social protection.

In partnership with the international community and civil society organizations, we are taking a number of steps to address the needs and interests of women garment workers. To give some examples:

The Ministry of Women's Affairs is redeveloping Women's Development Centres, to deliver vocational education and training to women in Cambodia's provinces. The WDC's will provide training in entrepreneurship and business skills and will facilitate access to credit, as well as providing life skills training. We are working closely with the ADB, UNDP and JICA to redevelop the WDCs

We will watch with interest the implementation of an ADB pilot project, facilitated by local Cambodian NGO PADEK, to provide social support to women garment workers. The government has also recently signed an MOU with the ADB, the Garment Manufacturers Association, and the ILO to provide training to garment workers through the Garment Training Centre.

The Ministry of Commerce is one of the champions in the government's efforts to make Cambodia more competitive and attract foreign investment. The Ministry is working closely with the ILO and other agencies to ensure that monitoring of garment factories and working conditions continues, linked to a branding strategy for the garment sector. The government is strongly committed to generating alternative employment and the MoC is currently undertaking economic needs mapping to understand local markets and match skills to market demand.

The Ministry of Labour and Vocational Training is responsible for a national HRD strategy, and the Minister for Labour recently invited input from UNIFEM and other agencies into this strategy to ensure training and skill development is available to working women.

The Ministry of Women's Affairs, together with the Ministry of Labour and Vocational Training, and the Ministry of Commerce, is very committed to an ongoing partnership and dialogue with all relevant stakeholders, including buyers, the garment industry, garment workers, donors, and NGOs, to plan for and monitor the impact of trade liberalization on women in the garment sector. MoWA

welcomes the work being done by the Gender and MDGs project to raise awareness about the needs of women workers and advocate for action to ensure they are protected in the even of industry downturn. We also recognize the need to extend skill development, social protection and decent work initiatives to women outside the garment sector, including women in the informal economy and women who migrate overseas for work.

The Ministry was a co-host and active participant in the recent multi-stakeholder policy dialogue convened by UNDP and UNIFEM which focused on the impact of trade liberalization on women garment workers. The Ministry will continue to work in partnership with other agencies to advocate within the government to promote the welfare of women garment workers and women's economic empowerment more broadly.

The work that has been done to date to provide a gender analysis of trade reform in the garment sector, and to begin to engender trade policy is an important contribution towards engendering Goal One on poverty. I hope that it will serve as a model for how to go about engendering the MDGs in a very practical way which other agencies and countries may find useful in their work. I look forward to sharing with you the results of this and other initiatives under the Gender and MDGs project in Cambodia as we progress this work in future.

Let me close by saying how much I appreciate the opportunity to share with you Cambodia's challenges, lessons and achievements in implementing the MDGs and working towards gender equity. I would also like to thank UNDP and UNIFEM for their support in advancing the status and dignity of the women of Cambodia, and in contributing to the achievement of a sustainable livelihood for women.

Thank you.