



## **Labor Union Roundtable Recent Labor Market Developments**

*April 3, 2007<sup>1</sup>*

*Office of the IMF Resident Representative in Phnom Penh*

As part of its regular outreach activities, the Office of the IMF Resident Representative in Cambodia invited union representatives to a roundtable to discuss recent labor market developments and the IMF's activities in Cambodia.<sup>2</sup>

Mr. John G. Nelmes, IMF Resident Representative opened the roundtable by explaining the Fund's main activities in Cambodia. In addition to providing a wide range of technical assistance (covering among other areas monetary policy, banking supervision, fiscal and treasury reform, and government statistics), the IMF provides regular policy advice and economic surveillance through the IMF Resident Representative and under its annual Article IV consultation missions. The last PRGF-supported arrangement ended in 2003. A new PRGF-supported program has not been brought to the Fund's executive Board pending ongoing debt rescheduling negotiations between Cambodia and its official creditors, however the Fund will maintain an intensive policy dialogue with the Government on their macroeconomic and structural policies.

The union representatives expressed thanks for the opportunity to voice their views. The representatives pointed to their contribution to stronger corporate responsibility, compliance with the labor law and good labor practices, and fiscal transparency. They expressed concern, however, over the existing situation whereby compliance with labor laws had not been properly monitored, and in increased intimidation of and discrimination against unionized workers. They hoped that there would be more scrutiny to improve labor compliance and corporate responsibility.

Unions noted that labor productivity in the garment sector had increased as a result of more experience, but suggested that employment security remains a key concern. Concern about working conditions in some industries was also expressed.

Union representatives agreed on the usefulness of maintaining an ongoing dialogue with the IMF, and welcomed a forthcoming meeting during the Article IV consultation.

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<sup>1</sup> The views expressed in this roundtable should not be attributed to the International Monetary Fund, its Executive Board, or its Management.

<sup>2</sup> Union representatives attended from the Cambodian Federation of Independent Trade Union, the National Independent Federation Textile Union of Cambodia, the Cambodia Industrial Food Union Federation, and the Cambodian Tourism Service Worker Union.