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Businesses, the UN and decent work promotion:

a case study of H&M, ILO and Sida's engagement in Cambodia

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**Abstract**

Some retail companies have been facing boycotts and negative criticism due to their association with sweatshop practices and human rights scandals. In order to deal with such criticism, it has become common for these garment sector businesses to implement corporate responsibility projects in countries in which their independent suppliers are located. These projects fall within the Sustainable Development Goals (SDGs) framework, more specifically on how the private sector can contribute to the achievement of the $8^{th}$ goal, which is related to decent work and economic growth. In this sense, this work analyzes how the understanding of problems related to work processes influence the design and outcome of an initiative partially implemented by the private sector. A project implemented in Cambodia by H&M, the International Labour Organization (ILO) and the Swedish International Development Cooperation Agency (Sida) was used as case study.

**Key words:** Sustainable Development Goals, decent work, private sector, UN-business interaction, Corporate Social Responsibility (CSR).

"The nicest feeling in the world is to do a good deed anonymously – and have somebody find out."

— Oscar Wilde

**List of Abbreviations**

CNPR – Cambodia National Rescue Party

CSR – Corporate Social Responsibility

CSV – Creating Shared Value

EU – European Union

FDI – Foreign Direct Investment

GMAC – Garment Manufacturers of Cambodia

GNI – Gross National Income

H&M – Hennes & Mauritz

ILO – International Labour Organization

ITUC – International Trade Union Confederation

OECD – Organization for Economic Cooperation and Development

MNEs – Multinational Enterprises

MoU – Memorandum of Understanding

SDGs – Sustainable Development Goals

Sida – Swedish International Development Cooperation Agency

UN – United Nations

UNCITRAL – United Nations Commission on International Trade Law

UNGC – United Nations Global Compact

WPR – "What's the Problem Represented to be?" Approach

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## 1. Introduction

Several retail companies are often involved in sweatshop and human rights scandals, which do harm to these businesses' reputation. In 2012, the Swedish multinational clothing-retail company Hennes & Mauritz (H&M) faced a massive crisis when a documentary revealing the poor working conditions encountered by its Cambodian supplier workers was aired on Swedish television[1]. This event triggered protests and generated a wave of criticism against H&M, once the company was already being criticized due to mass fainting episodes of garment workers in its supplier factories. In 2012, for instance, nearly 300 Cambodian workers fell sick in one week at a garment factory that produced goods for H&M. Exposure to chemicals, poor ventilation, and exhaustion from excessive working hours are possible explanations for mass fainting incidents (Reuters, 2011).

After these episodes, the company announced that it was implementing a project that promotes decent work in Cambodia. Called "Improving Industrial Relations in Cambodia's Garment Industry", the project is a Public Private Development Partnership implemented by H&M, the Swedish International Development Cooperation Agency (Sida), and the International Labour Organization (ILO) – an agency within the United Nations System. Implemented from 2014 until 2017, the measure aimed to strengthen industrial relations and promote collective[2] bargaining in the country, seeking to improve working conditions for textile and garment workers.

This case falls within the United Nations' Sustainable Development Goals (SDGs) framework – more specifically on how the private sector can contribute to the achievement of these goals[3]. The United Nations (UN) recognizes the importance of the business sector for achieving the SDGs. Companies can advance them by investing in the skills and health of its workforce and implementing responsible social business standards, for instance (GRI, UN Global Compact and WBCSD, 2015). The

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[1] More information can be found at: https://cleanclothes.org/news/2012/10/25/h-m-under-fire-as-swedish-television-unearths-cambodian-production-scandal

[2] Definitions of these terms are discussed in chapters 2 and 4.

[3] The goals are: Goal 1: No Poverty; Goal 2: Zero Hunger; Goal 3: Good Health and Well-being; Goal 4: Quality Education; Goal 5: Gender Equality; Goal 6: Clean Water and Sanitation; Goal 7: Affordable and Clean Energy; Goal 8: Decent Work and Economic Growth; Goal 9: Industry, Innovation and Infrastructure; Goal 10: Reduced Inequalities; Goal 11: Sustainable Cities and Communities; Goal 12: Responsible Consumption and Production; Goal 13: Climate Action; Goal 14: Life Below Water; Goal 15: Life on Land; Goal 16: Peace, Justice and Strong Institutions; Goal 17: Partnerships for the Goals (United Nations, 2017a).

H&M case is an example of this possible action within the SDG's implementation, specially focusing on the 8$^{th}$ SDG: Decent Work and Economic Growth.

The literature on businesses and development provides explanations for the rationale behind business involvement in advancing the SDGs and, especially, promoting decent work. Companies are interested in the SDGs not only due to philanthropic reasons, which is the most publicized justification for these measures. The bottom line is that these goals positively impact the relationship that companies have with their customers, investors and work force, contributing to their long-term financial success. With regards to decent work conditions, campaigns against sweatshops raised corporate respect for communities in which businesses are inserted. For this reason, corporate social responsibility became a key driver of brand building, risk mitigation, and value creation (Kell, 2016). Companies may seek to promote decent work and better industrial relations as a means to build them a good reputation and seek profit.

In addition to the motives behind projects like H&M, Sida and ILO's, there is another relevant discussion within the literature, which is how the understanding of problems related to work processes affect the design and implementation of a measure that tackles this issue. However, there is a lack of academic contributions on how such influence occurs. This study aims to contribute to the literature by filling in this gap.

*1.1 Aim, Research Question and Methodological Approach*[4]

The aim of this thesis is to identify how H&M, Sida and ILO understand the work processes in Cambodia, as well as the manner by which such understandings influenced the design and outcomes of the measure.

In this sense, the following research question will be used to outline this work: *how the project's participants*[5] *understand the problems with current work processes in Cambodia and how such understandings have influenced the design and outcomes of the project?*

A case study based on the H&M, Sida and ILO's project will be developed. A qualitative, in-depth research will be done through the analysis of official documents

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[4] Chapter 3 brings further information on methodology and research design.
[5] By project's participants, one should understand H&M, Sida and ILO.

and reports released by international organizations and companies/associations involved in the case. In-depth interviews with executives involved in the project will also be used as data.

There is no hypothesis to be tested. The idea is to discover how the problems related to the current work processes in Cambodia are understood by the project's participants and how such understandings have influenced the design and outcomes of the project. The findings brought by this study might lead to a hypothesis that can be tested in other similar cases and projects.

This work will be developed based on the "What's the Problem Represented to be?" approach (WPR). Developed by Carol Bacchi (2012), the WPR assumes that policies are designed as an answer to a problem, but they are built on a specific representation of the issue it deals with. With this approach, it will be possible to understand how the problem representation is related to the project's design and outcomes. The analysis will begin with the proposed solution for the weak industrial relations in Cambodia, which will then enable the examination of the problem representations of this case.

The H&M project was chosen because it is a representative case of a retail company's engagement in advancing the 8th SDG. It can be seen as a direct response to the criticism faced by H&M due to the poor working conditions of its garment workers in Cambodia. However, the company publicly states that one of the main reasons for action is its willingness to improve the welfare of its workers. Other retail companies such as Nike, Forever 21 and Uniqlo have similar projects and justifications, so the findings of this study can also be applicable to additional cases[6].

This work will proceed as follows: first, a chapter with the literature review will be presented. Then, a brief section on methodology and research design will be introduced. Afterwards, I will present the case to be analyzed, including contextual information of Cambodia and a description of the project. Finally, a discussion section will be presented, consisting on the analysis of interview findings and data from official reports. This will pave the way for final remarks and conclusion of the work.

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[6] More information can be found at:
https://about.nike.com/pages/transform-manufacturing
https://www.uniqlo.com/en/sustainability/businesspartners/
https://www.forever21.com/us/shop/Info/SocialResponsibility/CASupplyChains

## 2. Literature Review

This section will present the existing literature of the broad theme of this thesis: business, the UN, and decent work promotion. First, a historical background of the business-UN engagement will be presented, followed by the explanation of the rationale behind such relations. The next subsection will discuss the relation between business and SDGs. It will be followed by a panorama of the 8th SDG (decent work[7]), its relevance for the global supply chains and the motivations behind business commitment for advancing this goal. Lastly, I will briefly summarize the theoretical findings and present the gap that will guide this work.

### 2.1. Business and the United Nations

The private sector[8] has been engaging with the United Nations since the creation of the latter. Indeed, numerous business representatives attended the San Francisco Conference, a convention held in 1945 in which the organization was established. The rationale behind the support of the private sector on the UN creation is the premise that trade and peace complement one another. Furthermore, the Article 55 of the UN Charter mentions that the organization must promote "higher standards of living, full employment and conditions of economic and social progress and development" (United Nations, 1945). In this context, the role of the private sector is implicitly recognized for the fulfillment of the UN goals.

During the first decades after the San Francisco Conference, the UN-private sector interaction was restricted to procurement and consultative activities (Nelson and Torres-Rahman, 2015). The private sector has been a relevant actor when providing consultancy on setting technical standards regarding the workplace and trade at ILO and at the UN Commission on International Trade Law (UNCITRAL), respectively. However, the relationship between business and the UN did not advance during the Cold War period. The interaction between business and the UN only gained

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[7] The 8th SDG is "Decent Work and Economic Growth" (United Nations, 2017a). However, as this thesis analyzes a case directly related to working conditions, this literature review will be focused on decent work.

[8] Private sector can be understood as all individuals, for-profit, commercial enterprises or business, business associations and coalitions, and corporate philanthropic foundations (Kell, 2016). This definition is based on the report of the UN Secretary-General on "Cooperation between the United Nations and all Relevant Partners, in Particular the Private Sector".

momentum during the 1990's, due to the fall of the Berlin Wall and the acceleration of the business-led global integration (Kell, 2016).

The appointment of Kofi Annan as UN Secretary General in 1997 was a turning point for the improvement of the UN-business engagement, generating new types of cooperation (Nelson, 2002). The idea was to urge UN agencies to explore activities with the private sector, which started to engage on the promotion of responsible business standards, as well as on financing and implementing projects. In order to do so, Annan implemented a range of reforms on the organization, including a new direction on the relationship with the private sector, which led to the creation of the UN Global Compact (UNGC) in 2000 (UN Global Compact, 2017a). The UNGC is an initiative that urges business to align their strategies and operations with values related to human rights, labor relations, environment, and anticorruption, as well as to take action in order to support the UN purposes. After the launch of the UNGC, new types of activities emerged, encompassing the advancement of responsible business principles and the business engagement on projects that comprised their strategies on Corporate Social Responsibility (CSR)[9].

The second milestone for the UN-business relations was the unanimous endorsement of the UN Guiding Principles on Business and Human Rights by the UN Human Rights Council in 2011 (Nelson and Torres-Rahman, 2015). According to Georg Kell (2016), the debates that led to this document were held as an answer to criticisms that called for binding treaty approaches to regulate business behavior – which was not addressed by the UNGC. However, as the approval of a document that would impose obligations to be followed by transnational corporations was unlikely, it was decided to construct a consensual conceptual framework based on three pillars. They are: the state's responsibility to protect against human rights abuses by third parties; the corporate responsibility to respect human rights; and greater access by victims to effective judicial and non-judicial remedies (Kell, 2016).

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[9] CSR is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. It is understood as being the way through which a company achieves a balance of economic, environmental and social imperatives, while simultaneously addressing the expectations of shareholders and stakeholders (UNIDO, 2017).

*2.2. Explaining the business-UN engagement: philanthropy and profit-seeking*

The private sector can engage with the UN through different forms. It can be via a transactional interaction, when business provides goods and services to the organization on a contractual basis; in multi-stakeholder policy dialogues; consultancies; and partnerships – when the private sector is active in the governance, design, implementation or financing of a particular initiative or project (Nelson, 2002). The explanation behind the increasing engagement between business and the UN can be understood due to the alignment of their goals – despite being different types of organizations. Corporations recognize that food security, access to health and education, environmental sustainability and good governance are part of their own interests, since they impact the relationship with customers, investors and their workers. And these goals are also stated in the UN Charter – preservation of peace, respect for international law, and better living standards with respect for universal values and principles (Global Compact Lead, 2011). Hence, businesses and UN have overlapping interests, and this fact explains the cooperation between them.

Furthermore, the globalization fostered business internationalization, also contributing to a bigger exposure of practices that are not in consonance to the values and principles advocated by the UN. Campaigns against sweatshops and the exposure of pollution caused by multinational corporations were central for shifting corporate respect for communities and the environment (Kell, 2016). Corporate social responsibility and sustainability became a key driver of brand building, risk mitigation, and value creation (Kell, 2016), promoting the engagement of the private sector on initiatives that would at least lessen these problems (Lucci, 2012). Companies started to realize that their long-term financial success is related to overcoming barriers such as corruption, limited access to healthcare, lack of skill development or management of scarce natural resources (Kell, 2016, p. 731).

Kell's ideas can be indirectly related to what Milton Friedman stated in the 1970's:

> "There is one and only one social responsibility of business — to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud". (Friedman, 1970, p. 6)

This affirmation, which has been much criticized, was made in a context prior globalization and before the intensification in the business-UN engagement. However, it does not contradict Kell's train of thought. Friedman states that business activities always seek an increase in profits and, indeed, business actions aimed at advancing UN values are not selfless. The private sector is interested in the same UN principles, once they will lead to a long-term financial success. In this sense, investing in "social responsibility" initiatives is an activity that seeks long-term profit.

For their turn, Michael Porter and Mark Kramer (2011) have introduced the concept of "Creating Shared Value" (CSV) to explain the business engagement when addressing societal challenges – such as pollution, climate change, food insecurity – through a business model. The idea is that there is no trade-off between economic efficiency of a company and the social progress of the communities around it. Companies should not be only focused on their short-term financial performance, and should consider the well-being of their customers, the depletion of natural resources vital to their businesses, and the economic distress of the communities in which they are inserted (Porter and Kramer, 2011). By doing so, these corporations may improve their own competitive context – the quality of the business environment where they operate. Hence, there is an alignment between socioeconomic goals and the improvement of a company's long-term prospects (Porter and Kramer, 2002).

Porter and Kramer recognize that businesses are seen as one of the causes of environmental and socioeconomic problems, contributing to a growing distrust on the private sector. They urge companies to take advantage of the business opportunities brought by societal challenges and implement the CSV approach through models[10] that generate economic value and also address such problems. With these actions, it would be possible to connect business success with social progress, and also provide an option for financing the development agenda (Porter and Kramer, 2011).

Although it is difficult to separate profit-seeking from philanthropic motivations, one must also consider the relevance of the latter behind private sector participation in development initiatives. Successful cases of philanthropy such as the global polio eradication and the provision of free meal for needy school children in the United

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[10] The authors affirm that companies can implement the CSV approach by reconceiving products and markets; redefining productivity in the value chain; and building supportive industry clusters at the company's locations (Porter and Kramer, 2011).

States were mainly driven by the private sector. In India, for example, a philanthropic initiative of the Aravind Eye Hospitals has reduced cataract blindness in the state of Tamil Nadu by more than 50%, serving all patients regardless of their ability to pay (Wolf Ditkoff and Grindle, 2017).

According to authors such as Wolf Ditkoff and Grindle (2017), philanthropists implement social impact initiatives because they feel the weight of responsibility that comes with their privilege. Nevertheless, such philanthropic actions are also used as a form of public relations and advertising, once they promote a company's image "through cause-related marketing or other high-profile sponsorships" (Porter and Kramer, 2002). Hence, it is difficult to separate philanthropic from profit-seeking motives. They are not mutually exclusive.

All things considered, companies that address societal challenges with their actions may not be solely driven by philanthropic reasons. Private sector initiatives aimed at advancing UN values are not completely selfless, once they contribute to a positive reputation of the company, to the sustainability of their business, and to their long-term financial success. In this sense, some "philanthropic" initiatives have no philanthropic motives, being a means to achieve a non-altruistic end, such as a stable environment that foster the company's profit or building its image as a responsible business. However, even if they are a means for a company to achieve financial success, these measures may also positively address societal challenges, by contributing for socioeconomic stability or environmental sustainability. For instance, the Bill & Melinda Gates Foundation is known for carrying out "philanthropic" projects on poverty eradication, educational opportunities, and access to information technology. They might seem as selfless good-deeds, but these initiatives contribute to a good CSR reputation for Microsoft, being a successful marketing strategy. Despite this possible non-altruistic end, projects implemented by Bill & Melinda Gates Foundation do bring positive socioeconomic results. These initiatives are a means for achieving the non-philanthropic end of building Microsoft a good business reputation. Nevertheless, such means also benefits the society. And this is why business and the UN have overlapping interests.

This section presented the rationale behind the business engagement in activities related to the UN values. The next section will focus on the SDGs and the relevance of business engagement for advancing them.

*2.3 Business and the SDGs*

In September 2015, the United Nations Sustainable Development Summit adopted the Resolution Transforming our world: the 2030 Agenda for Sustainable Development[11]. The document comprises 17 Sustainable Development Goals and 169 targets[12], which are expected to be achieved by 2030 and aim to end poverty, protect the planet and end ensure prosperity for all (United Nations, 2017a). Briefly, the idea was to define common priorities regarding sustainable development actions to be taken worldwide by governments, business and civil society. The goals are:



*Source: SDG Fund, 2017.*

Despite representing a new sustainable development agenda, the SDGs were met with criticism by some experts. Authors such as William Easterly (2015) and Jason Hickel (2015) understand the SDGs as utopian ideas, and state that the large scope of its 169 targets implies that everything is a priority, which in fact means no priorities at all. An

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[11] As mentioned by Jeffrey D. Sachs (2015), Special Advisor to United Nations Secretary-General on the SDGs, the UN understands sustainable development as a triple-bottom-line concept. Such definition integrates economic, social and environment sustainability objectives. Hence, the UN understands that economic development should be combined with social inclusion and environmental sustainability (Sachs, 2015).
[12] A list with the targets of the 8th SDG, which is the focus on this work, is available in the Appendix 1.

article from The Economist (2015) stressed that the SDGs are expensive and there is a lack of consideration on how they will be financed. According to the article, meeting the global goals would cost from USD 2 trillion to USD 3 trillion a year, a much larger amount than what western countries currently spent in aid (The Economist, 2015). However, despite these pertinent critiques, one should still acknowledge the relevance of the SDGs as general guiding principles for policies and measures aimed at sustainable development. They still represent a globally agreed holistic approach to the UN's three major pillars of sustainable development: economic development, social inclusion, and environment sustainability (Sachs, 2015).

The SDGs are built on the Millennium Development Goals[13]. However, unlike their precursors, the SDGs explicitly recognize the importance of the business sector for its achievement. Multinational companies, for instance, bring unique strengths that contribute for sustainable development: a worldwide reach, cutting-edge technologies, and massive capacity to reach large-scale solutions (Sachs, 2012). The 2030 Agenda for Sustainable Development was built with broad participation of non-governmental actors, including representatives from NGOs, civil society, and businesses. Through the UN Global Compact, more than 1.500 companies provided output and suggestions during the SDGs' discussions (GRI, UN Global Compact and WBCSD, 2015). Governments were crucial for the adoption of the SDGs, but the successful implementation of this agenda can only be achieved with civil society and private sector participation.

However, how can businesses contribute to the implementation of the SDGs? The United Nations consider that companies should first do business responsibly and *only then* pursue opportunities to solve societal challenges, which can be done via business innovation (UN Global Compact, 2017b). In this sense, before acting on the SDGs implementation, companies should address its negative impacts by enforcing the UN Guiding Principles on Business and Human Rights. As mentioned by John Ruggie (2016), business initiatives to promote social goods cannot be a substitute answer for failure to address the potential harms that their activities pose to people. "In human rights, there is no equivalent to buying carbon offsets" (Ruggie, 2016, p. 3).

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[13] Launched in 2000, the Millennium Development Goals were eight development goals focused on anti-poverty measures to be achieved by 2015 (UNDP, 2015). Criticized for being mainly applied to developing countries, they were not fully accomplished and paved they way for the SDGs.

This being the case, companies can advance the 2030 Agenda for Sustainable Development by delivering and investing in innovative solutions to global challenges like poverty, inequality, climate change, and food crises. The SDGs represent a market for innovation in which companies can identify business opportunities – which can be related to Porter and Kramer's (2011) concept of CSV. The idea is to create new technologies, products, services or business models that enhance people's lives.

There are other possible actions for advancing the SDGs that are less related to the business opportunities represented by them. For instance, companies can invest in the skills and health of its workforce or implement responsible social and environmental business standards (GRI, UN Global Compact and WBCSD, 2015). And, in addition to investments and activities directly related to the company's core business, businesses also act through strategic corporate philanthropy, social investments, and via public policy advocacy (Nelson and Torres-Rahman, 2015).

This subsection presented the SDGs and illustrated ways in which business can act for their achievement. As this work will be focused on the 8th SDG, the next subsection will better explain what the UN aims to achieve with this goal and with its targets directly related to decent work.

## 2.4 Decent Work and the 8th SDG

According to ILO's definition, decent work involves opportunities for work that are productive and delivers (i) a fair income; (ii) security in the workplace and social protection for families; (iii) better prospects for personal development and social integration; (iv) freedom for people to express their concerns, organize and participate in the decisions that affect their lives; and (v) equality of opportunity and treatment for all women and men (ILO, 2017a). Decent work is relevant for the development agenda because it is a means of achieving inclusive growth and equity, once economic growth itself cannot assure that everyone will benefit from it. In a nutshell, decent work is a way of reducing poverty and inequality.

Almost half the world's population lives on the equivalent of about US$2 a day and having a job does not guarantee the possibility of escaping poverty (ILO, 2017b). Currently, nearly 21 million people are victims of forced labor, and 780 million

workers are not earning enough to lift themselves and their families out of poverty (UN Global Compact, 2017c). International organizations, governments and civil society agree that providing decent work conditions is a way to tackle poverty and inequality, contributing to a sustainable development. In this context, decent work is a goal present in several UN documents and declarations, including the Universal Declaration of Human Rights (1948), Conference on Sustainable Development (2011) and in the UN's 2030 Agenda for Sustainable Development, explicitly as the 8th global goal (ILO, 2017a).

The 8th SDG seeks to promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all (United Nations, 2017b). It has twelve targets under it[14], and they help to clarify what the UN aims to achieve with this goal, and each one of them has indicators to measure its advancement. Furthermore, the UN specifies which actions need to be taken for the accomplishment of these targets. For instance, the organization calls for people-centered policies, such as social protection measures, wage policies, strengthened labor inspection and protection for collective bargaining[15] as a way of achieving Target 8.5 (ILO, 2017c). With regards to the Target 8.8, one of the demands is to increase global respect for the right to a safe and healthy working environment, as well as raise awareness on right and responsibilities of workers and employers (ILO, 2017c).

Similarly to the implementation of other SDGs, international organizations and government alone are unable to achieve decent work for all. In this sense, the UN urges the private sector to contribute for advancing this agenda. Before elucidating why companies like H&M act in this matter, the next section discusses the concept of Global Supply Chains, a crucial idea to understand the case that will be analyzed in this work[16]. ILO's agenda on decent work specifically within the global supply chains of the garment sector will also be introduced.

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[14] As mentioned before, a list with the targets of the 8th SDG is available in the Appendix 1.
[15] Collective bargaining refers to negotiations in which employers and trade unions can establish fair wages and working conditions. The objective of these negotiations is to arrive at a collective agreement that regulates terms and conditions of employment (ILO, 2017e).
[16] There are several critiques and academic debates within the vast literature of global supply chains. Due to space limitations, it was chosen to present this topic in a more descriptive and concise manner.

*2.5 Decent Work and Global Supply Chains*

Global Supply Chains is a complex concept related to internationally dispersed production and trade processes. Transnational corporations generally coordinate these chains, which represent almost 80% of the global trade (UNCTAD, 2013). Terms like "Global Production Networks", "Global Commodity Chains" or "Global Value Chains" are used almost interchangeably to refer to this phenomenon. According to ILO, "Global Supply Chains" refers to

> "The cross-border organization of the activities required to produce goods or services and bring them to consumers through inputs and various phases of development, production and delivery. This definition includes foreign direct investment (FDI) by multinational enterprises (MNEs) in wholly owned subsidiaries or in joint ventures in which the MNE has direct responsibility for the employment relationship. It also includes the increasingly predominant model of **international sourcing** where the engagement of lead firms is defined by the terms and conditions of contractual or sometimes tacit **arrangements with their suppliers and subcontracted firms** for specific goods, inputs and services". (ILO, 2016b, p.1)

There are many academic discussions within the vast literature of Global Supply Chains. The core debate is related to whether the integration of firms and workers into these chains is benign or exploitative (Meagher, 2013). That is, despite creating new job opportunities and raising income in developing countries, this way of organizing production and trade often brings negative implications for labor conditions. Within global supply chains, products sold by multinational companies are often made by independent suppliers. Hence, multinational brands are not directly responsible for the labor conditions of the workers that produce their goods. In this sense, pressure on prices and delivery times of supplier factories, as well as competition with other factories, may contribute to disrespect the worker's rights (ILO, 2016b). Factory owners tend to disregard minimum wage and labor conditions, and some of them resort to forms of employment that do not comply with labor regulations, such as forced and child labor (Meagher, 2013). Such exploitative practices create unfair competition for supplier factories that comply with labor regulations (ILO, 2016b).

In order to address such negative effects, authors such as Carr and Chen (2002) and Barrientos (2008) provide policy recommendations that are related to ILO's strategies for fostering decent work. Such proposals include the extension of basic labor regulations and social protection to the informal economy, as well as the need to

better regulate subcontractors and supplier factories (Meagher, 2013). Moreover, ILO has a decent work agenda specifically related to the garment sector within the context of Global Supply Chains. According to the institution, the main challenges in the garment industry in Asia[17] are:

- Variation in wages, working conditions, compliance and enforcement;
- Freedom of association and effective worker representation;
- Collective Bargaining;
- Disputes and Dispute Resolution;
- Gender and industrial relations practices and institutions (ILO, 2017f).

Hence, measures that seek to contribute to the SDGs by strengthening decent work and industrial relations in the Asian garment sector should address these aforementioned problems. ILO (2017f) provides and extensive list of types of initiatives that are successful to address each one of these points, focusing on enterprise, national or regional levels[18]. Businesses should focus on these recommendations in order to contribute for the advancement of the 8th SDG in the Asian garment sector. In this work, such decent work agenda will serve as a basis for

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[17] ILO's report recognizes that some of these issues may change in particular contexts, but they still represent the main common industrial relations challenges in Asia.

[18] There are plenty of suggestions available in ILO's decent work agenda for the garment sector in Asia. Regarding wages and working conditions, the agenda states that measures should aim to develop regional mechanisms to address wage-based non-compliance; foster regional dialogue to support the commitment of nations to strengthen collective bargaining; and improve the enforcement of labor standards (ILO, 2017f).

On freedom of association and worker representation, ILO suggests support for unions to address their internal functioning and leadership structures, especially on the need for greater representation of women; and capacity development of union representatives on collective bargaining and grievance processes (ILO, 2017f).

With regards to collective bargaining, ILO recommends initiatives to focus on policy and institutional reform, shifting away from enterprise based bargaining systems and enhancing skill development for worker and employer representatives (ILO, 2017f).

On dispute resolution, ILO suggests measures that develop the role of governments in designing dispute resolution institutions; the role of labor administrators in overseeing these; and that improve dispute resolution skills among unionists and employer representatives (ILO, 2017f).

Regarding gender, ILO recommends initiatives that consider the development of regional networks for leadership development to promote gender inclusive representation, improving the representation of women in union leadership positions; that improve the understanding of the gendered character of work in the garment industry among employers, unions and government policy-makers; and that seeks to reform leadership structures of trade unions to reflect the gender balance of the garment industry workforce (ILO, 2017f).

The complete list of recommendations can be found at ILO, 2017f, pp. 43-50.

outlining which issues are expected to be problematized in projects like H&M, Sida and ILO's[19].

*2.6 Decent Work: why businesses care?*

In short, there are three main sets of reasons behind the business commitment to decent work promotion[20]. Besides philanthropic purposes (i), which are often met with suspicion, companies that attempt to promote decent work conditions seek to improve the productivity of their own work force (ii). And, above all, they do so as a marketing strategy aimed at profit-seeking by building themselves a reputation of responsible businesses (iii).

The altruistic motivation can be understood as a willingness to do go good and be part of a global transformative change. When business initiatives have only altruistic incentives, results that promote the welfare of others are the solely purpose of those actions: philanthropic initiatives are an end in themselves. For instance, Caroline Rees (2017) points that measures for advancing decent work conditions across value chains have the potential of improving the lives of millions of workers and community members. The idea is that, by recognizing and enforcing the rights of workers from the global supply chains, it will be possible to contribute to the advancement of other goals besides the 8th SDG:

> "The opportunities unlocked for people when they have decent jobs with living wages include a route out of poverty (SDG 1) with improved access to food (SDG 2), to health (SDG 3), to education (SDG 4), and to equality of opportunity (SDGs 5 and 10)". (Rees, 2017, p.1)

Nevertheless, companies may not act solely for charitable reasons when addressing societal challenges. In these cases, such initiatives can be seen as a means for achieving a non-philanthropic end. With regards to decent work promotion, Michael Porter (2013) highlights how these measures are important for improving the productivity of a company's workforce, particularly if one is thinking in the long run. For instance, fair income and security in the work place contribute for the maintenance of health of employees, which allows them to be more productive, go to

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[19] Each one of these challenges will be explained in chapter 4, focusing on the Cambodian context.
[20] These three categorizations are not mutually exclusive.

work, be less absent. The UN Global Compact (2017d) goes further and underlines how freedom of association and the right to collective bargaining also contribute for increasing the productivity of a company. They do so by fostering a greater stability in the relation between a company and its employees. The idea is that employers and workers can establish a dialogue, understand their problems and negotiate the terms and conditions of the work, as well as the regulation of their relations. By doing so, potential conflicts between workers and employers are anticipated and they can find solutions that take into account the priorities and needs of both parts (UN Global Compact, 2017d).

Finally, companies seek to advance decent work as a means of marketing strategy. When undertaking actions for improving conditions of their work force, companies seek to build the image of responsible businesses, leading to reputational benefits for them. Indeed, some skeptic authors believe that CSR activities are at best a form of advertising, once these non-philanthropic actions are mainly focused on building a company's reputation, having little real benefit to society (Keys, Malnight and Van der Graaf, 2009). When a company starts to be related with sweatshop practices, its reputation is damaged, people tend to express outrage and hold boycotts. In this sense, businesses involved in decent work promotion seek to achieve a positive reputation with these responsible practices – which contributes to their customer retention and long-term success (Zadek, 2004). This is a step further than only complying with labor standards, once it protects the company's reputation and reduces the risk of litigation (Zadek, 2004). By acting on decent work promotion, companies give an answer to the society's increasing awareness on the importance of complying with labor standards and buying from a responsible business.


This chapter presented the literature review related to business engagement in advancing the SDGs. Companies may not act only due to philanthropic reasons when promoting decent work conditions – a case in which philanthropy is an end in itself. They also seek to improve their productivity or to build themselves a reputation of responsible businesses. This is a profit-seeking strategy that contributes to their long-term financial success. In these cases, private sector measures on decent work promotion are a means for achieving an end related to the nature of businesses, which is to maximize their profit. The table below illustrates this train of thought:

|  |  | **Motives** | |
| --- | --- | --- | --- |
|  |  | End<br>(philanthropic goals) | Means<br>(profit-related goals) |
| **Measures**<br>(ability to advance the SDGs) | Effective |  |  |
|  | Ineffective |  |  |

The categorization of the table is purely academic, since projects usually have both types of motives and they are not mutually exclusive – it is difficult to separate them in practice. However, this arrangement is a helpful way of understanding altruistic and non-altruistic incentives within a SDG framework. This table will be presented again in chapter 5 in order to explain the motives behind H&M's project in Cambodia, also illustrating if the measure is indeed useful to address the 8th SDG according to ILO's framework. In addition, by discussing how project motives may be related to the problem representation and to the understandings of project's participants, the table will pave the way for directly answering the research question.

ILO's decent work agenda that comprises the challenges of the Asian garment industry within the Global Value Chain context was also presented[21]. These issues are expected to be problematized by H&M, Sida and ILO's project in Cambodia, once the company is committed to decent work and seeks to advance the 8th SDG with this initiative. In this sense, such challenges need to be addressed for a measure to effectively promote decent work and strengthen industrial relations in the Cambodian context. As it will be discussed in the next chapter, in case one of these issues is not problematized by the project, this represents a "silence" of the measure and it can be related to motives that are not entirely philanthropic.

All things considered, there are academic debates and theories about the motives behind private sector actions on decent work promotion. However, there is a lack of academic contributions on how the project participants' initial understanding of labor problems and work processes can affect the design and implementation of measures aimed at advancing decent work. The next chapter of this work discusses the research

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[21] These challenges are listed on page 19.

methods that will be used for discovering these problem representations and understanding how they influence the project analyzed in this thesis.

### 3. Methodology

After recalling the research question, this chapter presents the WPR approach in which this study's analysis will be based on. Other aspects of the methodology will be discussed, including the research design, the data used, the type of interviews that were held, and ethical considerations. Lastly, I will mention the limitations of this work.

*3.1 Research Question*

This study will seek to answer the following research question: *how the project's participants understand the problems with current work processes in Cambodia and how such understandings have influenced the design and outcomes of the project?*

By "project's participants", one should understand H&M, Sida and ILO. Hence, as the next subsections will show, not only H&M is studied in this work, but also the other two main partners and the project itself more generally.

*3.2 The WPR approach*

The "What's the Problem Represented to be?" approach (WPR) will be used as the main methodological tool in this study. Developed by Carol Bacchi (2012), the WPR enables the researcher to carry a critical policy analysis focused on problem representation as a way to understand the reasons for action.

WPR has a premise that policies and measures reveal what its designer thinks is problematic in the context in which it will be implemented. Hence, policies contain "implicit representations of what is considered to be the problem" (Bacchi, 2012, p. 21), which the author understands as problem representations. The idea is that policies and measures are designed as a proposed solution for a problem, and they are built on a specific representation of the issue it deals with. In this context, WPR is an analytic tool that focuses on how the problem is represented and what are the repercussions of such representation.

WPR can be used in diverse areas within Political Science and policy analysis. Bacchi presents several questions to be applied are a practical methodology. In this work, the following questions will be used:

1. *What's the problem represented to be in a specific policy or policy proposal?* This question clarifies the implicit problem representation within a policy.
2. *What is left unproblematic in this problem representation? Where are the silences? Can the problem be thought about differently?* Such questions consider possible gaps or limitations in the problem representation, accompanied by reflecting on potential alternatives.
3. *What effects are produced by this representation of the problem?* This question considers how the problem representations limit what can be talked about as relevant, shape people's understandings of themselves and the issues, and impact people's lives (Bacchi, 2012, pp. 21-22).

These questions should be applied to the problem representation for being "useful in identifying the underlying presuppositions and forms of problematization in theoretical and methodological propositions, which are in effect postulated solutions" (Bacchi, 2012, p. 23). With regards to the present work, the problem that H&M, Sida and ILO's project seeks to solve is the weak industrial relations in Cambodia. The interrogations brought by the WPR will serve as a tool to answer both parts of the research question: *how the project's participants understand the problems with current work processes in Cambodia **and** how such understandings have influenced the design and outcomes of the project?*

With this approach, it will be possible to understand how the problem representation made by H&M, Sida and ILO is related to the design and outcomes of the measure. The analysis will begin with the proposed solution for the weak industrial relations in Cambodia, which will enable one to critically examine the implicit problem representations of this case. A brief discussion about how the reasons for action may contribute to such representations will also be presented.

ILO's decent work agenda for the Asian garment industry, which was introduced in the theoretical chapter, will be useful to understand what is left unproblematic in the problem representation. According to ILO's report, there are five main challenges that need to be addressed in order to promote decent work and strengthen industrial

relations in countries like Cambodia[22]. Thus, it is expected that the project comprises these five points in order to effectively improve Cambodian industrial relations – the expectation of the problem representation. If one of these issues is not included or emphasized in the project's activities, this indicates a silence, which is a gap in the problem representation that limits what is seen as relevant in the Cambodian industrial relations environment.

Bacchi's approach is interpretivist, related to discourse analysis and with an underlying assumption that problems are not given, but rather socially constructed. According to the author, a problem is not an objective fact and its definition is not value-free – for this reason, WPR focuses on the problematization, rather than in the problem itself (Partridge, 2010). Bacchi also highlights the importance of reflexivity when using WPR as a tool, once the researcher should include him/herself as part of the material to be analyzed. This is because "the ways in which 'problems' are constituted elicit particular forms of subjectivity, influencing how we see ourselves and others" (Bacchi, 2012, p. 22). Such self-problematization enables one to interrogate his/hers own assumptions when analyzing a policy.


*3.3 Case Study as a Research Design*

In a case study, the researcher examines one case of a phenomenon in detail, typically using several data collection methods, such as personal interviews and document analysis (Johnson and Reynolds, 2012). When little is known about the phenomenon to be analyzed, researchers observe only one case of the phenomenon and the analysis may suggest possible general explanations – or hypotheses – for the behavior or attributes that are observed (Johnson and Reynolds, 2012).

In this sense, there is no hypothesis to be tested in this thesis, which is a research focused on a policy/measure as unity of analysis, namely the project "Improving Industrial Relations in Cambodia's Garment Industry". This is a case of private sector (H&M) engagement with the United Nations (ILO) and other international organization (Sida) for advancing SDGs (8th SDG) in a developing country (Cambodia). The aim of this study is to identify how H&M, Sida and ILO understand

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[22] These challenges are listed on page 19.

the work processes in Cambodia, as well as the manner by which such understandings influenced the design and outcomes of the measure. This case is an example of a phenomenon with few scientific contributions within the Political Science field and the findings brought by this thesis might lead to a hypothesis that can be tested in other similar cases.

McNabb (2004) mentions a list of advantages of this type of research design. Among other things, the author stresses that case studies push researchers to work in depth, to go beyond the surface indications and establish an understanding of the phenomenon (McNabb, 2004). Furthermore, he stresses the richness of the information gained in a study like this one. This is an advantage because it often goes beyond simple description, including deeper understanding of the underlying motives, attitudes, and justifications for interactions and behaviors (McNabb, 2004, p. 147).

Researchers developing case studies generally use prior research reviews, in-depth interviews, and official documents and records as data. This work will be done through the analysis of official documents and reports released and made public by international organizations and companies/associations involved in the case. Furthermore, online sources from the three main project participants studied in this thesis will be used. The list of documents and online websites used in the empirical analysis is the following:

- H&M's 2016 Sustainability Report (H&M, 2016a);
- Sida's 2017 Project Report "Industrial Relations in Cambodia" (Sida, 2017a);
- ILO's 2014 Project Annual Report (ILO, 2014);
- H&M Sustainability website (H&M, 2017c);
- Sida's website on Private Sector Collaboration (Sida, 2017c);
- ILO's website on Public-Private Partnerships (ILO, 2017i).

Elite interviews will also be held. The next subsection will discuss this type of data collection.

*3.4 Elite Interviews*

The research question could not be completely answered with information available in reports and official documents. For this reason, it was chosen to use in-depth, elite

interviews to gather data. Individual interviews were conducted with executives from H&M, Sida and ILO, which are the main institutions involved in the case. Interview requests were also sent to organizations such as the Garment Manufacturers of Cambodia (GMAC) and the IF Metall Trade Union, but no answer was received. All the interviews were conducted via Skype, since interviewees from H&M and ILO are based in Phnom Penh. In total, four individual interviews were conducted: two representatives from ILO Cambodia, one from Sida and one from H&M in Cambodia.

Elite interviews are relevant for gathering information from knowledgeable individuals. The interviewees were selected because they are better informed about the case study, representing "a key group of informants whose opinions are needed for meeting the research objectives" (McNabb, 2004, p. 139). They are high executives and the main responsible person for the project in their organizations.

The in-depth interviews were conducted in a semi-structured way and lasted forty minutes, on average. An interview guide[23] was prepared, with the order in which topics and questions were raised. Such guide was lightly modified in each interview, in order to be more adapted to the interviewee's organization. However, the general structure of the conversation was maintained, so as to assure comparability among the answers. Follow-up questions and prompts were used when the interviewees started to wander off to new topics. As mentioned by Leech (2002, p. 667), using prompts is important to ensure that the interviewee's responses covered the necessary points of the research. Additionally, questions were sent beforehand to the interviewees upon request in some cases, so they could be better prepared for answering them.

### 3.4.1 Coding

With regards to data analysis, interviews were transcribed and the information was categorized within a coding system – a structural framework in which the data can be meaningfully interpreted (McNabb, 2004). In order to build this system, I highlighted relevant information that: were repeated; reminded me of a theory or concept; surprised me; I had read in a report or document; the interviewee revealed it was important. Then, I created labels to place each highlighted excerpt, including words, sentences, sections, opinions, concepts and interviewee's actions, hesitations and

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[23] The interview guide is available in the Appendix 2 of this thesis.

body language. In order to do so, I relied on the concepts of manifest, latent and global coding items brought by Aberbach and Rockman (2002, p. 675):

> "**Manifest coding items** involves direct responses to particular questions (…) **Latent coding items** were those where the characteristics of the response coded are not explicitly called for by the questions themselves (…) **Global coding items** were those where coders formed judgments from the interview transcripts about general traits and styles".

Thereafter, I categorized the data by grouping similar items. Lastly, I organized the interview findings by grouping similar categories, such as motives, labor regulations and unions[24]. This coding system is essential for developing a plausible set of explanations that enables one to build a narrative and analyze the case study. Furthermore, it is worth mentioning that such system was also useful to categorize the information available in the written and online data sources used in this work.

Additionally, the ideas brought by Axel Hadenius (1983) regarding the verification of motives were relevant for part of the data analysis. The author sheds light on how indirect statements can be used to infer the real motive behind an action – or a policy. Briefly, these motives can be expressed in more general terms in a statement that justifies/motivates such action/policy or that expresses a general evaluation of an issue, which often happens within politics. However, there is no concrete evidence of a connection between implicit motives and actions, since the declaration in general terms is characterized by the lack of an explicit link from words to actions (Hadenius, 1983). In this sense, such linkage cannot be confirmed by an explicit narrative source and the researcher should use his/hers probability reasoning to demonstrate that the act is related to a declaration of motive in more general terms. Such strategy for verifying implicit motives is also called "circumstantial arguments" (Torstendahl, 1966, p. 104-13 in Hadenius, 1983) and it was used in this work as a method to analyze the information brought by interviewees. By applying the probability reasoning as the analytic tool to the data collected by the interviews, Hadenius approach was useful to link the motivation/justification stated by the project partners to the real motives/incentives behind the initiative.

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[24] The explanation of each coding category is available in the Appendix 3.

The method brought by Hadenius complements Bacchi's WPR approach. As explained beforehand, WPR is useful to understand the problem representation of a policy and how such representation is related to the reasons/motives for H&M's actions in the case study of this thesis. However, Bacchi's approach does not provide tools to discover *which* are the motives and incentives behind a measure. Herein lies the relevance of Hadenius' verification of motives, which enables one to get to the core reasons/motives of an initiative by analyzing the motivations/justifications stated by the interviewees.

*3.4.2 Ethical considerations*

With regards to ethical considerations, all the participants provided their consent to record the interview and to use it as data for this research. The interviewees also had prior access to all the quotes, rectifying them if it was the case. It was chosen not to mention the names of the interviewees, only their home organizations[25].

*3.5 Limitations of the work*

Qualitative studies are not value-free. It is difficult for the researchers to remain objective, since they select the codes and analytical frameworks of the work. Furthermore, when analyzing documents and interviews, the researcher makes judgments on the data and its meanings (McNabb, 2004). In this sense, this work is loaded with my own views of a non-Cambodian woman, currently living in a European country.

The lack of field research is also a limitation for a better understanding of the industrial relations and garment sector in Cambodia. The interviews were held through Skype and I had no contact with members of local organizations that are involved in the project, such as GMAC and IF Metall Trade Union, nor with workers from the supplier factories in which the project was implemented. Furthermore, due to time-limitations, only four interviews were conducted, which restricts the amount of data that could be analyzed and lead to more accurate results.

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[25] Interviewee 3 asked to be referred to as "ILO's National Project Coordinator".

Although the project is already concluded, there are no final reports on its results yet. This research could not focus only on the project's outcomes due to lack of proper data to do so. In this sense, a focus on the problem representations and understandings behind such initiative was adopted due to the availability of data to answer a research question based on this matter.

Lastly, one might criticize this case study for its lack of generalization potential. The rationale behind such evaluation is the fact that studies like this one cannot generate causal analysis due to its reduced sample size. However, as mentioned by Johnson and Reynolds (2012), this criticism is already been overcome, once the academy recognizes this type of research design as a "distinctive form of empirical inquiry and an important design for the development and evaluation of public policies as well as for developing explanations and testing theories of political phenomena" (Johnson and Reynolds, 2012, p. 197).

This chapter presented the research methodology, including discussions about interviews, ethical considerations and limitations of the work. The next chapter will be focused on understanding the project "Improving Industrial Relations in Cambodia's Garment Industry", including the national context in which it is inserted and the role of H&M on the initiative.

## 4. The case

This chapter provides a contextualization of the case to be analyzed, including garment sector and industrial relations in Cambodia. Then, it presents background information about the H&M group, Sida and ILO. Lastly, the project "Improving Industrial Relations in Cambodia's Garment Industry" is described.

### 4.1 Cambodia: a brief contextualization

Cambodia is a country located in the Southeast Asia, in the southern part of the Indochina Peninsula, and it has gained its independency from France in 1953[26]. The country became a Parliamentary Constitutional Monarchy in 1993, with the then King Norodom Sihanouk as Head of State. The Prime Minister, Hun Sen, is the country's the Head of Government since 1985, which makes him one of the world's longest-serving prime ministers (The Economist, 2017). Hun Sen has become increasingly authoritarian and his government is currently petitioning the Cambodian courts to dissolve the Cambodia National Rescue Party (CNRP), the only opposition group that can defeat him during the next elections, which are scheduled for 2018.

The Cambodian economy is led by three main sectors: garment and footwear, tourism, and agriculture. The country is considered a lower middle-income one, with gross national income (GNI) per capita of USD 1.070 (The World Bank, 2017). Around 4.5 million people in Cambodia are near-poor, vulnerable to falling back into poverty when exposed to economic or other external shocks (The World Bank, 2017).

### 4.1.1 The Garment Sector in Cambodia

The garment industry represents a significant share of Cambodia's economy. The country has been promoting an export-oriented trade policy since the 1990's and the garment sector became vital for Cambodia's export industry. Together, garment and footwear sectors have grown impressively over the last two decades, starting from USD 80 million in exports in 1996 to become a USD 6.8 billion export industry in

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[26] During the 1970's, the country faced a dictatorial regime led by Pol Pot, leader of the Khmer Rouge. The dictatorship lasted four years (1975-1979), a period in which the Khmer Rouge carried out the Cambodian Genocide, killing an estimated number from 1.5 to 3 million Cambodians, which represents 25% of the country's population at the time (World Without Genocide, 2017).

2015 (ILO, 2017d). The garment sector has approximately 800 thousand workers, 90 to 95% of whom are young women aged 18 to 35 years old, and it is the major source of non-agrarian employment in the country (CNV Internationaal, 2016). Manufacturers from neighboring countries such as China, Taiwan, Singapore and Malaysia dominate the sector with their factories, producing goods for clothing-retail companies.

Workers from such garment factories often experience exploitative working conditions. The combination of short-term contracts that make it easier to fire workers, poor government labor inspection, and aggressive tactics against independent unions hinders the ability of the workers to claim their rights (Human Rights Watch, 2015). The subsection below will discuss these challenges, which are central to understand the Cambodian industrial relations environment.

*4.1.2 Industrial Relations in Cambodia*

In a broader sense, industrial relations are "the individual and collective relations between workers and employers at work and arising from the work situation, as well as the relations between representatives of workers and employers at the industry and national levels, and their interaction with the State" (Arrigo and Casale, 2005, p. 164). This is ILO's official definition, and it includes activities such as recruiting, hiring, training, lay-off, termination, wages, overtime, health, safety, working hours, rest, vacation, and benefits for unemployment, sickness, accidents, maternity, old age and disability (Arrigo and Casale, 2005).

Cambodia has a problematic industrial relations situation. The International Trade Union Confederation (ITUC) names it as one of the world's worst countries for workers. ITUC has a Global Rights Index, which measures the degree of respect for workers' rights. In 2017, Cambodia was rated with the worst grade, meaning that the country's labor policies offer no guarantee of rights for its workers (ITUC, 2017).

Cambodia has a Labor Code, which is a law enacted in 1997, but it is not successfully enforced due to the lack of efficiency of the government labor inspectorate[27]. In this

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[27] Apart from the Cambodian government, there is an organization responsible for monitoring the working conditions in the garment sector. Called Better Factories Cambodia, such organization was established in 2001, after a trade agreement between Cambodia and the United States. However, Better

sense, there is a list of labor right abuses in the garment sector. According to the Human Rights Watch (2015), short-term contracts are used as away to control workers, discourage union formation and avoid paying benefits. Furthermore, some factories also employ workers in a daily or hour basis, which makes even harder for these employees to unionize and complain about labor conditions. Both casual workers and those on short-term contracts risk easy retaliation through dismissal or contract non-renewal – they are more likely to be denied benefits and have less access to reporting mechanisms or union support (Human Rights Watch, 2015).

Forced overtime is another labor right abuse in Cambodia. The law limits weekly (beyond 48 hours) overtime work to 12 hours (2 hours per day), but factory managers threaten to dismiss workers that seek exemption from doing overtime work (Human Rights Watch, 2015). According to a report from Better Factories Cambodia (2015), 94% of factories monitored between 2013 and 2014 violated overtime regulations.

Apart from forced overtime, practices such as lack of rest breaks, denial of sick leave, and use of child labor are common (Human Rights Watch, 2015). Moreover, women workers suffer sexual harassment, pregnant-related discrimination and denial of maternity benefits. According to Human Rights Watch (2015), factory managers fail to provide reasonable adjustments for pregnant workers such as more frequent bathroom breaks or lighter work without decreasing their payments. The same study also found that when pregnant women are not fired, they often resign from factories because managers harass them for being slow and unproductive. Additionally, sexual harassment practices are usual, including sexual comments and advances, inappropriate touching, pinching, and bodily contact (Human Rights Watch, 2015). Cambodia's Labor Law does not outline complaints procedures regarding sexual harassment, nor it creates channels for workers to secure a safe working environment (Human Rights Watch, 2015). Hence, these women workers cannot claim their rights.

In addition, factories and managers are against the establishment of unions. This anti-union discrimination leads to union-busting actions, such as keeping long-term workers on short-term contracts to discourage their participation in union activities; shortening the length of male workers' contracts; dismissing or harassing newly elected union representatives to prevent formation of independent unions; and

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Factories Cambodia primarily monitors factories with an export license and it cannot substitute a strong labor inspectorate (Human Rights Watch, 2015).

encouraging pro-management unions (Human Rights Watch, 2015, p. 12). Such employer interference in union activities contributed to the proliferation of trade unions in the garment industry, leaving them fragmented and with limited capacity (Sida, 2017a).

The Cambodian government also contributes to union-busting practices by introducing bureaucratic obstacles to union formation. The idea is to prolong the union registration process, giving factory management more time to take retaliatory measures against workers that lead the union (Human Rights Watch, 2015).

Labor conditions in Cambodia are even worse for workers from subcontracting factories. Aiming at reducing costs and bypassing labor regulations, many factories that supply products to international brands subcontract to other smaller factories, which are subjected to little or no monitoring (Human Rights Watch, 2015). The majority of these subcontracting factories are often physically unmarked, leading to a complete lack of labor inspection. Their workers find even harder to unionize, once they fear that factories would briefly suspend operations, firing all the employees (Human Rights Watch, 2015).

*4.1.3 Current situation: protests, human right abuses and sanction threats*

Cambodia's problematic industrial relations foster strikes and mass protests, sometimes culminating in violence and fatalities. Between 2013 and 2014, the country went through a civil unrest, which was the result of a contestation of the 2013's elections (CNV Internationaal, 2016). During the 2013's political campaign, wages became a major issue – the opposition party, CNRP, promised to raise the monthly wage for garment workers from USD 80 to USD 150, but it lost the elections (CNV Internationaal, 2016). These results triggered electoral fraud allegations, generating a wave of post-election protests against Prime Minister Hun Sen. Demonstrations were mainly driven by garment sector workers, who began a nationwide strike in 2013. Protesters, most of them women, demanded better working conditions, higher wages – a monthly amount of USD 160 – and the resign of the Prime Minister (Business and Human Rights Resource Centre, 2014). Tension between strikers and the police began to escalate and reached its peak in January 2014, when the Cambodian military police opened fire against protesters, killing four people and injuring dozens (The Phnom

Penh Post, 2014). These clashes took place at Canadia Industrial Park in Phnom Penh, which is home to dozens of factories that make clothing for western brands that include Adidas, Puma and H&M (Reuters, 2014).

Over time, the movement lost its strength. The government increased monthly wages to USD 128, but it failed to investigate deaths and injuries that resulted from the violent suppression of protests (CNV Internationaal, 2016). These episodes led to international criticism: the UN and the Human Rights Watch condemned the events and expressed concern about the human rights situation in the country (UN News Centre, 2014). Brands such as H&M, Gap, Adidas and Puma wrote an open letter to the Cambodian Prime Minister urging the government to refrain from using violence to deal with protesters and the strike (Kasztelan, 2014).

Despite the protests, the disrespect for labor and human rights still continues. Mass faint episodes are common in garment factories, once its workers are forced to do overtime work, being exposed to chemicals and having no proper rest periods between shifts or even bathroom-breaks. Furthermore, the country has been facing growing restrictions on freedoms of speech and assembly, as well as the use of violence to intimidate the opposition (CNV Internationaal, 2016).

In 2016, the country's National Assembly adopted a Trade Union Law, which is the first regulation adopted after the enactment of the Labor Code, in 1997. However, labor groups have criticized the new law, for it limits even more worker's rights by imposing stricter regulations on unions (Reuters, 2016). The law sets rules on how unions are formed and operated, limiting the right to strike, facilitating government intervention in internal union affairs, and allowing third parties to seek the dissolution of trade unions (ITUC, 2016). Organizations such as ILO and ITUC declared their objections concerning the law. Indeed, ILO urged the Cambodian government to establish a tripartite consultation with trade unions and employers' organizations to deal with the issue (ILO, 2016a).

While Cambodia is currently preparing itself for the next national elections in 2018, its Prime Minister is becoming more and more authoritarian. Kem Sokha, the leader of the opposition party CNPR, was arrested in September 2017 for treason, concerning a 2013 speech in which he said he had received political advice from the United States (The Phnom Penh Post, 2017). After this event, it is estimated that

almost half of opposition politicians have fled the country (Hutt, 2017). The government started to shut down radio stations and newspapers and the Prime Minister Hun Sen is currently seeking to dissolve CNPR in order to assure his victory in the upcoming elections (Holmes, 2017).

This situation is generating international distress and sanction threats to Cambodia. The European Union (EU) has stated that such deteriorating political situation could lead to implications for development assistance programs and trade preferences offered to the country (Hutt, 2017). The Swedish Government has affirmed that it would rethink its engagement with Cambodia in case the CNPR is dissolved (Reuters, 2017). Sweden is one of the main aid donors in the country, spending an estimated USD 100 million in aid for Cambodia over five years (Openaid.se, 2017a).

In 2016, Sweden launched the Global Deal[28], a global partnership within the SDGs framework aimed at addressing challenges in the global labor market. The Global Deal is directly related to the type of project implemented by H&M, ILO and Sida in Cambodia, demonstrating that Sweden is strategically committed to the global advancement of the decent work agenda. The Cambodian government is one of the signatories and partners of the initiative, meaning that the country was committed to promoting the Global Deal's values domestically. However, due to the currently escalation of the political crisis and the violation of the labor rights in the country, such participation is at stake[29].

So far, this chapter presented the Cambodian background regarding labor rights and industrial relations. Before presenting the project "Improving Industrial Relations in Cambodia's Garment Industry", it is important to understand H&M's business and operation. The next subsection will briefly describe the company's background information, including its sustainability strategies and its operation in Cambodia.

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[28] Developed by the Swedish Prime Minister Stefan Löfven in cooperation with ILO and the Organization for Economic Cooperation and Development (OECD), the Global Deal aims to encourage governments, businesses, unions and other organizations to make commitments to enhance social dialogue. The initiative seeks to foster decent work and quality jobs worldwide, crucial aspects for achieving an inclusive growth that benefit workers, companies and society alike (Global Deal, 2017).
[29] H&M has also signed the deal, becoming one of its partners.

*4.2 H&M group: sustainability strategy and commitment to decent work*

Funded in 1947 in the city of Västerås, Sweden, H&M Hennes & Mauritz AB is a multinational company from the clothing-retail sector. H&M group is composed of eight associated brands and it currently operates in 68 countries, with more than 4500 stores (H&M, 2017a). It directly employs around 160 thousand people and approximately 1.6 million people works in H&M's supplier factories (H&M, 2017a). In other words, the group does not own any factories and their goods are produced by independent suppliers often located in developing countries. Like other multinational clothing-retail corporations, H&M has been facing criticism due to the poor labor conditions of the workers in its supply chains. Such disapproval contributes to a negative image of fast-fashion brands, often related to sweatshop and other exploitative labor practices.

To deal with this situation, H&M group has been implementing a sustainability strategy. This policy comprises actions in three main areas: promoting innovation and driving transparency; adopting environmentally friendly practices, including the use of renewable energy and recycled materials; and providing fair jobs for all while becoming a stewards for diversity and inclusiveness (H&M, 2016a). Thus, H&M group is committed to the decent work agenda by ensuring that its workers "are treated with respect" and have a "fair compensation, a safe and healthy workplace, an environment free from discrimination and respect for every employee's voice, including the right to freedom of association and collective bargaining" (H&M, 2016a, p. 71). These ambitions are valid both for its direct employees and for workers employed throughout its supply chain (H&M, 2016a).

H&M recognizes its responsibility to guarantee that the human rights of its workers are respected. The group has been implementing initiatives aimed at improving the working conditions in its supply chains. For instance, it launched the Roadmap to a Fair Living Wage in 2013, committing to improve the wage management systems of suppliers that represent 50% of the company's product volume by 2018 (H&M, 2017b). Furthermore, the company only allows its products to be manufactured by factories that commit to the company's Sustainability Commitment, a document that outlines a code of conduct for suppliers and subcontracting factories (H&M, 2017c).

However, those actions and public commitments are criticized by labor unions and human rights organizations. A common critique is that these initiatives have presented few concrete results, with slow progress towards a fair wage in the company's supply chain (Preston and Leffler, 2016). Organizations such as Clean Clothes Campaign and Asia Floor Wage Alliance have been disclosing reports and studies that analyze the efficiency of H&M's actions. Asia Floor Wage Alliance (2016) recognizes that the company is attentive to critiques, always providing detailed responses to labor rights abuses in its supply chains. Nevertheless, this does not change the fact that the company is still far from reaching its goals related to decent work. H&M's supply chain employees still report practices such as "wage cuts for arriving only a few minutes late, inadequate sick leave practices, restrictions on toilet break and [mass] fainting at the factory floor" (Clean Clothes Campaign, 2016).

H&M also implements partnership projects to promote decent work throughout their supply chains. These initiatives, focused on industrial relations, workplace dialogue and wage management, are currently being implemented in Ethiopia and Myanmar (H&M, 2016b). This thesis will analyze the first of these projects, which was officially implemented in Cambodia between 2014 and 2017.

*4.3 Sida: a description*

As mentioned beforehand, Sida stands for Swedish International Development Cooperation Agency. Aiming to reduce poverty in the world, Sida is an agency from the Swedish parliament and government responsible for implementing the country's Policy for Global Development. Initially adopted in 2003, such policy seeks to provide a basis for having more coherence in the country's actions and policies to achieve an equitable and sustainable global development (Statskontoret, 2014). The idea is that *all* different policy areas within the Swedish government should contribute to achieving this goal. Despite criticisms that point to the policy's lack of clarity and to the fact that it has been deprioritized over the last years, it is worth mentioning that Sweden was pioneer in creating a national policy to increase the coherence of its global development initiatives (Statskontoret, 2014). This was seen with enthusiasm by other countries and international actors.

In this context, by implementing the Policy for Global Development, Sida works according to governmental guidelines. Such instructions establish the annual goals for the agency's operations, as well as the size of the budged for development aid. Sida's work is financed by tax money and it acts on development issues raging from humanitarian aid and conflict resolution to education and sustainable development (Sida, 2017b).

Established in 1960s, Sida currently implements development cooperation initiatives in 35 countries in Africa, Asia, Europe and Latin America, allocating aid and other types of funding (Sida, 2017b). The agency also collaborates with the private sector in special cases due to their responsibility and ability to help accelerating poverty reduction worldwide. The idea is that, together with the private sector, Sida might be able to achieve greater impact than if they implemented individual measures (Sida, 2017c).

With regards to projects related to decent work and industrial relations, Sida's participation in such initiatives can be mainly motivated by its interest in the areas of democracy, human rights and freedom of expression. The agency prioritizes these issues because it understands that people living under oppression and in poverty should have better living conditions. Based on the Universal Declaration of Human Rights, Sida has been engaging with different stakeholders such as governments in partner countries, international organizations such as the UN, and civil society organizations both in Sweden and abroad to deal with this priority (Sida, 2017d). The project analyzed in this thesis falls under such category.


*4.4 ILO: a description*

For its turn, ILO stands for International Labour Organization. It is a tripartite agency within the UN System that brings together governments, employers and workers representatives from all member States that integrate the UN. It seeks to foster social justice and human and labor rights, setting labor standards, developing policies and projects aimed at promoting decent work worldwide (ILO, 2017g). Within ILO's tripartite structure, workers and employers have the same voice as the government during the deliberations, ensuring that the views of all partners are democratically reflected in ILO's regulations and policies (ILO, 2017h).

ILO has been providing technical cooperation and assistance to projects and programs related to labor issues and its decent work agenda. The organization is implementing such initiatives in cooperation with national governments from recipient countries and donors (ILO, 2017h). Currently, ILO is involved in over 600 projects in more than 100 countries, having the support of more than 120 development partners – part of them from the private sector (ILO, 2017h). The project "Improving Industrial Relations in Cambodia's Garment Industry" is one of these initiatives and ILO's involvement can be explained due to the mandate of the organization, which is specifically focused on human and labor rights.

*4.5 "Improving Industrial Relations in Cambodia's Garment Industry": a description*

Aiming to formulate policies and good practices to eliminate unfair labor and promote decent work in Cambodia, H&M in cooperation with Sida, ILO and the Swedish trade union IF Metall, implemented an industrial relations project in the country (Sida, 2017a). The project, officially named "Improving Industrial Relations in Cambodia's Garment Industry", was carried out between 2014 and 2017. The initiative aimed to strengthen industrial relations and promote collective bargaining in the country, seeking to improve working conditions for garment workers. To do so, policy advice and capacity building efforts were made in three levels: enterprise, industry and national. The core actions within each of these levels are summarized below:

- *Enterprise level:* to seek commitments to implement a Memorandum of Understanding (MoU) on Improving Industrial Relations in the Garment Industry within selected enterprises. The idea was to promote good labor practices such as collective bargaining and social dialogue (ILO, 2015). Examples of activities within the this level included the promotion of agreements between workers and employees, which were supported by trainings in workplace cooperation, gender equality and non-discrimination, labor law, negotiation skills and dispute resolution (Sida, 2017a). H&M provided access to their supply chain factories, making them available for implementing the project.

- *Industry level:* to raise awareness on the MoU and on the labor law among workers and employers, as well as to train managers and unions to improve

communication and negotiation skills (ILO, 2015). This was done by establishing dialogue on policy matters with GMAC, union confederations and Cambodia's Ministry of Labor and Vocational Training (Sida, 2017a).

- *National level:* to engage with the Ministry of Labor and Vocational Training to improve conciliation skills, support regulatory reform, clarify rules and procedures on industrial relations, and build a database on union registration and collective bargaining agreements (ILO, 2015).

With regards to the roles of each project participant within the initiative, H&M and Sida were the funders. The total project budget was approximately 834.301 USD – H&M provided 348.790 USD and Sida, 485.511 USD (Sida, 2017a). Despite their primarily role was related to funding, H&M and Sida, via the Swedish Embassy in Phnon Penh, were also active during the project's design, providing inputs and contributions to which activities should be implemented by the initiative (Sida, 2017a). By doing so, these two partners could assure that the project design was in consonance to their own organizational goals and strategies.

In addition to participating of the project design, ILO was primarily responsible for the project's implementation. Such role is due to the organization's experience with the garment sector in Cambodia. ILO also had easier access to key stakeholders and partners required for improving industrial relations and social dialogue – government, employers and workers (Sida, 2017a). Nevertheless, H&M also collaborated closely with ILO during the project implementation of the enterprise level activities. For instance, H&M was responsible for providing access to their supply chain factories for the project to be implemented and also acted in convincing factory owners on the importance of the activities (Sida, 2017a).

The partners explicitly recognize that the project sought to create conditions for solving disputes via-negotiation practices. Increasing dialogue and stability between workers and employers would contribute for a higher productivity, which benefits workers, factories and H&M itself (Sida, 2017a). In a nutshell, expected results included improving industrial relations, increasing productivity and revenues, as well as providing better working conditions for employees (Openaid.se, 2017b).

The project ended in the first semester of 2017 and there are no final reports available to date. According to independent evaluations, the initiative had its strongest impact

at the factory level – project partners recognize long-term impact on industry and national levels may require more time (Sida, 2017a). Available results are listed below:

- The project was implemented in 26 factories. They signed a factory version of the MoU, committing to refrain from unfair labor practices and engage in collective bargaining agreements.
- Positive results on transference of knowledge and skills at the enterprise-level and with trained conciliators. The relationship between workers and management has improved in participating factories in terms of cooperation and communication.
- Evaluation respondents stated that industrial relations in the garment industry have improved during the project implementation, mainly due to commitments after the signature of factory and industry versions of the MoU.
- 79% of respondents stated industrial relation outcomes were better in factories participating in the project than in those not involved (Sida, 2017a).

In its latest sustainability report, H&M (2016b) stated that the initiative resulted in positive changes in attitudes and in regular meetings between management and trade unions in the participating factories. By 2016, the project had already covered 48 thousand workers and its positive implementation paved the way for the same initiative to be launched in Ethiopia and Myanmar (H&M, 2016a).


This chapter paved the way for the analytical section of this work. The next chapter discusses the findings from interviews and official documents. Such discussion will be based on the theoretical framework presented in the chapter 2 as a way to answer the research question.

## 5. Findings and discussion

This chapter presents and discusses the findings from interviews and official documents[30] related to the project "Improving Industrial Relations in Cambodia's Garment Industry".

First, issues regarding problem representation will be discussed, focusing on how the project understands the industrial relations environment. Then, findings on project design and implementation will pave the way for debating which points are left unproblematic. Afterwards, data about weaknesses and outcomes of the project will be analyzed as a way for understanding what are the effects of this problem representation. Furthermore, the project's relevance for advancing the SDGs and the motives behind it will be briefly addressed. Then, I will summarize the discussion and directly answer the research question.

*5.1 Industrial Relations in Cambodia*

Within this category, I have placed information about how the institutions and the project understand the industrial relations environment in Cambodia. Within the WPR, this data is helpful to understand the problem representation in the initiative.

Regarding labor regulation, interviewees mentioned how unfair labor practices are the major contributing factor to poor industrial relations in Cambodia, including to the majority of strikes that the country has been facing. This fact is corroborated by the project's official documents and by the literature on decent work and industrial relations, explaining why the initiative was aimed at fostering good labor practices as a way of tackling the poor industrial relations in the country. For instance, Sida's 2017 Project Report "Industrial Relations in Cambodia" supports this understanding:

> "Healthy industrial relations in Cambodia have been hampered by unfair labor practices since the emergence of the first trade unions in the 1990's. One example of these practices is employer interference in, or control over, unions and their activities" (Sida, 2017a, p. 1).

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[30] The subsection 3.3 of the methodological chapter presents a list of documents and online sources that were used for the empirical analysis of this work.

An interviewee from ILO stated that same train of thought as the hypothesis that the institution applied to the design of the project:

> "The idea was that these unfair labor practices were an important undermine factor in poor industrial relations and, if we could identify, reduce/eliminate these unfair labor practices, then we could improve industrial relations… but it had to be done relatively in a systematic way, with a lot of training and capacity building". (Interviewee 1, ILO).

The lack of understanding about rights and obligations stated in labor laws was also mentioned.

> "There is a limited knowledge of the worker, also the union themselves to understand the law, the responsibilities, the obligation… and there seems to be a communication problem between the management and the union and workers in general, the union in particular". (Interviewee 3, ILO's National Project Coordinator).

This view is supported by H&M's statement on working conditions, available it its Sustainability website:

> "Good communication between management and workers is fundamental to achieving fair wages and improving working conditions. Training is about understanding the labor law, understanding rights and responsibilities under Cambodian law, and also equipping trade union and management with skills to negotiate collectively" (H&M, 2017c).

With regards to trade unions, interviewee 2 provided a concise description of the background in Cambodia:

> "The trade union organization in Cambodia, not only in the garment sector, is very fragile, often political and… not always representative for the workers, which kind of has led to lots of tension between workers and employers". (Interviewee 2, Sida).

Three out of the four interviewees mentioned Cambodia's Trade Union Law, which was recently approved. They recognized that the new law brings negative effects for union's operations. This point of view is also corroborated by a written source. Indeed, in the 2014 Project Annual Report, ILO states that a strong trade union law needed to be in compliance with ILO Conventions, once it would contribute for achieving an "orderly industrial relations policy framework" (ILO, 2014, p. 13).

Interviewees from Sida and ILO highlighted that Cambodia has a great number of unions – a fact that negatively affects the industrial relations environment in the

country, creating obstacle for employers to negotiate. This fact also generates competition among the unions, since all of them want to gain support from the workers.

Management-dominated unions and factories with only one union were also mentioned as a challenge for the industrial relations environment in Cambodia:

> "[When] the employer created that union, he can easily influence them so that they are not independent, they cannot represent and defend the worker's interest." (Interviewee 3, ILO's National Project Coordinator).

> "[Giving] money to the union in the form supplementary salary (…) for the sake of good [union-management] relations in the factory. That means that the union cannot negotiate with the management freely. And being independent unions, they should not take the money from the employer, but if they do not accept the money, they are subjected to harassment, and discrimination. So they want to [dismiss] those unions through the use of short contracts, so when the contract ends, they will not be renewed and the (…) union leader would leave the job." (Interviewee 3, ILO's National Project Coordinator).

Sida's 2017 Project Report "Industrial Relations in Cambodia" also mentions this topic:

> "[…] employer interference in, or control over, unions and their activities. This is one factor contributing to the proliferation of trade unions in the garment industry, which has left them fragmented, and many with limited capacity " (Sida, 2017a, p. 1).

Project's documents and reports do not explicitly mention the situation in subcontracting factories. In its Sustainability website, H&M simply states that these factories are also committed to the group's Sustainability Commitment, which is a document that outlines a code of conduct for suppliers (H&M, 2017c).

ILO's interviewees mentioned that industrial relations situation in subcontracting factories are even more problematic. This is because it is even harder to assure the enforcement of the labor law in these factories:

> "So these subcontracting factories later on were also subjected to criticism by the unions that they do not respect the freedom of association, they try to escape obligations under the law. It is difficult to access, to set up a union there, in the subcontracting factory." (Interviewee 3, ILO's National Project Coordinator).

Despite the relevance of gender issues to understand the industrial relations environment in Cambodia, this aspect was hardly mentioned. Sida's interviewee's said that the collaboration with H&M is relevant because:

> "Many of the garment sector workers in Cambodia are women, and young women, so we can address many development topics by entering this area." (Interviewee 2, Sida).

H&M's interviewee simply mentioned that one of the workshops held in factories was related to gender equality. Project's reports and documents do not give proper attention to this aspect either. For instance, H&M's Sustainability website only states that the project is about

> "work-place cooperation, social dialogue, gender and **increasing the number of female union representatives**" (H&M, 2017c).

For its turn, Sida's 2017 Project Report "Industrial Relations in Cambodia" mentions that

> "the project has contributed to improving the rights of many women workers" (Sida, 2017a, p. 1).

In a nutshell, interviewees mentioned issues such as unfair labor practices, lack of independent unions and lack of knowledge regarding labor regulations as main challenges within the industrial relations environment in Cambodia. H&M's interviewee summarized the company's vision:

> "We see… good industrial relations, well-functioning dialogue and communication as the foundation for improving wages and working conditions. Without functioning trade unions (…) at factory level and also industry level, being able to seat, discuss and problem solve together, and to negotiate... (…) we don't see how it can reach sustainable improvement." (Interviewee 4, H&M).

Furthermore, interviewees also underlined that the project was implemented amid a tense period for industrial relations in the country: the 2013-2014 protests, which were violently repressed by the Cambodian government.

> "Cambodia has many trade unions and from 2011 to 2013, the industrial relations landscape was very volatile. There was many strikes and disputes, trade union discrimination. And there was a really poor communication between (…) all the supplier factories here (…) all of those are foreigner, non-owned by Cambodians and then you got, on the other side, Cambodian trade unions. So, there's many different reasons for this, you know, unstable and volatile industrial relations landscape" (Interviewee 4, H&M).

> "And industrial relation environment in Cambodia at the time we had this project was a bit challenging you know (…) there was fighting, strikes and demonstrations, leading to killing of some union leaders. And the project was a mean to try to address these issues". (Interviewee 3, ILO's National Project Coordinator).

These findings provide an answer to WPR's first question, which clarifies the implicit problem representation within the project:

1. *What's the problem represented to be in a specific policy or policy proposal?*

In the project "Improving Industrial Relations in Cambodia's Garment Industry", the problem of weak industrial relations is represented in a way that encompasses (i) unfair labor practices; (ii) the lack of good interactions between unions and management; (iii) lack of knowledge of the labor regulation. These were the main aspects highlighted by interviews and project's documents.

The initiative understands unfair labor practices – such as failure to pay wages, forced overtime work, unhealthy working conditions, lack of proper rests – as the major contributing factor to poor industrial relations in the country. The initiative seeks to solve this problem by fostering better labor practices in the garment sector.

Trade union issues are also relevant for the problem representation due to the troubled relation between unions and management, the large amount of unions in Cambodia, and their lack of independence. The government is also understood to have an impact on such weak industrial relations, once Cambodian labor regulations are not successfully enforced or disseminated, contributing for a lack of knowledge regarding such laws among trade unions and factory owners. Moreover, the government is increasingly opposed to the right of assembly, hampering the activities of unions with its new Trade Union Law.

## 5.2 Project design and implementation

This category comprises information about the design of the project, including its goals and the collaboration among H&M, ILO, Sida and other partners, such as IF Metall and Cambodian trade unions. It also contains data about barriers to the project's implementation.

Regarding collaboration among the partners, interviewee 1 provided worthy background information to understand how the institutions started to discuss the initiative:

> "ILO has been having a conversation with Swedish Embassy/Sida in Phnom Penh about support for a project, industrial relations project and separately H&M and IF Metall have been having a conversation with the Swedish Embassy on the same subject… so, if my memory serves, it was a while ago, I am pretty sure it was Sida that brought us together (…) and then we discussed what such a project could do, look at various options and, and, came on a consensus on the design" (Interviewee 1, ILO).

Sida's 2017 Project Report "Industrial Relations in Cambodia" also brings information about the collaboration among the three main project participants:

> "ILO was assessed to be the best suited implementing partner due to its long experience of working in the garment sector in Cambodia and its access to relevant stakeholders and key partners required for well-functioning industrial relations and social dialogue (government, employers, workers). ILO led the project design in close collaboration with the national tripartite constituents, the embassy, and H&M" (Sida, 2017a, p. 1).

Despite the importance of the collaboration with ILO and Sida, H&M alone implements other initiatives related to decent work and industrial relations – such initiatives are mentioned in the group's Sustainability Report (H&M, 2016a). And ILO's support is relevant to propagate the outcomes of the project.

With regard to the project goals, all the answers were in consonance with what is stated in the ILO's official document (ILO, 2014).

> "This project is trying to address, to introduce mechanisms for peaceful conflict resolution mechanisms in Cambodian labor market. Processes, not only mechanisms, are needed to strengthening trade unions in a more organized way. Because there need to be strong trade unions willing to represent workers needs and interests but in order to safeguard their rights (…) it is important to peaceful solutions with the employers, factory owners and the government". (Interviewee 2, Sida).

Two interviewees brought up a particular feature of the project design: ILO's initial mapping to understand the industrial relations situation in the Cambodian factories.

> "So the first thing that ILO did was to go into each factory, in the batches, to do an eye-o-mapping. So, talking to management and trade unions there, establishing the industrial relations landscape… so looking if there were strikes, what kind disputes were there, which trade unions were there, was there peace committees? Were there any

other examples of dialogue? Etc., so really to have a picture of how things were." (Interviewee 4, H&M).

According to ILO's 2014 Annual Report, this initial mapping identified several challenges related to industrial relations, such as unhealthy working conditions (poor air quality at the factory floor, dirty toilets, poor quality water); limited understanding about labor regulations by management and unions; interference in union affairs by the management; poor communication between unions and management; inappropriate behavior of union leaders (insubordination and intra-union fighting); and unfair labor practices (ILO, 2014, pp. 3-4).

After such mapping, partners discussed the best strategies to address these challenges:

> "And those points were addressed through the project, by providing training and capacitation, so they understand about what is freedom of association, the employer and the union (…) they cannot be dependent from each other, cannot influence each other (…) the project [also] tries to address these practices through the signing of the agreement of fair labor practice [and of the MoU [31] ]." (Interviewee 1, ILO).

> "There was six trainings all together, so this was: 1) on social dialogue and collective bargaining; 2) workplace cooperation; 3) effective communication and negotiation skills; 4) gender equality and non-discrimination; 5) labor law and dispute resolutions; 6) collective bargaining agreements. So these trainings ran over the course of three months or so, and each of them… sent representatives from management level and local level trade unions to attend these trainings." (Interviewee 4, H&M).

Interviewees mentioned the adoption of Cambodia's Trade Union as one of the main barriers for the project implementation in the enterprise and industry levels. The country's current political crisis and human rights situation were also cited as barriers for the successful implementation in the national level.

> "There was a Trade Union Law that was passed in the Parliament actually restricts trade unions (…) there is a big… you can say accountability crisis in Cambodia, deteriorating the human rights situation. The situation in Cambodia has a negative effect [in the project results] (…) because this whole project builds on the ability of the workers to be organized in collective bargaining agreements, freedom of association and so forth. Right now we see a restriction of the freedom of association in Cambodia." (Interviewee 2, Sida).

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[31] Memorandum of Understanding (MoU) on Improving Industrial Relations in the Garment Industry. As it was signed in 2013 and expired in 2014, the project partners hoped to renew the MoU in the industrial level (Interviewee 3, ILO).

"Changes on the [Cambodian] policies and laws (…) hindered us to reach the results intended for on the policy level." (Interviewee 2, Sida).

With these findings, one can have an answer to WPR's second question, which consider possible gaps or limitations in the problem representation:

2. *What is left unproblematic in this problem representation? Where are the silences? Can the problem be thought about differently?*

The answer of this question is motivated by ILO's decent work agenda for the Asian garment industry. The institution advocates that measures to promote decent work and strengthen industrial relations in the garment sector should address five main challenges:

- Variation in wages, working conditions, compliance and enforcement;
- Freedom of association and effective worker representation;
- Collective Bargaining;
- Disputes and Dispute Resolution;
- Gender and industrial relations practices and institutions (ILO, 2017f).

Based on this agenda, the problem representation of the project fails to effectively problematize gender issues, which represents the silence of the measure[32]. As mentioned in chapter 4, this is a key-point to understand the weak industrial relations environment in Cambodia. More than 90% of Cambodian garment sector workers are women – sexual harassment and pregnancy discrimination are common practices faced by them. However, the project only tries to address this situation by providing just one workshop about gender equality and non-discrimination.

Although not explicitly included in the aforementioned ILO's decent work agenda for the garment sector, the project does not problematize the situation in subcontracting factories. These plants generally have even poorer working conditions and weaker industrial relations – some of them do not have any unions. However, the initiative does not have special initiatives to deal with subcontracting factories and this aspect is

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[32] As mentioned in chapter 4, the project has several actions aimed at improving wages and working conditions, seeking to increase the enforcement of labor regulations. Furthermore, it also acts on freedom of association, worker representation, collective bargaining, and dispute resolution by trying to improve the relation between workers and employers in these areas. Gender issues is the only point within ILO's decent work agenda that is not enough emphasized by the initiative.

not even mentioned as a problem in the official documents and reports that are available.

Moreover, project designers could have better problematized the Cambodian politics within the national level. Although this aspect is not included in ILO's decent work agenda[33], the measure tried to address it by acting on the national level. However, these activities were related only to labor aspects, such as fostering a regulatory reform in labor issues or trying to improve the relation between unions and factories, without considering that Hun Sen's authoritarian actions are also to blame for the weak industrial relations in the country. One might argue that changing Cambodia's formal labor regulations is difficult for a small project like this, but such issue should at least be problematized by the initiative. Project designers could have focused more on changing informal rules via advocacy strategies or awareness-raising campaigns within the Cambodian government, for instance.

In this sense, the problem could be thought about differently if (i) gender issues; (ii) the situation in subcontracting factories; and (iii) Cambodian politics within the national level were taken into consideration. For instance, the project could have thought of ways to pressure the national government to respect human rights of garment workers, including their freedom to assembly and their right to decent work conditions. With regards to gender issues, a possibility would be to develop an effective awareness campaign to try to change the organizational culture in these factories, focusing mainly on men (co-workers and managers). Lastly, the project could have had a mechanism to ensure that its implementation was even more serious in subcontracting factories.


## 5.3 Project weaknesses and outcomes

When asked about what they would do different with regards to project design and implementation, interviewees mentioned aspects related to initial mapping of

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[33] The project fails to problematize three points (i) gender issues; (ii) subcontracting factories; and (iii) Cambodian politics within the national level. However, due to methodological needs, only gender issues can be considered a silence. This is because it is explicitly stated in ILO's agenda, being internationally recognized as a crucial aspect to be addressed by measures aimed at promoting decent work and strengthening industrial relations in countries like Cambodia.

industrial relations environment, as well as their willingness to implement the project in a greater number of factories:

> "It is a bit challenging to identify these, most of these unfair labor practices because there is no evidence (…) If a management is exercising under influence and an union, how would you know it was the case? It's very hard to find proof (…) I would like to try to explore how we could better identify and remediate the unfair labor practices themselves" (Interviewee 1, ILO).

> "But the problem is because [the project was implemented in] only 26 factories… the expectation to have an impact in the whole industry is maybe too ambitious" (Interviewee 3, ILO's National Project Coordinator).

It was difficult to convince managers about the importance and benefits of the initiative. This fact contributed for them to send different people to each of the trainings. Furthermore, of some of the attendees did not pay attention to the trainings, hampering the capacity building.

> "First they [managers] agreed to send the name of the right people to attend, but on the day of the training, they send other people to replace them and those people are not in position to make any change. So the issue of sending the wrong people has had a limited impact on the expected outcomes we expected that the project could bring (…) in the end, some people ended up in attending only one course" (Interviewee 3, ILO's National Project Coordinator).

> "If we want to see the real change, you need to send the right people [to the trainings], not people who are not in position to make any change, it is useless" (Interviewee 3, ILO's National Project Coordinator).

The initiative was officially concluded in March 2017, but no official reports related to the project evaluation are available yet. For this reason, findings related to the project results were drawn from the interviews. When I asked the interviewees to summarize the main outcomes, all of them highlighted that the project had good results in the enterprise/factory level:

> "Nearly all of [the participating factories] have set up grievances handling mechanisms and they report 100% of the grievances they receive are, eh… are handled satisfactory. The level of strikes is very, very low, I think in the project period there was a total of three strikes in the participating factories, which for Cambodia it is quite low" (Interviewee 1, ILO).

> "Though the scope of the project was limited, the work that we are doing demonstrate positive impact on industrial relations and (…) the project has been used as a showcase at the launching of the Global Deal in New York" (Interviewee 3, ILO's National Project Coordinator).

H&M's interviewee summarized the outcomes in the enterprise level, presenting some official numbers:

> "So… the number of trade unions that was trained in our matters over 2000 and in terms of management staff it was 1700. So the training reached a lot of people and it covered… I think approximately 14000 workers in these factories (…) We have seen, you know, a much improve in the grievances procedures and increasing in the number of collective bargaining agreements… we've seen much greater willingness from factory management to engage in dialogue and listen to trade unions, regular committees being established and also between trade unions a lot more, I guess, respect and ability to seat down in the same room together and negotiate, discuss." (Interviewee 4, H&M).

However, with regards to industry and national levels, interviewees said few results were achieved mainly due to the political crisis and the undemocratic context that culminated in the Trade Union Law.

This information, together with data from Sida's independent evaluations that was presented in the previous chapter, enables one to answer WPR's third question:

3. *What effects are produced by this representation of the problem?*

Here, we consider how the problem representations limited what was seen as relevant, shaping people's understandings of industrial relation issues (Bacchi, 2012, pp. 21-22). The problem representation focused on (i) unfair labor practices; (ii) lack of good interactions between unions and management; and (iii) lack of knowledge of the labor regulation directly influenced the design of the initiative and its effectiveness. These were the aspects seen as relevant when representing the industrial relations problem in Cambodia. The effect of such representation can be seen on project activities at its three levels, which were focused on these factors, leaving aside issues related to gender, which is of the challenges of ILO's decent work agenda for the Asian garment industry. The national political crisis and the situation in subcontracting factories could also have been more emphasized.

This particular representation contributed to the lack of success in the project's national level. This is because there was not enough pressure for Hun Sen's regime to enforce human rights of Cambodian workers, nor were there adequate attempts of changing informal rules so as to improve labor conditions without new formal

regulations. In fact, politics in Cambodia became even more authoritarian in the last months of the project implementation. Such worsening contributed to the approval of the new Trade Union Law – a fact that hampered the project success in the national level.

Furthermore, as already mentioned, other effect of such problem representation was the project silence with regards to gender issues. Project designers did not recognize the relevance of this aspect for improving the industrial relations in Cambodia. As well as the situation in subcontracting factories, this matter was hardly mentioned in the official documents. Project activities did not highlighted it – in the factory level, there was only one training workshop on gender.

*5.4 Relevance for advancing the SDGs*

Interviewees had different thoughts about how the project can contribute to the $8^{th}$ SDG. Interviewee 1 said that the project is too small to make a difference in the SDG agenda. However, the same interviewee recognized that a greater amount of similar projects could contribute to decent work agenda by fostering minimum wage fixing, collective bargaining, and reducing inequality by addressing working poverty.

Interviewee 3 related the project outcomes with decent work and economic growth:

> "Ensuring good IR can contribute to promoting decent work and to promote economic growth. And by having peaceful industrial relations, they can focus on discussing issues on mutual interest between employer and union." (Interviewee 3, ILO's National Project Coordinator).

In the H&M's 2016 Sustainability Report, the group explicitly mentions the SDGs, stating that its actions are in consonance to the UN's agenda:

> "Through our continued commitment to the United Nations Global Compact, we take shared responsibility for achieving positive change. Our sustainability priorities are aligned with the SDGs and aim to mobilize efforts to end poverty, fight inequalities and tackle climate change" (H&M, 2016a, p. 8).

When specifically mentioning initiatives that are similar to the project implemented in Cambodia, the report clearly expresses that

> "Our efforts to improve working conditions in the countries where our products are made is also in line with the SDG Agenda **(SDG 8)**" (H&M, 2016a, p. 9).

In addition to the $8^{th}$ goal, Sida's interviewee mentioned that projects like this one are related to the $17^{th}$ SDG (partnership for the goals). H&M's 2016 Sustainability Report also corroborates this view, stating that the SDG framework is in consonance to the group's collaboration with other actors towards on a range of issues, including for improving the working conditions of their supply workers:

> "As many of the challenges we are facing are systemic and industry-wide, we need to work with others. Our collaboration with brands, trade unions, NGOs, experts and scientists, business partners and civil society will continue – no matter if it's about recycling innovations, new sustainable materials or the work to **improve working conditions for the people making our clothes.** This is why we very much welcome the collaborative focus within the UN Sustainable Development Goals (SDGs) and the SDG Agenda (…) the SDG Agenda provides a good framework when designing strategies going forward and finding new collaborations" (H&M, 2016a, p. 8)

In a nutshell, the project contributes for advancing the $8^{th}$ SDG because it seeks to improve industrial relations in Cambodia, which is a topic directly related to the decent work agenda. The initiative comprises activities aimed at bringing more security in the workplace and providing autonomy for workers to express their concerns and participate in the decisions that affect their working lives. These two aspects are directly related to the UN's understanding of decent work[34]. Hence, the project is relevant for advancing the SDG agenda because it fosters decent work conditions, a crucial aspect in the path that leads to inclusive growth and equity.

The initiative was only held in Cambodia and reached only 26 plants in its factory level, covering 14 thousand workers according to H&M's interviewee. In addition, it was not completely successful at the industrial and national levels. Nevertheless, the project is still relevant for the SDGs advancement because it serves as a pilot model for other retail industry companies that are part of global value chains. H&M group is a globally well-known corporation, and its activities may influence other companies to adopt similar practices. As mentioned by interviewee 3, the project has been used as a showcase in the launch of the Global Deal in 2016. The idea was to inspire other

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[34] The UN's official definition is available in the section 2.4 of this thesis.

private sector organizations to develop similar initiatives in other countries with weak industrial relations.

*5.5 Motivations*

H&M group has a mix of motivations to implement the project. More generally, the company mentions in its sustainability website that:

> "Effective social dialogue can contribute to decent work and quality jobs and thereby to greater equality and inclusive growth. This benefits workers, companies and society at large" (H&M, 2017c).

With regards to this specific project, interviewee 4 highlighted the importance of having business *stability* – this word appeared five times within this context. Such stability is understood an effect of good industrial relations:

> "For us, a reason (…) in terms of stability, creating a business climate that is good for investment and… where we can continue to grow in Cambodia… we need the stability that good and functioning industrial relations brings" (Interviewee 4, H&M).
>
> "Stability, definitely. A stable climate to drive investment… understanding, improved working conditions and wages of workers. I mean, that's only a positive thing… that's what we want to see because I think, yeah, that benefits everybody." (Interviewee 4, H&M).
>
> "So I think the reason we wanted to do this project was really because… H&M, Industrial Relations is very important for H&M business, for our business stability, and also as a foundation for improving wages and working conditions in the supply chain. So there were **two key reasons**" (Interviewee 4, H&M).

H&M's 2016 Sustainability Report also brings the relevance of stability behind measures focused on improving working conditions throughout the company's supply chain:

> "Fair jobs are also the best way for us to make sure the markets we source from remain stable and productive, even in the face of other global challenges such as climate change and economic uncertainty" (H&M, 2016a, p. 74).

Interviewee 4's last two quotes indicate improving wages/working conditions as a motivation. H&M's foundation[35] was mentioned and, in this sense, we can also

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[35] H&M Foundation is a non-profit global foundation funded by the Stefan Persson family, founders and main owners of H&M. Its mission is to drive long lasting positive change and improve living

correlate the incentive of having better wages and working conditions with a philanthropic purpose, not only with the stability of the company, once it *"benefits everybody"*.

Sida's interviewee also highlighted the importance of stability for H&M:

> "They [H&M] need stable markets in order not to have any production disruptions. And also, eh… they want to have workers with good health, earns ok money for the work they are doing, and equal pay and so on… they are interested in supporting transparent structure" (Interviewee 2, Sida).

Apart from business stability and philanthropic importance for H&M Foundation, interviewee 4 also mentioned that the project is related to the company's strategy towards generating social impact:

> "H&M has a global goal of improving the well-functioning industrial relations in the supply chain and ensuring that the workers have democratic elected representation. So, this project was an initiative of H&M and Sida to co-fund a program to improve the industrial relations in the supply chain in H&M's factories in Cambodia, but also to build capacity in the industrial level as well" (Interviewee 4, H&M).

The company's 2016 Sustainability Report also corroborates the existence both philanthropic and business-related motives behind this type of project:

> "Our ongoing work to contribute to good working conditions for the people making our products is just as important. (…) Investing in sustainability issues such as these is a **business opportunity** – and vital for our future business success. But also, as stated in international guidelines such as the UN Guiding Principles on Business and Human Rights, it's part of our **responsibility as a company**" (H&M, 2016a, p. 7).

For its turn, the rationale behind Sida's engagement in this project can be explained in their core strategy. Furthermore, the agency benefits from the access to H&M's suppliers. The group can also foster the participation of other companies in similar projects:

> "They [H&M] also open up the doors to their suppliers. So, through the collaboration with H&M we actually reach… a new target group, which is relevant for us (…) and then of course when we do find joint interest with private sector companies, we try to see if there is

conditions by investing in people, communities and innovative ideas. The foundation acts in four core areas: education, water, equality and planet. More information available at: http://hmfoundation.com/

any other companies that could be involved. H&M is a great platform builder". (Interviewee 2, Sida).

More generally, Sida's website on Private Sector Collaboration states that the agency cooperates with the private sector on projects like this due to the possibility of achieving better results and systematic change with such collaboration:

> "Collaboration with private sector partners can enable Sida to reach better results in its work with for example **decent working conditions** (…) Sida stands a better chance to address these challenges and achieve systemic change if we engage private sector partners who have the influence to drive and lead the change through their core business and value chains. By identifying the mutual interests between different actors we can enter partnerships and pool resources to work towards the same goals, achieving greater impact than if we were undertaking individual initiatives" (Sida, 2017c).

Similarly to Sida, ILO decided to work with H&M on this project because the company would bring access to their supplier factories. Indeed, projects like the one being analyzed are relevant for the organization to advance its decent work agenda. The quote below from ILO's website on Public-Private Partnerships supports this statement:

> "The ILO partners with private and non-state actors in joint activities of mutual interest to promote the Decent Work Agenda (…) PPPs provide fertile ground for work in this area" (ILO, 2017i).

 According to interviewee 1, the project also gave ILO an opportunity to implement a new way of dealing with unfair labor practices:

> "The opportunity of working with H&M and access their factories, their supplier factories gave us an opportunity to test some hypotheses basically on how we can address this unfair labor practices." (Interviewee 1, ILO).

I used a follow-up question and asked for the interviewee to better explain these hypotheses. His answer was coded as the hypothesis that the institution applied to the design of the project – the quote is available at the subsection 5.1 in this document.

The table below provides a more visual analysis of these data on the project's motivations and relevance for advancing the SDGs based on what was presented in the literature review chapter:

|  |  | **Motives** | |
|---|---|---|---|
|  |  | End (philanthropic goals) | Means (profit-related goals) |
| **Measures** (ability to advance the SDGs) | Effective |  | *H&M, Sida and ILO's project* |
|  | Ineffective |  |  |

The project "Improving Industrial Relations in Cambodia's Garment Industry" – as well as similar initiatives – has profit-related goals: creating stability that generate good business climate for H&M's investment. As mentioned by interviewee 4, this is one of the project's "key reasons". In this sense, the initiative is a means to achieve a purpose that is not related to other people's welfare.

However, even with non-philanthropic motivations, the initiative is effective for advancing the SDGs, since it contributes for decent work promotion in a developing country. For this reason, it is hard to differentiate and separate these two types of motivations in practice – philanthropic and profit-related goals are not mutually exclusive. Indeed, the interviewee mentioned that the initiative also seeks to improve wages and working conditions, which "benefits everybody", *including the H&M group*. Based on the verification of motives approach (Hadenius, 1983), indirect statements of H&M's interviewee enable the inference of profit-related goals as the main underlying incentives of this project. The interviewee highlighted several times the project contribution for achieving stability and a good business climate for the company's operation in Cambodia. In contrast, goals related to worker's welfare were mentioned only once, in a quickly manner, without further explanation and within a speech that emphasized that other actors apart from garment workers also win with better wages and working conditions – including H&M itself. By contributing to the welfare of garment workers, the project helps H&M to build a global reputation of a responsible business, reducing international criticism and boycotts.

In cases like this project, activities that strengthen industrial relations and promote collective bargaining are the means for the companies to increase their productivity and also build themselves a good reputation by trying to address sweatshop practices. In this sense, the means by which those profit-related goals are achieved still benefit local workers and the country in which the project is implemented. Therefore, one can say that there is a combination of profit-related and philanthropic incentives in the project – although H&M interviewee highlighted the profit-related ones, representing the main underlying motives of this project.

*5.6 Final remarks*

Findings presented in this chapter enable one to answer the research question: *how the project's participants understand the problems with current work processes in Cambodia and how such understandings have influenced the design and outcomes of the project?*

Research material demonstrates that designers of this specific project understand the work processes situation in Cambodia via three main aspects: (i) unfair labor practices; (ii) lack of good interactions between unions and management; (iii) lack of knowledge of the labor regulation. Based on WPR approach, this is the problem representation in the initiative – the problems with current work processes it seeks to address are related to the weak industrial relations in Cambodia.

Such problem representation can be translated into the project design. It is possible to categorize project activities within four out of the five aspects of ILO's decent work agenda for the garment sector in Asia (ILO, 2017f): improving wages and working conditions; fostering freedom of association and effective worker representation; improving collective bargaining; and enhancing dispute resolution within the factories. Indeed, some project actions such as support of a regulatory reform, capacity building programs on trade union rights, dispute resolution and collective bargaining, as well the engagement with national institutions on the necessity of improving conciliation skills, collective bargaining and enforcement of labor standards, are in consonance to the recommendations of ILO's agenda. Such document can be seen of a compilation of best practices that have potential of advancing the 8th SDG if implemented by different actors from the private sector in

Asian countries like Cambodia. Benchmarking and applying these best practices is a good way of implementing effective measures on decent work promotion.

For representing such list of best practices, ILO's agenda is useful to discuss the effectiveness potential of the implemented measures with regards to its contribution for advancing decent work. By emphasizing four aspects of such agenda, the project sought to improve the industrial relations environment through better collective bargaining, also acting on better working conditions, dispute resolution and worker representation. These points are positive for workers because they are efforts to improve the negotiations between employers and unions aiming at establishing better wages and working conditions. The initiative also had the potential of creating conditions for solving disputes with negotiation practices, possibly increasing the stability between workers and employers, generating higher productivity[36].

This specific problem representation influenced the project design by highlighting what was included in the project, which left aside three important aspects to understand the current Cambodian work processes: (i) gender issues; (ii) subcontracting factories; and (iii) Cambodian politics within the government level. These points are left unproblematic and, more specifically, gender issues can be seen as the project's silence: there is almost no mention of this in official documents or interviews. Furthermore, most of the project actions are not related to this issue, which is recognized by ILO itself as a crucial challenge to achieve decent work in countries like Cambodia. This contributed for decreasing the efficiency of the initiative, since it failed to address all issues that are critical to achieve real improvement in the industrial relations environment.

The motives behind H&M's engagement in this project are threefold: (i) creating stability that generate good business climate for H&M's investment; (ii) improving wages and working conditions; and (iii) building an image of a responsible business that seek to address poor working conditions in its global value chain. They are profit-related goals, since the company itself also benefits from improving wages and working conditions in the garment sector, both by an increase in productivity of suppliers and by a positive reputation as a responsible business. Despite being a

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[36] Only a detailed evaluation based on key performance indicators (KPIs) would enable one to assess the real effectiveness of the project. As such a document is not yet available, it was decided to discuss the potential efficiency of the initiative based on the ILO agenda.

means to achieve a non-philanthropic purpose, the initiative is effective for advancing the SDGs by strengthening industrial relations. Thus, it is difficult to separate philanthropic and profit-related motivations in practice. Better industrial relations integrate the decent work agenda, contributing for inclusive growth and equity, and they also benefit H&M's business itself.

In addition to the problem representation, the aforementioned motives also influenced the project by helping project partners to highlight which issues to include in the initiative. As one of the project participants was H&M, which was also interested in achieving profit-related goals, it was chosen to focus in initiatives that could generate positive results for the company in the short-term. They included actions that sought to improve interaction between unions and management, pressured for better wages or working conditions in general, and raised awareness on labor regulations. Changing the sexist culture within factories is a tough task and that it would take much more than a four-year project from an external buyer. The same applies to the system of subcontracting factories in Cambodia and to the lack of respect for labor and human rights of Hun Sen's regime. In a nutshell, the project silences are related to the motives behind the initiative because they were not completely altruistic. By also seeking profit-related goals, H&M focused on what could bring positive results in the short-term. This explains why the measure is focused on worker representation, collective bargaining, dispute resolution, and working conditions. The company believes that an improvement in these issues is achievable in the short-tem through capacity building (enterprise level), awareness raising campaigns (industry level) and advocacy strategies (national level). However, ending gender discrimination, improving the system in subcontracting factories, and effectively changing legislation in a dictatorial regime are difficult goals to be achieved by such a measure.

In an ideal world, the perfect initiative would also need to incorporate more considerations about gender, which is the project's silence. According to ILO's decent work agenda for the garment sector within the context of Global Supply Chains (ILO, 2017f), a real improvement of industrial relations in Asian countries like Cambodia could only be achieved if this weakness was also covered. Possible actions within ILO's recommendations are reforms on the structures of trade unions with more women in leadership positions, and such restructuring would include issues of key concern to women workers in workplace and bargaining agendas (ILO, 2017f). Other

possibilities would be to improve compliance and deal with issues such as women's health in the workplace, gender wage gap, sexual harassment, and gender based violence (ILO, 2017f). As already mentioned, the project had only one workshop related to gender issues, and this demonstrates the lack of focus given to this issue.

In addition to gender issues, the situation in subcontracting factories and national politics should also be considered. Still, a small project like this is unlikely to improve the whole industrial relations environment in Cambodia. For instance, changing the regime's formal labor rules would demand more time and pressure from a greater number of external buyers like H&M. Thus the initiative could have focused even more on changing informal labor rules, increasing respect for the human rights of workers by fostering a change in the attitude of actors involved in the sector. The measure already tries to do so by workshops and capacity building trainings, but it could have also developed awareness campaigns within the national level or promoted a regional dialogue on decent work among Asian countries, for example. In this sense, by influencing what issues were considered in the project design, the understandings of H&M, Sida and ILO also impacted project outcomes, once not all crucial aspects for improving the current work processes in Cambodia were acknowledged by the initiative.

Due to the real complexity of the problem, H&M, Sida and ILO chose to tackle only few matters that comprise the weak industrial relation environment: those that were most likely to succeed through an external project whose main motivations were profit-related. In this sense, this particular problem representation is understandable once the initiative needed to be focused, having feasible goals. And even with non-utopian targets, the project has not been successful at all levels, which again demonstrates the level of complexity of the industrial relations in Cambodia.


This chapter presented the research findings, which were analyzed based on the theoretical framework previously considered. Now, the conclusive section recalls what has been discussed, and briefly debates the relevance of this study in a broader context.

## 6. Conclusion

This work analyzed how the understanding of work processes situation can influence the design and outcome of an initiative partially implemented by the private sector. A case study analysis of H&M, Sida and ILO's project "Improving Industrial Relations in Cambodia's Garment Industry" was developed. Data from official documents and reports were used, as well as information gained from interviews held with senior officials from the main institutions involved in the project.

In short, the results of the analysis show that project partners understand problems with current work processes in Cambodia via three main aspects: (i) unfair labor practices; (ii) lack of good interactions between unions and management; (iii) lack of knowledge of the labor regulation. Such understandings have influenced the design of the project by highlighting what was included, leaving aside three important aspects: (i) gender issues; (ii) subcontracting factories; and (iii) Cambodian politics within the government level. Such disregard contributed for decreasing the efficiency of the initiative's outcomes, since it failed to address all issues that are critical to improve the work processes in Cambodia.

This initiative was chosen because it is a representative case of other companies' projects aimed at promoting decent work in developing countries that are part of their global value chains. In this sense, the analyses provided by this work can lead to a hypothesis to be tested in other similar cases. Such hypothesis is that retail companies initiatives on decent work promotion may seem altruistic, but they also have profit-related motivations that, together with a particular problem representation, can influence what is considered relevant for improving the work processes in developing countries. These projects are a means to reach non-philanthropic ends, but they still contribute for advancing the decent work agenda within the SDGs framework.

The private sector engagement within the SDGs framework is something relatively new within the literature of businesses and development. This work represents a small contribution to this debate, highlighting that measures with profit-related motives can still contribute to the welfare of workers and subsequently to advancing the 8th SDG – even if they have incomplete problem understandings. Businesses will always be interested in maximizing their profits. However, this purpose is not necessarily opposed to the UN's interests. These organizations have some overlapping interests and their cooperation is essential for advancing the decent work agenda.

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**Appendix 1: Targets of the 8ᵗʰ SDG**[37]

*Target 8.1:* Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries.

*Target 8.2:* Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors.

*Target 8.3:* Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

*Target 8.4:* Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programs on sustainable consumption and production, with developed countries taking the lead.

*Target 8.5:* By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

*Target 8.6:* By 2020, substantially reduce the proportion of youth not in employment, education or training.

*Target 8.7:* Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms.

*Target 8.8:* Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

*Target 8.9:* By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.

*Target 8.10:* Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.

*Target 8.A:* Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries.

*Target 8.B:* By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization.

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[37] More information available at: https://sustainabledevelopment.un.org/sdg8

**Appendix 2: Interview Guide**

Questions were slightly changed to be in accordance to each interviewee's home organization.

*Introductory questions*
1. Could you please tell me a little bit about your work at your organization, especially on the project "Improving industrial relations in Cambodia's garment industry"?

*The project*
2. Could you tell me how has been the coordination among H&M, Sida and ILO? How have these organizations been engaging from the design to the implementation of the project?
3. The project seeks to "improve industrial relations in the garment industry". How does your organization and you understand the problem that the project aims to solve?
4. How does the project seek to solve this problem?
5. Why is your organization collaborating with H&M? What did your organization expected regarding H&Ms contribution to the project?
6. How has your organization has been acting on the project? Which initiatives were taken by you?
7. Do you feel that H&M, Sida and ILO have different project priorities?
8. What were the biggest incentives for your organization to work on this project?

*Implementation*
9. Have you identified any significant barrier to the project implementation?
10. The project is ended now. Is there any follow-up project being considered?

*Results*
11. How would you summarize the project's outcomes? What can be expected from it after its complete implementation?
12. Have you identified any unintended outcomes? If so, how and why they occurred and what do they mean for the aims of the project?
13. This case is complex because the workers affected by the project are not H&M's direct employees. How does this circumstance can affect the project's results?
14. In your opinion, how can H&M benefit from these results?

*Conclusive questions*
15. What would you do differently regarding project design or implementation?
16. How can this type of project contribute for advancing decent work within the SDGs framework?
17. Do you have something you would like to add before we end this interview?

**Appendix 3: Coding System**

Before reading the interview transcripts, I created a list of pre-set codes and sub-codes based on what I remembered about the interviews and on my knowledge about the project and concepts within the theoretical framework of this thesis. After carefully reading the transcripts, I decided to add new categorizations – the so-called emergent codes.

Practical details about the coding methods are available in the Chapter 3 of this thesis. In this appendix, I will present what type of information integrates each code.

*List of pre-set and emergent codes and sub-codes*

Industrial Relations
- Labor regulation
  *This sub-code includes information about labor rights abuses such as forced overtime, lack of proper rests, denial of sick leave, child work. Data about labor inspection and lack of knowledge regarding labor laws were also placed under this code.*
- Unions
  *Includes information about trade union environment in Cambodia, including employer-union relation, as well as how the government is dealing with union activity. Comments and impressions about Trade Union Law were also put in this category.*
- Gender issues
  *Includes information about the situation of women workers in factories, such as sexual harassment and discrimination against pregnant employees.*
- Subcontracting factories
  *This sub-code brings information about industrial relations situation in subcontracting factories in Cambodia.*
- Current human rights situation
  *Includes information about the political crisis in Cambodia and restrictions on human rights that impact industrial relations environment. Mentions about 2013 wave of protests were also placed under this category.*

Motivations
- H&M's motivation
- ILO's motivation
- Sida's motivation
*Under this code, I decided to separate the motivations by institution and only then analyze such motives – were they philanthropic, profit-related or a mixture of both types? The definitions of each type of motivation and the train of thought that led to this analysis are available in Chapter 4.*

*Information about motivations were found in the answers that mentioned words like "incentives", "rationale", "benefits", "motivation", "goal", "intention" and*

*expressions like "what we wanted to achieve", "what we wanted to see", "reasons for action", "very important for us", "need profit", "sustainability strategy", etc.*

Project design
- Goals of the project
  *Here, I included information on project goals and purposes that were not mentioned in the project's official documents and reports.*
- Collaboration among H&M, Sida and ILO
  *This sub-code includes information about the coordination of the three partners before and during the project design. Project priorities of these three organizations were also placed here.*

Project implementation
- Responsibilities of each partner
  *Includes information about H&M, Sida and ILO's responsibilities that were not mentioned in official documents.*
- Barriers to the implementation
  *Includes comments and impressions about issues that hampered the successful implementation of the project, such as Cambodia's current political crisis and how the government is dealing with union activity.*

Project weaknesses
*This category brings information about what the interviewee's would do differently in the project's design and implementation.*

Outcomes
- Outcomes at the factory level
- Outcomes at the industrial/sectorial level
- Outcomes at the national level
*The project was officially concluded in March 2017, but no final reports are available yet. This code brings the answers concerning how the interviewees summarize the project's outcomes.*

Follow-up initiatives
*This code includes information about a possible extension of the project and if/how the institutions plan to keep working for strengthening industrial relations and promoting decent work in Cambodia.*

Relevance for advancing SDGs
*This code brings interviewee's impressions about if/how the project can contribute to the SDGs.*