

Cambodia

Private Sector Assessment

A Preliminary Scoping Study

The primary objective of the study is to provide a broad-based overview of the private sector in Cambodia as a stakeholder in combating modern slavery in the country

The Mekong Club

The Mekong Club is a catalyst for change – engaging, inspiring and supporting the private sector to eradicate slavery from their business. Given that the majority of modern-day slavery exists in the private sector, these companies are ideally placed to help turn the tide of this global epidemic.

The only organisation of its kind, The Mekong Club steers away from the approach taken by other players in this space, which is to ‘name and shame’ companies – ousting bad behaviour or issues related to this subject. Instead, we believe in starting and ending with collaboration.

In fact, The Mekong Club originally formed as a direct response to the growing number of companies looking to develop strategies to address forced labour risk through a professional forum. Divided into industry-specific working groups, these networks meet regularly to learn, share best practices, and network with other like-minded professionals. Member companies also work together to achieve an annual deliverable which will work towards producing tangible results in the fight against forced labour.

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2. Objectives of the Study

The primary objective of the study is to provide a broad-based overview of the private sector as a stakeholder in combating modern slavery in the country. More specifically the study aims to generate a knowledge base from which The Mekong Club can approach the private sector in order to create awareness and offer cooperative solutions for the eradication of modern slavery in corporate supply chains; the core focus of the Mekong Club’s mission. The following secondary objectives specify the details of the data that need to be gathered in order to fulfil the scope of the study:

- Give an overview of the demographic landscape and economic conditions in Cambodia
- Detail the characteristics of the labour force in Cambodia by looking at factors such as size, average income, distribution, key issues
- Provide a detailed analysis of the private sector in terms of size of industries, number of workers and key players
- Provide in-depth reports on the Banking/finance, Manufacturing, Construction, Agriculture and Retail and hospitality industries
- Identify the current state of modern slavery in Cambodia



3. Definition of Terms

Throughout the report the following definitions will apply to the use of the terms human trafficking, forced labour, bonded labour and contract slavery, as specified by The Mekong Club.

HUMAN TRAFFICKING	FORCED LABOUR	BONDED LABOUR AND CONTRACT SLAVERY
<p>An act (1) carried out by a third party, through different means (2), for the purpose of exploitation (3).</p> <p>For children under age 18 it is sufficient to demonstrate the act of moving a child for the purpose of exploitation.</p>	<p>All work or service which is extracted from any person under the menace of any penalty and for which the person has not offered themselves voluntarily.</p>	<p>Bonded labour begins when a worker borrows money from an employer and commits themselves to work for the employer in return.</p> <p>Contract slavery involves deceiving or illegal contracts signed by victims who cannot understand them, and used to justify forced labour.</p>
<p>1. Act of:</p> <ul style="list-style-type: none">• Recruitment• Transportation• Transfer• Harboring• Receipt <p>2. By means of:</p> <ul style="list-style-type: none">• Threat• Force or coercion• Abduction• Fraud• Deception• Abuse of power• Abuse of vulnerability <p>3. For the purpose of:</p> <ul style="list-style-type: none">• Exploitation• Slavery or similar practices• Servitude• Prostitution• Removal of organs• Forced labour and service	<p>Threat of penalty</p> <ul style="list-style-type: none">• Physical and/or sexual violence.• Imprisonment or physical confinement.• Withholding of wages, unreasonable fees or financial penalties.• Withholding of identity documents.• Unfair dismissal or exclusion from future employment.• Deprivation of food or shelter.• Exclusion from community, social life or denunciation to community/family.• Intimidation and other threats. <p>Lack of Valid Consent</p> <ul style="list-style-type: none">• Worker deceived about the wages they would receive.• Worker cannot leave employment as they must remain for an undefined period to repay debts to employer.• Worker made to work by family.• Deception or fraud during recruitment stages.	<p>Common features of Bonded Labour</p> <ul style="list-style-type: none">• The employer manipulates interest rates or charges excessive rates.• The employer imposes high charges for food, accommodation, transportation, or tools.• The employer charges workers for shortfalls in business output or days missed due to worker sickness. <p>Common features of Contract Slavery</p> <ul style="list-style-type: none">• Contracts are in a language the victim does not understand.• Contracts are presented to victims who cannot read.• Victim is told fines and penalties will follow if he breaks the contract.
<p>HUMAN TRAFFICKING emphasizes the movement of victims</p>	<p>FORCED LABOUR is often a consequence of human trafficking and emphasizes the exploitative condition the victim suffers</p>	<p>BONDED LABOUR CONTRACT SLAVERY are two forms of forced labour</p>

4. Demographic Overview & Key Social Trends

4.1. Summary

Population	15.4 million
Rural	77%
HDI	0.563
Poverty Rate	7.2%
GINI	36

4.2. Population Distribution

The total population of Cambodia was estimated at 15.4 million in the 2015 Cambodia Socio-Economic Survey (CSES)¹ and is slightly skewed to females at 51.1%. About 77% of the total population resided in rural areas in 2015. Current United Nations surveys estimates the population at 16,076,370 as of 21 August 2017.²

Population Distribution by Gender and Location in 2015

	Millions	%
Total	15.4	100
Male	7.542	48.9
Female	7.863	51.1
Urban	11.87	77%
Rural	3.54	23%

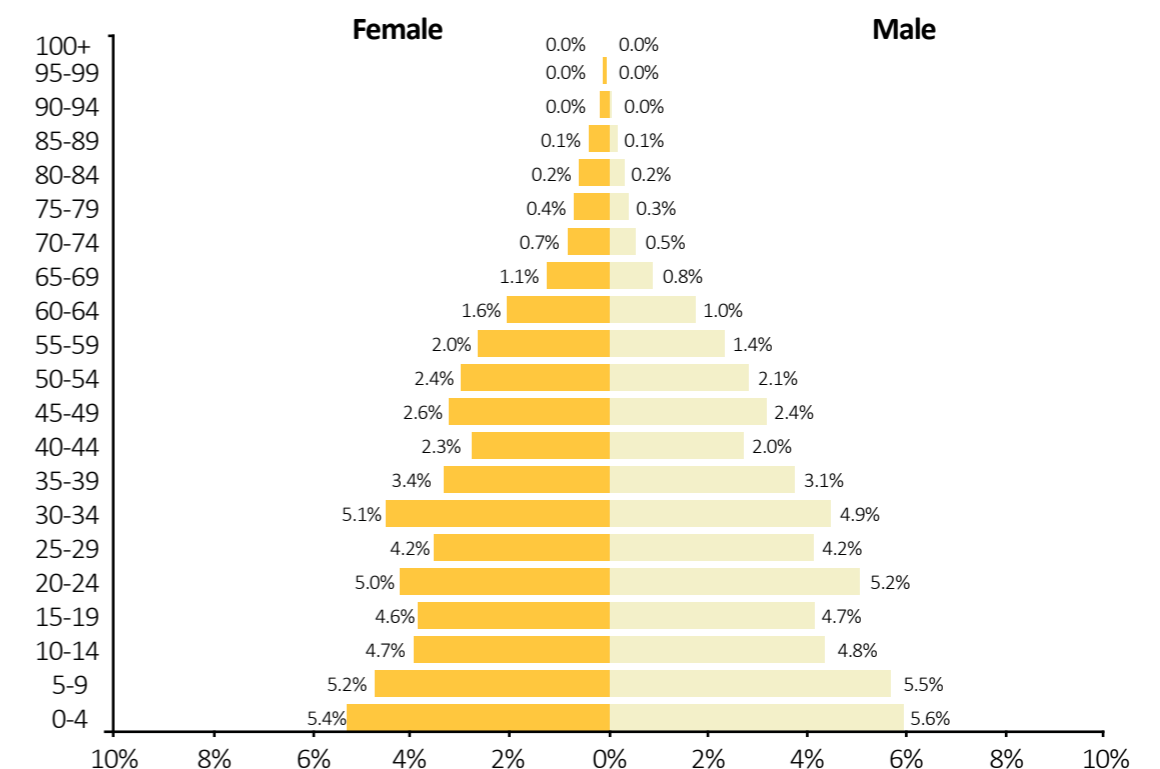
The population is widely spread out over the country. The biggest population concentrations can be found in Phnom Penh (10%) and Takeo (5%).

Population Distribution by Province³

Total Population	15,400,000	100%
Phnom Penh	1,573,544	10%
Takeo	843,931	5%
Sihanoukville	156,691	1%
Battambang	150,444	1%
Siem Reap	139,458	1%

Cambodia has a very young age structure; almost 50% of its population is under the age of 24. The tragic history of the country under the Khmer Rouge played a big part in shaping the particular demographics of the country. The UNDP⁴ characterises this as a “demographic bonus period”. Such a young labour force bodes well for the future, if they have the required skills to meet the needs of the labour market. According to the UNDP “equipping young people with quality education and skills is crucial to ensure that Cambodia moves towards improved equality and wealth for its citizens”.

Population Pyramid 2017



1. www.nis.gov.kh/nis/CSES/Final%20Report%20CSES%202015.pdf (Estimations and projections)

2. www.worldometers.info/world-population/cambodia-population/

3. worldpopulationreview.com/countries/cambodia-population/

4. <http://www.kh.undp.org/content/cambodia/en/home/countryinfo.html>

4.3. Social Indicators

4.3.1. Human Development Index (HDI)

According to the UNDP Human Development Report of 2016⁵, “Cambodia’s HDI value for 2015 is 0.563— which put the country in the medium human development category—positioning it at 143 out of 188 countries and territories.” The Human Development Index (HDI) is a statistic measuring human development based on life expectancy, education, and per capita income indicators.⁶

In its overview of the country, the World Bank⁷ states that:

“following more than two decades of strong economic growth, Cambodia has attained the lower middle-income status as of 2015, with gross national income (GNI) per capita reaching US\$1,070. Driven by garment and tourism exports, Cambodia has sustained an average growth rate of 7.6 percent in 1994-2015, ranking sixth in the world. According to preliminary estimates, economic growth slightly eased to 6.9 percent in 2016, compared to 7 percent in 2015.”

The high level of economic growth has not been accompanied by equal levels of growth in health and education, as is evident in the mean years of schooling and life expectancy.

Cambodia Human Development Index (HDI)

	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2011 PPP\$)	HDI Value
1990	53.6	6.7	2.7	819	0.357
1995	55.2	7.1	3.0	938	0.379
2000	58.4	7.6	3.2	1,174	0.412
2005	63.1	10.1	3.5	1,680	0.483
2010	66.5	10.7	4.4	2,397	0.533
2011	67.0	10.7	4.4	2,525	0.540
2012	67.5	10.8	4.5	2,647	0.546
2013	67.9	10.9	4.6	2,777	0.553
2014	68.4	10.9	4.7	2,924	0.558
2015	68.8	10.9	4.7	3,095	0.563

The World Bank summarizes Cambodia’s milestones and weaknesses as follows:

“Cambodia has made good strides in improving maternal health, early childhood development, and primary education programs in rural areas. The maternal mortality ratio per 100,000 live births decreased from 472 in 2005 to 161 in 2015, the under-five mortality rate decreased from 83 per 1,000 live births in 2005 to 28.7 per 1,000 in 2015.

In spite of these achievements, Cambodia still faces a number of development challenges, including good quality public service delivery impeding inclusive development, land administration and natural resources management, environmental sustainability, and good governance.”

In South East Asia, Cambodia ranks the lowest on the HDI. When the HDI is corrected for inequality, Cambodia achieves a similar score, indicating a fairly equal spread of human development across different groups⁸.

Thailand’s HDI Value and component measures compared to countries in the region⁹

	HDI Value	HDI Rank	Life Expectancy at birth	Expected years of schooling	Mean Years of Schooling	GNI Per Capita (PPP USD)	IHDI Value
Vietnam	0.683	115	75.9	12.6	8	5,335	0.562
Philippines	0.682	116	68.3	11.7	9.3	8,395	0.556
Thailand	0.740	87	74.6	13.6	7.9	14,519	0.586
Indonesia	0.689	113	69	12.9	7.9	10,053	0.563
China	0.738	90	76	13.5	7.6	13,345	**
Malaysia	0.789	59	74.9	13.1	10.1	24,620	**
Cambodia	0.563	143	68	10.9	4.7	3,095	0.436
Myanmar	-	-	-	-	-	-	-
East Asia & Pacific	0.720	-	74.2	3,423	0.617	12,125	0.581
Medium HDI	0.631	-	68.6	4,314	0.655	6,281	0.469

5. UNDP: Human Development Reports – Cambodia

6. Wikipedia

7. www.worldbank.org/en/country/cambodia/overview

8. www.worldbank.org/en/country/cambodia/overview

9. UNDP: Human Development Report 2016: Human development for everyone

4.3.2. GINI Coefficient

The distribution of inequality is further illustrated through the GINI coefficient, which is calculated at 36 for the year 2013¹⁰. Cambodia's GINI is higher than Vietnam (35.6), but lower than Indonesia (38.1), Malaysia (46.2) and the Philippines (43.0)

4.3.3. Poverty Rate

According to the World Bank¹¹, poverty “continues to fall in Cambodia, albeit more slowly than in the past. In 2014, the poverty rate was 13.5 percent compared to 47.8 percent in 2007. About 90 percent of the poor live in the countryside. While Cambodia has achieved the Millennium Development Goal (MDG) of halving poverty in 2009, the vast majority of families who escaped poverty were only able to do so by a small margin, thus around 4.5 million people are near-poor.” Overall just less than half of the population is still under threat of poverty

5. The Labour force

5.1. Employment and Income

5.1.1. Employment Distribution

Cambodia has seen a rapid increase in the working-age population, reaching 68% in 2010¹². Most of the working-age population, are economically active with labor force participation rates measuring at 82%–84% since the 1990's. The relatively high level of participation can partly be contributed to the high level of poverty across the population. Being poor necessitates some form of work, and in Cambodia “*Much of the employment is informal, vulnerable, unstable, and poorly rewarded. Therefore, the main issues in the labor market include skills mix, working conditions, and earnings.*”¹³

Cambodia has seen a major structural change away from agriculture toward industries and services after the 2008 recession. According to the Asian Development Bank report of 2015, “*a large component of growth in the last decade has been associated with the garment manufacturing and tourism industries. The agriculture sector accounted for almost 50% of total output in the mid-1990s, but its share began to decrease sharply at the turn of the millennium, before stabilizing at slightly above 30% since 2002*”.

Conversely, “*the share of the industrial sector increased from around 14% in the mid-1990s to a little above 27% in 2006.*” The report goes on to state that “*to a significant extent, the structural transformation in the industrial sector reflects the rapid expansion of the garment manufacturing sector.*”

There has been a significant decline in the amount of skilled agricultural workers as the labour force seeks new opportunities in craft and service industries. The majority of the work force is still employed in the agricultural sector. Women has increasing been employed as service and sales workers.

Employed Population by Gender and Main Occupation,
2004 and 2010–2013¹⁴

Females					
	2004	2010	2011	2012	2013
Skilled agricultural, forestry, and fishery workers	58.1	44.7	44.7	42.4	41.1
Service and sales workers	18.5	22.4	19.9	21.6	22.8
Elementary occupations	6.7	14.4	15.6	14.9	12.2
Craft and related workers	6.6	13.7	15.2	15.4	16.5
Plant and machine operators and assemblers	5.8	0.5	0.3	0.3	0.6

10. UNDP: Human Development Reports

11. <http://www.worldbank.org/en/country/cambodia/overview>

12. <https://www.adb.org/sites/default/files/publication/176283/cambodia-addressing-skills-gap.pdf>

13. Ibid

14. Ibid

	2004	2010	2011	2012	2013
Professionals	2.7	2.0	1.8	2.3	3.0
Managers	0.5	0.2	0.2	0.4	0.6
Technicians and associate professionals	0.5	0.5	0.5	0.5	0.7
Clerical support workers	0.2	1.6	1.7	2.1	2.2
Armed forces occupations	0.1	0.1	0.1	0.1	0.0

Males					
	2004	2010	2011	2012	2013
Skilled agricultural, forestry, and fishery workers	59.4	43.5	45.3	41	38.2
Service and sales workers	8.7	10.9	11.4	11.1	11.2
Elementary occupations	10.0	17.3	18.3	18.0	17.2
Craft and related workers	5.5	11.8	11.1	13.9	16.6
Plant and machine operators and assemblers	6.5	6.2	5.1	6.2	6.5
Professionals	4.9	3.5	2.5	2.8	2.9
Managers	2.1	0.9	0.9	1.0	1.2
Technicians and associate professionals	0.8	1.2	1.0	1.4	1.1
Clerical support workers	0.2	3.2	2.9	3.0	3.7
Armed forces occupations	1.6	1.5	1.5	1.6	1.4

According to the Asian Development Bank report

“Prevalence of vulnerable employment, defined by status in employment, has been declining since 2004..... Much of the decline in vulnerable employment was driven by a dramatic decline in the incidence of unpaid family work. In 2004, unpaid family workers made up 36.6% of the employed population, but by 2013 it had fallen to less than 5% of the employed population. ...Thus, in 2004, the share of vulnerable employment stood at 75.1%, composed in almost equal measure of own-account workers and unpaid family workers. But by 2013, vulnerable employment had fallen to 59.4%, made up almost entirely of own-account workers.”

This indicates that although there has been a decrease in the vulnerability of workers, risk is still a reality in the Cambodian workforce, as many own-account workers are open to exploitation by recruiters and employers.

Employment Status, 2004 and 2007–2013 (%)¹⁵

	2004	2007	2008	2009	2010	2011	2012	2013
Employed population (thousands)	6,577	7,313	7,309	7,469	7,675	7,891	7,706	7,951
Paid employee	22.9	25.8	28.4	26.9	29.8	31.4	35.8	40.6
Own account worker/self-employed	38.5	38.2	37.1	49.2	50.4	53.4	55.1	54.7
Unpaid family worker	36.6	35.9	34.3	23.5	19.4	15.1	9.0	4.7
Employer	0.1	0.1	0.1	0.3	0.2	0.0	0.0	0.0
Other/don't know	1.9	0.1	0.1	0.1	0.2	0.1	0.0	-

15. Ibid

5.1.2. Income

TradingEconomics.com¹⁶ puts the minimum wages in Cambodia at 153 USD/Month in 2017, up from 140 USD/Month in 2016. According to the site, minimum wages in Cambodia averaged 130.25 USD/Month from 2014 until 2017, reaching an all-time high of 153 USD/Month in 2017 and a record low of 100 USD/Month in 2014.

In contrast, living wages in Cambodia for individuals (a wage that is high enough to maintain a normal standard of living) remained unchanged at 1090964 KHR/Month (275.5 USD) in the fourth quarter of 2016. This underline the disparity between what workers earn in Cambodia and what is needed to maintain a normal life. These figures represent the formal minimum wages required, although actual wages can be much lower. This dire state of income, although much improved, has driven many Cambodian workers to search for employment in other countries, thus exposing them to the risk of human trafficking and modern slavery.

5.2. Gender Gap

According to the International Labour Organization Global Wage Report of 2016/17, the gap in earnings between young Cambodian women and men was 35 per cent, the fourth-highest of the 23 countries¹⁷. Factors such as family obligations are possible causes for the gap in earning potential, but given the lack of controls in various industries this could also indicate the exploitation of women on the factory floor.

5.3. Comparative Minimum Wage

Although already discussed, the following tables situates Cambodia's minimum wage within the broader context of ASEAN and the East Asian and OECD economies.

Comparative Minimum Wages in Selected Countries in Asia(As of 30 June 2017)¹⁸

Country/City	Daily Minimum Wage		Monthly Minimum Wage		Exchange Rate Per US\$1*
	In Country Currency	In US\$	In Country Currency	In US\$	
Bangladesh (Taka)	176.67 ^{b/}	2.23	5,300.00 ^{1/}	66.88	79.2430
Mongolia (Tugrik)	6,400.00 ^{a/}	2.73	192,000.00 ^{2/}	81.95	2,342.8400
Myanmar (Kyat)	3,600.00 ^{a/}	2.68	108,000.00 ^{3/}	80.32	1,344.6100
Lao PDR (Kip)	30,000.00 ^{a/}	3.71	900,000.00 ^{4/}	111.39	8,079.9800
Pakistan (Rupee)	333.33-400.00 ^{a/}	3.22-3.86	10,000.00-12,000.00 ^{5/}	96.62-115.95	103.4940

16. <https://tradingeconomics.com/cambodia/minimum-wages>

17. <http://www.phnompenhpost.com/national/gender-wage-gap-daunting>

18. http://www.nwpc.dole.gov.ph/pages/statistics/stat_comparative.html

Cambodia (Cambodia Riel)	18,666.67 ^{a/}	4.67	560,000.00 ^{6/}	140.00	4,000.0000
Vietnam (Region I & II Dong)	103,333.33-116,666.67 ^{a/}	4.60-5.20	3,100,000.00-3,500,000.00 ^{7/}	138.07-155.89	22,452.4000
Philippines/XI (Peso)	340.00 ^{8/}	6.74	10,200.00 ^{b/}	202.20	50.4451
Philippines/VII (Peso)	308.00-366.00 ^{9/}	6.11-7.26	9,240.00-10,980.00 ^{b/}	183.17-217.66	50.4451
Philippines/III (Peso)	329.00-380.00 ^{10/}	6.52-7.53	9,870.00-11,400.00 ^{b/}	195.66-225.99	50.4451
Philippines/IV-A (Peso)	293.00-378.50 ^{11/}	5.81-7.50	8,790.00-11,355.00 ^{b/}	174.25-225.10	50.4451
Indonesia (Jakarta-Jawa-Timur-Surabaya) (Rupiah)	38,333.33-103,333.33 ^{a/}	2.88-7.77	1,150,000.00-3,100,000.00 ^{12/}	86.52-233.23	13,291.8000
Malaysia (Ringgit)	30.67-33.33 ^{a/}	7.14-7.76	920.00-1,000.00 ^{13/}	214.23-232.86	4.2944
Thailand (Baht)	300.00 ^{14/}	8.84	9,000.00 ^{b/}	265.29	33.9245
Philippines/NCR (Peso)	454.00-491.00 ^{15/}	9.00-9.73	13,620.00-14,730.00 ^{b/}	270.00-292.00	50.4451
China (Yuan Renminbi)	33.33-73.00 ^{a/}	4.90-10.73	1,000.00-2,190.00 ^{16/}	147.04-322.02	6.8008
Taiwan (Taiwan Dollar)	920.00 ^{17/}	30.25	27,600.00 ^{b/}	907.54	30.4120
Hongkong (\$HK)	260.00 ^{18/}	33.32	7,800.00 ^{b/}	999.70	7.8024
South Korea (Won)	51,760.00 ^{19/}	45.37	1,552,800.00 ^{b/}	1,360.99	1,140.9300
Japan (Japan Yen)	5,424.00-7,280.00 ^{20/}	48.36-64.90	162,720.00-218,400.00 ^{b/}	1,450.66-1,947.04	112.1700
New Zealand (New Zealand Dollar)	97.60-122.00 ^{21/}	71.19-88.99	2,928.00-3,660.00 ^{b/}	2,135.67-2,669.58	1.3710
Australia (Australian Dollar)	141.60 ^{22/}	107.73	4,248.00 ^{b/}	3,231.97	1.3144

*For more full details of how the wages are determined see: http://www.nwpc.dole.gov.ph/pages/statistics/stat_comparative.html

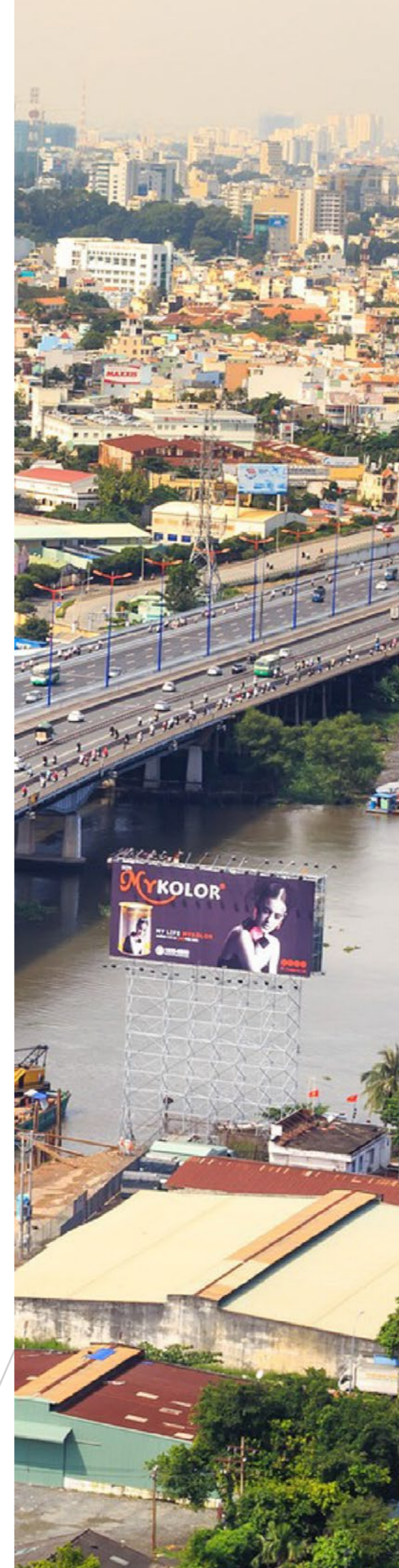
5.4. Migrant Labour

Given the geographical location of Cambodia, the relative permeability of its borders and its poor yet fledgling economy, migration has become an important labor dynamic. According to the “Cambodia – Addressing the skills gap” report of the Asian Development Bank, it is estimated that more than one million Cambodians are currently working abroad (about 1.12 million people or 7.4% of the population), while immigrants living in Cambodia has been estimated at around 76,000 people. There is thus a net outward migration of Cambodian labour.

The report¹⁹ states that “although a significant fraction of Cambodian emigrants lives in industrialized countries outside of Asia, the main destination country is still neighbouring Thailand (about 750,000). Other important destination countries within Asia include Japan, the Republic of Korea, and Malaysia. Migrant labourers offer significant support for home communities: “the inward flow of remittances has been constantly increasing over the last decade. It was estimated to be around \$304 million in 2014, from \$121 million in 2000.” The attraction of financial reward abroad, especially from within a poor country, increases the likelihood that potential labourers might be swayed by false offers, stringent contracts and other unscrupulous practices.

In addition, internal migration also impacts the Cambodian economy. Data from 2013 suggest that as much as 4.14 million people are living away from their original homes. According to the report, “remittances from external migrants are larger than from internal migrants.”

For more detail see section 9: Modern Slavery and Human Trafficking in Cambodia



6. Political Risk Assessment

According to the UK Department of Trade²⁰, Cambodia's current political situation can be summarized as follows:

Cambodia People's Party (CPP) is the ruling power and has been for the last four decades. The main opposition is the Cambodia National Rescue Party (CNRP). Incidents of politically-motivated violence have fallen in recent years, but political disputes could trigger violent protests. The next general election will take place in July 2018 and it is therefore possible that political tensions will increase in the run-up to this election as the CPP and CNRP begin their campaigning. Commune (local) elections took place in June 2017 and passed by smoothly.

19. <https://www.adb.org/sites/default/files/publication/176283/cambodia-addressing-skills-gap.pdf> (page 16)

20. <https://www.gov.uk/government/publications/overseas-business-risk-cambodia/overseas-business-cambodia>

7. The Private Sector

7.1. Overview

Cambodia has achieved exceptional economic growth and poverty reduction over the past two decades, growing at an average rate of 7.6% from 1994-2015. According to the World Bank Systematic Country Diagnostic (SCD)²¹, “this growth was driven by exports of goods and services (mainly garments and tourism), which grew 19.6% a year over the same period.”

The report highlights several limitations in the business environment that can inhibit growth in the future:

- Constraints in the business environment (obstacles in doing business)
- Poor learning outcomes
- Persistent malnutrition
- Degradation of natural resources

The Systematic Country Diagnostic (SCD) identified three “pathways” for maintaining strong and sustainable growth with poverty reduction:

- Increasing economic competitiveness and diversification to sustain strong growth and create jobs.
- Investing in skills to facilitate shared prosperity.
- Maintaining and developing natural resources while strengthening climate resilience.

7.2. Key Players in the Private Sector

Japan is home to a multitude of conglomerates and MNC’s. For the sake of brevity, third party resources are quoted here, as a way to indicate the key players in the Cambodian economy. Each section will highlight key players relevant to those specific industries.

7.2.1. Key local Companies

Name	Industry	Sector	Notes
About Asia Travel	Consumer services	Travel & leisure	Destination management company, founded 2007
ACLEDA Bank	Financials	Banks	Domestic commercial bank
ANZ Royal Bank	Financials	Banks	Private bank
Cambodia Angkor Air	Consumer services	Travel & leisure	Flag carrier
Cambodia Asia Bank	Financials	Banks	Bank

Name	Industry	Sector	Notes
Cambodia Commercial Bank	Financials	Banks	Commercial bank, part of Siam Commercial Bank (Thailand)
Cambodian National Insurance Company	Financials	Insurance	Private insurance
Cambrew Brewery	Consumer goods	Food & beverage	Cambodia’s largest beer manufacturer
CamGSM	Telecommunications	Mobile telecommunications	Mobile telecommunications network
Camnet Internet Service	Telecommunications	Fixed line telecommunications	Internet
Canadia Bank	Financials	Banks	Bank, privatized in 1998
Comin Khmere	Industrials	Construction & materials	General contractor
Hattha Kaksekar	Financials	Banks	Microfinance
IPR Microfinance Institution	Financials	Banks	Domestic agricultural financing
Kampot Cement	Basic materials	Basic resources	Cement
Kampuchea Thmei Daily	Consumer services	Media	Newspaper
Kingdom Breweries	Consumer goods	Food & beverage	Craft brewery
Leopard Capital	Financials	Banks	Lending
National Bank of Cambodia	Financials	Banks	Central bank
Phnom Penh Commercial Bank	Financials	Banks	Commercial bank
Phnom Penh Water Supply Authority (PPWSA)	Utilities	Water	-

21. <https://openknowledge.worldbank.org/handle/10986/27149>

Name	Industry	Sector	Notes
Sky Angkor Airlines	Consumer services	Travel & leisure	Airline
Sokimex	Oil & gas	Oil & gas producers	Petroleum import/export
Telecom Cambodia	Telecommunications	Fixed line telecommunications	Telecom
The Cambodia Daily	Consumer services	Media	Newspaper
The Phnom Penh Post	Consumer services	Media	Newspaper
The Royal Group	Conglomerate	-	Telecommunications, media, financials, travel & leisure, agriculture
Vattanac Bank	Financials	Banks	General contractor

7.2.2. US Investors

- Caltex
- GE
- Crown Beverage Cans Cambodia Limited
- CBREGroup, Inc
- Motorola Solutions Inc
- Coca Cola
- Tiffany's
- American Licorice
- Otis Elevators
- DuPont

7.2.3. U.S. franchises and brands with local distribution include

- John Deere
- Ford, Chevy
- Gallo Wines
- Swensen's Ice Cream
- Dairy Queen
- Krispy Kreme donuts
- Carl Jr'
- Cold Stone Creamery
- Microsoft
- Kohler
- Domino's Pizza
- Burger King
- Hard Rock Café
- Coffee Bean and Tea Leaf
- Starbucks Coffee
- Burger King.

7.2.3. U.S. franchises and brands with local distribution include

- Asia Pacific Breweries (Singapore),
- Asia Insurance (Hong Kong),
- ANZ Bank (Australia),
- BHP Billiton (Australia),
- Oxiana (Australia),
- Infinity Financial Solutions (Malaysia),
- Total (France),
- PTT Cambodia (Thailand),
- Cambodia Airport Management Services (CAMS) (France),
- Forte Insurance (France),
- Manulife Cambodia PLC (Canada),
- Prudential (United Kingdom),
- Smart Axiata Co., Ltd (Malaysia),
- Thakral Cambodia Industries (Singapore),
- Petronas Cambodia (Malaysia),
- Charoeun Pokphand (Thailand),
- Siam Cement (Thailand),
- Bank of China (China),
- Cambrew (Malaysia),
- Aeon shopping mall (Japan),
- Parkson mall (Malaysia),
- Metfone (Vietnam).



7.3. Transparency

Transparency International ranks Cambodia 113th out of 175 countries on its Corruption Perceptions Index of 2016²², an index based on expert opinion from around the world that measures the perceived levels of public sector corruption worldwide. This illustrates the lack of transparency of public institutions and the high incidence of corruption.

Country	CPI2016	Rank
New Zealand	90	1
Singapore	84	7
Australia	79	13
Hongkong	77	15
Japan	72	20
Bhutan	65	27
Taiwan	61	31
Brunei	58	41
Korea (South)	53	52
Malaysia	49	55
Solomon Islands	42	72
China	40	79
India	40	79
Mongolia	38	87
Indonesia	37	90
Maldives	36	95
Sri Lanka	36	95
Philippines	35	101
Thailand	35	101
Timor-Leste	35	101
Vietnam	33	113
Pakistan	32	116
Laos	30	123
Nepal	29	131
Myanmar	28	136
Papua New Guinea	28	136
Bangladesh	26	145
Cambodia	21	156
Afghanistan	15	169
Korea (North)	12	174

22. https://www.transparency.org/news/feature/corruption_perceptions_index_2016#regional

8. The Mekong Club Target Sectors

For the purpose of this study, which aims to generate a knowledge base from which The Mekong Club can approach the private sector in order to create awareness and offer cooperative solutions for the eradication of modern slavery in corporate supply chains, attention will be given to the following core target sectors:

- Agricultural (56% of labour force, 35% of GDP)
- Garment Industry
- Tourism: Hospitality and Food Service
- Construction
- Banking

8.1. The Agricultural Sector

8.1.1. General

According to the website OpenDevelopment.net²³, Cambodia’s “agricultural production accounts for 35 percent of Cambodia’s GDP, but employs 56 percent of the labor force.” Rice, rubber, corn, vegetables, cashews and cassava are the main crops produced.

Between 2004 and 2012, agricultural gross production grew by 8.7 partly as a result of adoption of improved technologies, more irrigation systems and better access to mechanized services.

Overall, bigger farmers tend to consolidate their hold on farming property, while small scale farmers lose their hold on property, leading to a reduction in average size of small farms. Industrial agriculture has also seen extensive growth, with the support of the government’s agricultural development strategy²⁴.

The website state that “the productivity of most smallholdings has remained low, as agricultural extension and other services have often not reached them.”

See Section 9: Modern Slavery and Human Trafficking in Cambodia for more information

23. <https://opendevlopmentcambodia.net/topics/agricultural-production/>

24. Ibid

8.2. FMCG Retail

Cambodia's FMCG market is still dominated by traditional structures. Street stalls, street vendors, wet markets and night markets are the primary destinations for shopping among local people as well as some tourists across the country²⁵.

In comparison, the major city centres have seen unprecedented growth in retail businesses, as international companies eye Cambodia as one of the most dynamic and attractive retail markets in South East Asia. Foreign investors from China and Japan, and in the future from Malaysia and Thailand, have already entered the market.

The major supermarket retailers include:

- Lucky Supermarket (9 branches in Phnom Penh and 1 in Siem Reap)
- Thai Huot (Phnom Penh)
- Bayon Supermarket (Phnom Penh)
- Veggy's (Phnom Penh)
- Super Duper (Phnom Penh)
- Angkor Market (Siem Reap)
- Asia Market (Siem Reap)
- Aeon

8.3. Garment Industry

8.3.1. Overview

Cambodia's garment industry has seen exceptional growth over the past 20 years and is considered the mainstay of Cambodia's export drive. Estimates put employment in the industry at around 650 000 to 700 000 workers²⁶. The garment industry contributed 15% of the value added to GDP in 2013²⁷ and 11% in 2015, according to various sources.

According to some reports²⁹,

"at the end of 2015, garment manufacturing enterprises registered in Cambodia reached over 1,400.... Garment manufacturing enterprises in Cambodia mainly operate with foreign capital from areas such as China, Hong Kong, Taiwan and South Korea. They mainly concentrate in Phnom Penh and Sihanoukville with convenient traffic. Most raw materials of garments and footwear in Cambodia are mainly imported from Asian countries, especially from China, Japan and South Korea."

The importance of businesses from other Asian countries cannot be overestimated. Efforts to curb human trafficking should be fully supported by the international business community in Cambodia. The Garment Association of Cambodia (GMAC)³⁰ provides a contact point for the more than 500 businesses listed in its database. Apart from providing access to the members listings, the Association's website also provides information and news on laws and regulations, as well as training. The Association would be an important contact point in The Mekong Club's efforts in Cambodia. GMAC website can be found at: <https://gmac-cambodia.org/>

25. <http://euroasiaresearchexperts.com/updates/cambodias-market-structure-tourism-can-pave-way-retail-landscapes-modernization/>

26. <http://asiafoundation.org/2017/03/29/hiring-patterns-cambodias-garment-industry/>

27. <https://cleanclothes.org/resources/publications/factsheets/cambodia-factsheet-february-2015.pdf>

28. http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_541288.pdf

29. <http://www.prnewswire.com/news-releases/cambodia-garment-manufacturing-industry-overview-2020---in-2015-the-product-export-value-of-garments-in-cambodia-reaches-usd-6-billion---research-and-markets-300307612.html>

30. <https://gmac-cambodia.org/>

8.3.2. Hiring Practices

The Asia Foundation recently released the findings of its new survey on recruitment practices in the garment industry in Cambodia³¹. As indicated in the World Bank assessment of the labour force, a shortage of skills continues to be one of the biggest challenges facing businesses in Cambodia. This influence recruiting practices, and consequently also susceptibility to exploitation.

According to the survey the following skills are in short supply:

- technical skills like sewing or quality control,
- leadership skills such as supervising and team leading

The survey further states that "the most commonly cited method for finding workers is selecting workers from in front of the factory, with 98 percent of respondents using this method. Taking referrals from existing workers is the second most common way recruiters find workers (81 percent) While the preferred recruitment methods allow factories to find workers in large quantities, the heavy dependence on free, informal methods of selection limits their ability to find more skilled workers. "

One of the key problems companies experienced was to ensure that the applicants have "the correct documents—national ID, family book, and birth certificate required by factories to prove legal age" This proves to be challenging as "many workers borrow documents from others or use IDs that do not show their real age to apply for a job." This increases the likelihood of underage hires.

According to the report "This finding corresponds with concerns from NGOs and labor rights activists. In 2015, Human Rights Watch cited widespread child labor cases in the garment industry in Cambodia in its report, "Work Faster or Get Out." All workers who reported seeing children in their factories consistently recounted how managers told children to hide or leave the factory on days when "visitors" came."³²

Other hiring patterns identified are:

- Hiring of garment workers is seasonal
- Hiring is a relatively quick process, (on average between 1-3 days)

8.3.3. Minimum Wage

As indicated in section 5.3 Cambodia's minimum wage puts it at the lower spectrum of countries in Asia, with only Laos and Myanmar having lower wages in South East Asia. The minimum wage was raised to \$153 for 2017 in the textile and footwear industry³³, indicating the priority of the industry.

31. <http://asiafoundation.org/2017/03/29/hiring-patterns-cambodias-garment-industry/>

32. Ibid

33. <https://www.reuters.com/article/cambodia-garment/cambodia-raises-2017-minimum-wage-for-textile-industry-workers-idUSL3N1C51OD>

8.4. Banking Industry

Like most SEA countries Cambodia has very low financial service penetration. Approximately 28% of the population over 15 years of age have bank accounts compared to 31% in the Philippines and Vietnam³⁴.

In 2016 the banking industry performed as follows:

Cambodia's financial sector saw healthy growth last year with increased deposits and profits amid slower credit growth, reflecting sustainable development and increased public confidence in the sector, according to a recently released central bank report.

According to the National Bank of Cambodia's (NBC) annual supervisory report, deposits in the country's banks rose by 21.8 percent to \$13.9 billion last year, while loans increased by 20.5 percent to \$14 billion, down from 25.8 percent in 2015.

Deposits at Cambodia's seven deposit-taking microfinance institutions (MDIs) increased by 12.7 percent to \$1.48 billion, while the combined loan portfolio of all microfinance institutions (MFIs) increased by 4.7 percent to \$3.16 billion at the end of 2016³⁵.

Comparison of Total Assets of Banks in Cambodia (Market Share → 3.9%) 2016³⁶

	Millions of KHR	Share
Acleda Bank Plc.	18,607,978	19.3%
Advanced Bank of Asia Ltd.	4,467,172	4.6%
ANZ Royal Bank (Cambodia) Ltd.	4,211,631	4.4%
Bank of China Limited Phnom Penh Branch*	4,194,817	4.4%
Cambodian Public Bank Plc.	6,581,744	6.8%
Canadia Bank Plc.	13,302,384	13.8%
ICBC Limited Phnom Penh Branch*	3,866,102	4.0%

The banking sector is dominated by Acleda Bank and Canadia Bank.

34. <http://datatopics.worldbank.org/financialinclusion/>

35. <http://www.phnompenhpost.com/business/banking-shows-steady-growth>

36. https://www.nbc.org.kh/download_files/supervision/sup_an_rep_eng/Annual-Report-2016-ENG-Final.pdf

8.5. Tourism Industry

Tourism has been a major force driving growth in the Cambodian economy. According to the Asian Bank's Tourism Sector Assessment, Strategy, And Road Map for Cambodia, Lao People's Democratic Republic, Myanmar, And Viet Nam (2016–2018) report, international visitor arrivals in Cambodia rose to 4.78 million in 2015, a 6% increase compared to 2014. These figures are comparable to tourism in Laos and Myanmar, but lower than the rest of ASEAN. (See Table). Given the small size of the population and the economy (15 million people) the annual arrival of almost 5 million people is a substantial boost to the economy.

Furthermore, "Viet Nam is the largest source market (20.7%), followed by the PRC (14.5%) and the Lao PDR (8.5%). Other significant medium- and long-haul source markets are the Republic of Korea, Japan, France, and the United States. Thailand is the fastest-growing market from a substantial base, increasing by 25% in 2015."³⁷

International Visitor Arrivals, 2008–2015 ('000)³⁸

	2010	2012	2014	2015	Average Annual Growth Rate (%)	ASEAN Share (%)
Cambodia	2,508	3,584	4,503	4,775	12.3	4.4
Lao PDR	2,513	3,330	4,159	4,684	15.2	4.3
Myanmar	792	1,058	3,081	4,681	57.7	4.3
Viet Nam	5,050	6,848	7,874	7,944	9.5	7.3
Subtotal	10,863	14,820	19,617	22,084	15.1	20.3
Brunei Darussalam	214	209	201	218	-0.5	0.2
Indonesia	7,003	8,045	9,435	10,407	9.5	9.6
Malaysia	24,577	25,033	27,437	25,721	3.5	23.6
Philippines	3,521	4,273	4,833	5,361	8.2	4.9
Singapore	11,639	14,491	15,095	15,231	5.8	14.0
Thailand	15,936	22,354	24,780	29,881	10.9	27.4
Subtotal (ASEAN-6)	62,890	74,405	81,781	86,819	7.1	79.7
Total (ASEAN)	73,753	89,225	101,398	108,903	8.4	100

Tourism contributes 13.5% to Cambodia's GDP, significantly higher comparatively to Laos, Myanmar and Vietnam, making it a key industry in the economy at a low investment rate.

37. <https://www.adb.org/sites/default/files/institutional-document/227186/clmv-tourism-sector-assessment.pdf>

38. <https://www.adb.org/sites/default/files/institutional-document/227186/clmv-tourism-sector-assessment.pdf>

Tourism's Contribution to Gross Domestic Product and Employment, 2015³⁹

	Cambodia	Lao PDR	Myanmar	Viet Nam
International visitor expenditure (\$ billion)	3.01	0.73	2.12	9.56
Direct contribution to gross domestic product (%)	13.5	4.6	2.6	6.6
Tourism investment (\$ billion)	0.4	0.4	0.1	5.2
Tourism employment (direct)	1,034,700	122,900	661,000	2,783,800
Women's share of employment (%)	54	50	---	70
Average expenditure per visitor (\$)	631	155	453	1,204

Other important facts are the following:

- Airports in Phnom Penh and Siem Reap together receive 52% of total international visitor arrivals
- 45% enter the country through overland borders and 3% enter by water.
- The busiest land border checkpoints are Poipet (Cambodia–Thailand) and Bavet (Cambodia–Viet Nam), with each processing about 20% of international visitor arrivals.
- Casino tourism at these borders is a key attraction.
- Siem Reap and Phnom Penh are the most popular destinations, but tourism in the coastal zone is growing.
- Leisure is the main purpose of visits, followed by business and visiting friends and relatives.
- During 2004–2013, the number of hotels and guesthouses more than doubled, to 2,007, with 31,223 bedrooms.
- Cambodia has 585 travel agencies and tour operators employing 3,230 licensed guides, 89% of whom are based in Siem Reap.
- The international airports in Phnom Penh and Siem Reap are served by 23 airlines and receive about 28,000 flights per year, with 4.2 million scheduled inbound seats.
- Cambodia allows tourist visa on arrival for 179 countries and tourist visa exemption for citizens of all ASEAN member states.

Given the extent of the tourism industry and the infrastructure in place to facilitate mobility, the risk for human trafficking and modern slavery is substantial. A high supply in tourism creates demands in related services, from food service and accommodation to entertainment and sex related services, providing opportunities for criminal elements to exploit local people.

8.6. Construction

According to a recent report⁴⁰,

“investment in Cambodia’s booming construction industry increased by 43.3 percent over the first four months of the year [2017] compared to the same period last year. ...A total of 1,020 new construction projects worth about \$4 billion—and covering 5.6 million square meters—were approved from January to [May 2017], compared to 712 projects worth \$2.8 billion approved during the same period last year...Of those new projects, 147 were residential complexes. A further 1,011 construction projects by 970 different companies are pending approval.”

The industry is represented by the Cambodia Constructors Association which can be accessed on <http://www.cca.org.kh/>

39. <https://www.adb.org/sites/default/files/institutional-document/227186/clmv-tourism-sector-assessment.pdf>

40. <https://www.cambodiadaily.com/news/130298-130298/>

9. Modern Slavery and Human Trafficking in Cambodia

9.1. Overview

In Slavery and human trafficking in the Mekong region, Occasional Paper 1, November 2016, Dr. Zoë Fortune provides a broad outline of the problematic of human trafficking and modern slavery in the Mekong Region. According to the report, “slavery exists within each of the countries of the Mekong region (Cambodia, China, Laos, Myanmar, Thailand and Vietnam). There is also a large amount of migration within the region, with certain countries being predominantly source (such as Vietnam) whilst others are predominantly destination countries (such as Thailand).”

This section is an extract from the report that summarized the conditions in Thailand.

The extent of the problem in Cambodia can best be understood within the context of the broader region. Using the Global Slavery Index⁴¹, the estimated numbers of people in modern slavery, together with the government response for countries in the Mekong region are shown below. Government response data is measured by the Global Slavery Index as an assessment of composite factors of the survivors supported, criminal justice, coordination & accountability, addressing risk and government & business. They also provide a measurement of vulnerability to modern slavery based on civil and political protections, social health and economic rights, personal security, refugees and conflict (higher scores mean greater vulnerability).

Global Slavery Index

	Number in slavery (GSI)	% (GSI)	Government response rating	Mean vulnerability to modern slavery score
Global figures	45.8m			
Cambodia	256,800	1.648 (ranked 3rd in prevalence not absolute number out of all countries by proportion of population)	CCC	41.51
China	3,388,400	0.247 (in Mekong then china has the highest absolute number by virtue of being biggest pop, 2nd in world after India)	CCC	44.66
Laos	20,000	0.295	CCC	36.45
Myanmar	515,100	0.956	CCC	56.36/100
Thailand	425,500	0.626	B	47.54
Vietnam	139,300	0.152	B	29.34

41. <https://www.globalslaveryindex.org/findings/>

According to the Trafficking in Persons Report. 2016. U.S. Department of State (see summary of updated report in the next section) “Cambodia is a source, transit, and destination country for men, women, and children subjected to forced labour and sex trafficking”. The 2016 Global Slavery Index⁴² estimated that 1.65% of the population are in conditions of modern slavery, or 256,800 people which is the 3rd in the world. The GSI survey estimates that 60% of the victims of forced labour were estimated to be in the manufacturing sector (201,000 people), some of whom may have been employed in the apparel sector. The main areas of trafficked person in Cambodia were identified as: entertainment, begging, factories (e.g. brick), domestic labour, agriculture and labour on salt fields⁴³. Adults and children migrate to other countries and are subject to forced labour on fishing vessels, in agriculture, in construction, in factories and in domestic servitude. Children from Cambodia were also reported to be victims of domestic servitude or forced begging or street vending in Thailand and Vietnam⁴⁴. One estimate put as many as 80% of child beggars in Thailand as being Cambodian.

High levels of migration are one factor. UNODC22 estimated that around 73.48% of Cambodia’s population migrates for work, either within the country’s borders or abroad. This number of Cambodians who have migrated for work in other countries (primarily Thailand) has also been put at around 1,000,000. Irregular migration is more convenient, faster and cheaper than legal recruitment but means that workers are more vulnerable to an array of problems.

9.2. Fishing

It is commonly acknowledged that the majority of those trafficked into slavery conditions on Thai fishing boats are from Cambodia and Myanmar. The high number of Cambodian fishermen trafficked into forced labour on Thai boats has been consistently reported with figures suggesting that 9% of Cambodian fishers were subject to forced labour. Conditions are poor. A qualitative report⁴⁵ examined the experience of Cambodian men who migrated for work in the fishing industry through a legally registered agency in Cambodia – Giant Ocean International Fishery Company Limited – and found that whilst estimates of the number of men exploited differ, ‘what is clear is that hundreds of Cambodians were exploited in this way’. Police received around 200 complaints and estimated that more than 700 men were sent abroad by this one company for fishing. The report notes that ‘the high number of men trafficked through just one recruitment company in Cambodia raise serious concerns of widespread trafficking and exploitation of fishers from the country and within the fishing sector more broadly’. Men were found to work around 18-20 hours per day and forced when sick, injured or exhausted. Fishers were at sea for months or years and suffered injuries and illnesses as well as physical abuse and violence as well as psychological abuse. Payments were withheld. Catch was transhipped at sea with provisions replenished from a larger supply vessel and men were also moved between vessels and men were restricted in movement and controlled. Documents were also withheld.

42. <https://www.globalslaveryindex.org/findings/>

43. Strategic Information Response Network (SIREN). Mekong region country data sheets. 2010. United Nations Inter-Agency project on Human Trafficking.

44. Trafficking in Persons Report. 2016. U.S. Department of State.

45. In African waters. The trafficking of Cambodian fishers in South Africa. 2014. International Organisation for Migration and Nexus Institute.

9.3. Garment Sector

Working conditions in the garment sector have been said to be improving in line with monitoring programs such as the ILO Better Factories Cambodia (BFC) program although they remain ‘wholly inadequate’ with reports of violence, long working hours (over 70 hours per week) and wages failing to meet even basic needs. In 2011, 1900 workers were reported to have fainted in 12 shoe and garment factories⁴⁶. One criticism of the BFC monitoring program is that it does not look into work violations that occur in small factors subcontracted to big factories, a key area for exploitation of workers. Work is also outsourced seasonally to home-based workers whose work is ‘poorly regulated’ and ‘invisible’ in monitoring processes. Those on short contracts and casual workers are more likely to be victims of discrimination and modern slavery although it is suggested the program has had a significant impact on child labour, forced labour and health and safety issues. In its most recent update in 2016 the BFC reported noncompliance on forced labour in a small number of factories where workers were forced to work overtime under threat of penalty⁴⁷.

In interviews with 340 people from 73 factories⁴⁸, Human Rights Watch found that some of the worst working conditions in Cambodia are in smaller factories that lack licences and subcontract for larger export-oriented factories. Forced overtime, retaliation against those who sought exemption from overtime, lack of rest, denial of sick leave and use of underage child labour were all documented as well as pregnancy-based discrimination, sexual harassment and denial of maternity benefits.

9.4. Sex trafficking

In 2003, an estimated 14,000 women were working in the sex industry in Cambodia. Many were reportedly lured into commercial sexual exploitation through false promises of legitimate work in urban areas and cities.

In 2012, using data collected on 1911 individuals working in commercial sex establishments, IJM estimated the total prevalence of CSEC to be 8.16%⁴⁹. More specifically, the prevalence of CSEC of children age 15 years or younger was estimated to be 0.75%, and borderline young minors was estimated at 7.41% which was found to be a substantial decrease since 2000. In a follow up study in 2013, the total prevalence of CSEC was estimated to be 2.22% and the prevalence of CSEC of children age 15 years or younger was estimated to be 0.10%, with borderline young minors estimated at 2.12%. Based upon the findings from the two prevalence studies, IJM concluded that from 2012 to 2015, the overall prevalence of CSEC in commercial sex establishments across the three target areas declined by 73% (from 8.16% to 2.22%). However, this study used methods which have been seen as controversial and this is based on selected areas.

Conversely, the GSI survey did not identify any CSE cases. However, this may have been a self-identification issue in the way the survey was conducted - or could be as a result of methodological issues such as sampling. However, their report suggests that sex offenders are able to purchase sex with children via an intermediary (rather than a brothel), with boys and men vulnerable to entering due to lack of skills and the presence of the sex tourism industry has led to the sexual exploitation of street children.

46. Work Faster or get out. Labor rights abuses in Cambodia’s garment industry. 2015. Human Rights Watch.

47. Better Factories Cambodia: Garment Industry 33rd Compliance Synthesis Report. 2016. ILO, International Finance Corporation

48. Work Faster or get out. Labor rights abuses in Cambodia’s garment industry. 2015. Human Rights Watch.

49. Commercial sexual exploitation of children in Cambodia: A venue-based application of time-space sampling to measure prevalence in Phnom Penh, Siem Reap and Sihanoukville. 2013. International Justice Mission

9.5. Domestic Work

The most recent estimation of the number of people in forced labour exploited in the domestic service in Cambodia was 5% by the Global Slavery Index. Malaysia was stated to be a common destination with a large proportion are believed to have been illegally recruited and trafficked⁵⁰. Media reports suggest a demand for domestic work within homes in Phnom Penh, (the 2011 TIP report put this figure 28,000 children), and that government estimates suggest 8000 workers remain employed in Malaysia in spite of workers being prevented from travelling to Qatar due to concerns of high risk of sexual abuse, low wages and harsh laws⁵¹.

Amongst child domestic workers in Cambodia, IOM research conducted in 2007 found that 89% are female with an average age to commence work of 14.5. Eighteen percent were reported not to be paid and debt bondage was estimated to be at around 10%. Sixteen percent were punished by their employers with 39% saying that it is difficult to leave. Ten percent had reportedly been raped and 18% reported attempted rape. There is also a link between domestic work and sexual exploitation with 51% of CSEWGs having worked as domestic workers⁵².

9.6. Forced marriage and child trafficking

The Global Slavery Index suggests that 22% of the estimated people in modern slavery were victims of forced marriage (55,800 people). Eighteen percent of Cambodian women marry under the age of 18 and NGOs suggests early marriage at age 14-17 is common amongst certain ethnic groups and geographic locations (although these are reported to be commonly performed with the child's consent).

A growing trend is the marriage of Cambodian women to Chinese men. Qualitative work found that women are deceived and coerced into marriage with food withheld, threats to denounce to the police and passports withheld⁵³, being forced to work on farms, as domestic helpers and there are reports of abuse. There are in addition forced marriages to Korean and Taiwanese men, some of whom 'are subsequently forced into prostitution'. There was no research on the prevalence or extent of the problem and women faced stigma upon their return.

Forced child begging is also a concern with as many as 80% of child beggars in Thailand being Cambodian. The GSI country report has also noted the reporting of a high number of residential care facilities being used as tourist attractions with a 75% increase in the number of orphanages established in Cambodia between 2005 and 2010. Children in care are forced to perform dances for tourists, distribute flyers or perform farm work to raise funds for maintenance.

Trafficking-related corruption remained a significant concern with corrupt officials in Thailand, Cambodia and Malaysia cooperating with labour brokers to facilitate the transport of victims between countries.

9.7. USA Department of State “Trafficking in Persons” Report – June 2017 Update

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Increasing efforts by the Cambodian government to eradicate trafficking have been noted. These include convicting a significantly higher number of traffickers, allocating more funds to the national anti-trafficking committee and its subsidiary provincial committees, and establishing new action plans to curb child debt bondage and other forms of labour exploitation.

However, the government did not meet the minimum standards in several key areas. These include not investigating, prosecuting, or convicting any complicit officials, courts accepting monetary settlements in lieu of prison sentences, no formal guidance allowing the use of undercover investigative techniques in anti-trafficking and no improvement of anti-trafficking data collection or information sharing necessary for effective interagency coordination.

50. Strategic Information Response Network (SIREN). Mekong region country data sheets. 2010. United Nations Inter-Agency project on Human Trafficking.

51. Global Slavery Index 2016. <http://www.globalslaveryindex.org/>

52. Out of Sight, Out of Mind? Child domestic workers and patterns of trafficking in Cambodia'. 2007. International Organization for Migration.

53. Human trafficking vulnerabilities in Asia. A study on forced marriage between Cambodia and China. UN-ACT. 2016

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