

**PRESS STATEMENT FOR
PUBLIC FORUM ON
IMPACT OF GLOBAL ECONOMIC DOWNTURN AND NEED FOR POLICY RESPONSES
On 14 July 2009, At Cambodia-Japan Cooperation Center (CJCC)**

Co-Organized by: The NGO Forum on Cambodia, Cambodian Economic Association, Caritas Cambodia, Oxfam America, Oxfam Great Britain, Action Aid, Star Kampuchea, CCC, Cambodian Labour Confederation, and Worker's Information Center

Cambodia has suffered from the global economic crisis since the third quarter of 2008, which has not only slowed down economic growth of the country, but also has a genuine negative social impact and worsens poverty in particularly in labor market and reduction in household incomes- specifically driving poor people less better-off and into deeper poverty. The current economic crisis is an obstacle to the poverty reduction effort of Cambodian's government.

During the impact on both economy and the poor in Cambodia particularly on garment workers and small farmers, civil society organizations in Cambodia including the NGO Forum on Cambodia, Cambodia Economic Association, CARITAS Cambodia, Oxfam America, Oxfam Great Britain, WIC, Action Aid, Star Kampuchea, CLC and CCC have organized a Public Forum on Impact of Global Economic Downturn And need for policy responses on 14 July 2009 at CJCC. The public forum might give the opportunity for laid-off garment workers, their dependent families, and poor farmers to raise their issues and challenges to Royal Government of Cambodia, development partners and other stakeholders, as well as to discuss to seek for policy responses from those agencies to address their real immediate needs. In addition, the forum can be a platform for the royal government and development partners to inform public the current policy responses and measures to effectively mitigate the impacts, particularly in the benefit of poor, vulnerable and affected groups.

There are approximately 300 participants from the Royal Government, development partners, embassies, NGOs, CEA's members, private sectors, medias, garment workers, small farmers, students, and general public attending the public forum to discuss on the severe impacts in labor market, explicitly in garment sectors which cause unemployment and underemployment, and increase competition in the labor market. All of these issues have led to in compliant working condition for workers and to reduction in garment worker's income and remittance which drive people less better-off and into deeper poverty. the price of some agricultural products such as rubber and cassava have declined while the cost of production keep high. This makes small farmers cannot make profit from agricultural production.

The loss of jobs and less wage of workers in these sectors definitely means the household has less income to cover their expenditure. Facing with this difficulties situation and current inflation, people are likely to cut off non-essential spending such as education and health or they may choose to eat less or less nutritious food, which further leaving them to become more food insecurity and vulnerable to illnesses. This phenomenon might lead to make more loans from microfinance or informal loan service. This explains that some are pushed below the poverty line or the already poor experience deeper chronic poverty.

In addition to the efforts of RGC and Development Partners to mitigate the current issues, the civil society working on the issues and the affected groups of people have suggested to RGC, development partners and other stakeholders as below:

- Increasing and improving targeting of social safety expenditure is of urgent measure to protect the garment workers, their affected family, small farmers, and other affected poor and vulnerable groups.
- Increasing and strengthening the health service and push free or small amount of health service to garment workers, poor farmers and other poor and vulnerable groups.
- Diversify works for garment workers and poor farmers for who have small amount of land or landless to create more incomes.
- Eliminate suspension and threatening of union representatives. It is requested that the Royal Government make employers who dismissed union leaders and did not pay workers responsible in front of laws;
- Strengthen and enforce the Investment Law, requiring employers to make appropriate deposits for paying workers when factories close down;
- Suggest to label owner of garment factory to contribute to be responsible during the crisis in respond to its ethic and CSR.