



FAIR LABOR  
ASSOCIATION

December 15, 2006

## **Summary Report: Third Party Complaint Regarding MSI Garment, Cambodia**

### **Complaint**

On June 10, 2006, the Fair Labor Association (FLA) received a Third Party Complaint filed by a group of workers (who requested confidentiality) regarding MSI Garment Co., Ltd., a factory located in Phnom Penh, Cambodia. The complainant alleged non-compliance with respect to the Freedom of Association provision of the Workplace Code of Conduct. The complainant specifically alleged the existence of a yellow union (union controlled by management), workers being forced to pay union dues, and issues surrounding short-term contracts.

On July 6, the FLA initiated a Third Party Complaint at Step 2, and notified the complainant and the FLA affiliated company mentioned in the complaint (Phillips-Van Heusen) about its action. Pursuant to Step 2, the FLA company had up to 45-days to conduct an assessment and report back to the Executive Director in writing as to whether noncompliance with the FLA Workplace Code of Conduct occurred and, if so, whether and how it had been remedied.

### **Assessment by Company**

During the 45-day period, Phillips-Van Heusen (PVH) officials met with representatives of the Better Factories Cambodia program,<sup>1</sup> MSI Garment management, and representatives of the three trade unions active at the factory Cambodian Union Federation (CUF), Cambodia Industry Union Federation (CIUF), and Cambodian Federation of Independent Trade Unions Cambodian (CFITU). PVH officials also interviewed MSI Garment workers.

The PVH assessment indicated that:

- Freedom of association is respected by the factory, and workers choose to join or not to join a union.
- After speaking with all three union representatives and a random selection of workers, PVH officials were unable to corroborate any of the issues raised in the complaint.

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<sup>1</sup> The Better Factories Cambodia program of the International Labor Organization (ILO) monitors and reports on working conditions of Cambodian garment factories according to national and international labor standards. Better Factories Cambodia first monitored MSI Garment in September 2002 and subsequently named and reported on its progress in February 2004 and August 2005.

