

PRESS RELEASE

ON

Illegally Mass Layoffs of Union Board, Shop Steward, and Union Activists by NAGAWORLD Employer

Cambodian Tourism and Service Workers Federation consist of 2,700 members working in local unions at 23 establishments including hotels, airports, casinos, food services, luggage carriers, and cleaning & sanitary services. Our federation is an affiliate of Cambodia Labor Confederation, and International Union of Food (IUF).

Cambodian Tourism and Service Workers Federation and as representative of the local union at NAGAWORLD, is pleased to inform you that on 26 February 2009 the management of NAGAWORLD immediately terminated 14 unionists with inappropriate reasons and not in line with the laws. Union leaders, shop stewards, and activists were collectively terminated with the following grounds:

- 1- World financial crisis
- 2- Retrenchment program, batch by batch
- 3- those who are not proven to be productive for the cause of the company

In response to the points raised by the management, we would like to clarify as below:

1. **In the course of world financial difficulty**, this is the fact that we cannot reject. However, in connection with the businesses not all are seriously bankrupt that is to say some company its profit slowdown little , some a lot specifically affected the field of banking , crediting. Nevertheless, some company could cash in on the global financial crisis. Whereas, the case at NAGAWORLD in Cambodia does not adversely affect the ability of gaining profit as per the figure released by its website. Consequently, the reasons referred above are not logical. On the other hand, if the company faces financial crisis , what for the company hire hundreds of expatriates whose works can be done by the local workers and the pay is three times different compare to the local who have the same position, responsibility, duration of work. Moreover, the company sponsors them accommodation, transportation, air ticket, laundry, and food allowance.
2. **For the gradual retrenchment program, batch by batch** done by the company is not the fact that the company refers to. Those who are fired have various working seniority, and are union office bearers. In addition, this termination is totally against the principle of the Labor Law of the Kingdom of Cambodia.
3. **Those who are not proven to be productive for the cause of the company:** we would like to indicate that it is not true at all. Fired staff's working history is that they have enough capability and expertise better than a number of expatriate staff. On the other hand, most of them had been promoted to management team who held higher responsibility position and had good score **"above average"** for their annual appraisal.

Ladies and Gentlemen have been informed of the reasons referred to by the company and the proclamation of **CTSWF** Leader regarding an actual condition at workplace.

According to what is stated above, CTSWF' is board of directors understand that the termination of all unionists is related to the retaliation of negotiation for the collective benefit in team of co-worker s' honesty as narrated below:

A- Negotiation process though request and union's information letter with Naga employer:

- 1- On Sept 06, 2007, Union sent a letter to HR Dept to negotiate the wage due to high rising of gasoline and market productivities consecutively. Many negotiations had been conducted, but there's no result at all. Instead, company need time to discuss among management first.
- 2- On Jan 29, 2008, Union sent a letter to company management to set a date for negotiation for previous unsolved suggestion, but there was no response.
- 3- On March 07, 2008, Union informed company management regarding Public Holiday defined by Prakas No. 10 សកម្ម ៧៧៧ ចេញថ្ងៃទី០៤ ខែកុម្ភៈ ឆ្នាំ១៩៩៩. On March 08 2008, was International Women's rights Day all employees have been allowed to have a day off from duty and report to work the next day as usual. However, most of them were given warning letter.
- 4- On 1st April 2008 union sent a notification letter to management about public holiday which was fallen on 13-15 April 2008 as Cambodian New Year Day and all NagaWorld personnel will walk-off as defined by Prakas No. 10. During the period of notification from union, the management of NagaWorld spent so many times to negotiate with group of union but there was no solution because the previous suggestion had not been solved. In the evening of 12 March 2008 at around 17:30 the management of NagaWorld agreed to give some amount of adjustment made by one sided decision. Then most of personnel had been called to work as normal by union (Note: in 2007 net benefit of NagaWorld was approximately 48 million USD).
- 5- On 9 June 2008 union sent a letter to Human Resource Management to talk about unequal wage for those who hold the same position, skill and responsibility between domestic and migrant workers. This suggestion was not solved and asked for time discussion among the group of management.
- 6- On 21 October 2008 another letter sent to Human Resource Department to follow up on the unsolved discussion previously on unequal wage. There was no solution.
- 7- On 6 November 2008 group of union sent a letter to management to introduce themselves as new elected leaders for the third mandate to company and re-discussed the left-over issues from previous mandate, then there was no positive result responded from management.
- 8- On 16 January 2009 a letter was sent to Human Resource Department to follow up the previous unsolved cases with two additional suggestions are annual bonus and increment. The date of discussion was requested to delay for sometime.
- 9- On 31 January 2009 union sent a letter to Human Resource Department to follow up previous unsolved suggestion. The meeting was held on 17 February 2009 at 14:00. Then the management side raised up world economic crisis which was the obstacle of the solution to the suggestion. At that time group of union brought up the revenue of company for first six months ended June 2008 was 109 million USD as the basis of negotiation and gave

some comparison from the same sector, where the management can afford to reserve a package of budget for their staff (increment and bonus). Those companies are Phnom Penh International Airport (CAMS), Raffle Le Royal and SunWay hotels, where those companies make far different profit than NagaWorld. Moreover, the group of union has found out that salary of dealer post on company website is 151 USD which is not true as we get between 100-120 USD only. This issue, group of union tried to talk with management so many times but there was no solution at all, so once we brought out the proof from company website management group has no comment, but to suggest group of union to provide some indicator from companies, where bonus and increment are given for making comparison.

- 10- One 18 February 2009 the union sent data of average income by monthly from various companies to management of NagaWorld. Those are Phnom Penh International Airport (CAMS), Raffle Le Royal and SunWay Hotels who gave bonus and increment to their workers for information and reconsideration of management of NagaWorld. **Note:** Most of the times of discussion Mr. CEO have been informed by union of the result gradually.
- 11- On 24 February 2009 the union conducted a meeting with its members in the company in order to promote productivity of work for company and report the result of negotiation with management on 17 February 2009. After the report was released to the participants, immediately they reacted strongly and unaccepted the reason of management.
- 12- On the evening of 24 February 2009, group of union reported to management about the reaction from the entire staff regard to unsolved suggestion and unacceptable reason of management by mail.
- 13- On 26 February 2009 union leaders, Shop Steward and activists were immediately expelled and escorted from the workplace by company special task forces and security personnel. Moreover, company intentionally imposes economic sanction on the fired personnel's family, through the block of last month salary, if we refused to sign. Because company used force image to stop us from entering to work and forced us to get the money to leave our job. The fired group had no choices, but to temporarily sign to get money in order to seek for solution later, while the compensation/calculation was legally incorrect.

B- Legal analysis:

The account which has been studied has shown that NagaWorld management has been violating national and international law of the Kingdom of Cambodia.

1-Termination of unlimited contract employees:

-According to article 74 of labor law stipulates that no termination can be done irrationally regarding physical and characteristic ability. Based on this article, it's confirmed that NagaWorld management intentionally expelled the board of union leaders. On the other hand, the fired unionists have physical and characteristic ability and have clear position acknowledged by company via written/promotion and have never received any serious warning.

2-Termination of union leaders, shop stewards and activists of union

-According to constitution article 36 stated that both Cambodian citizen male and female have the rights to form union and be the membership. As mention above, NagaWorld management is intentionally eliminating union from company.

-International convention 87 regarding freedom of association and rights protection of association formation. According to this convention, NagaWorld management has been offending the freedom of trade union board, which given by rule of law.

-International convention 98 regarding formation of association and rights of negotiation as a whole. Based on this convention NagaWorld management expelled whole union board negotiated peacefully for the past time and has had precise reasons after members' requests.

-International convention 100 regarding equal wage for employees for male and female for the same professional and position. In connection with this convention, union requested company to obey and implement so many times, but company failed to follow.

-Labor Law article No. 95: Any layoff resulting from reduction in an establishment's activities or an internal re-organization that is foreseen by the employer is subject to procedures. According to this article, NagaWorld totally opposed and tactically focused on union leaders, shop stewards and union activists only. Since dismissal of union board, company has not yet terminated any other group. Simultaneously, if company is facing economic crisis, it is now using hundreds of migrant workers, which those works local people have enough skills to carry out smoothly. Whereas the local people have been paid 3 times less than expatriate personnel for the same position and profession.

-Labor Law article 106: For work of equal conditions, professional skill and output, the wage shall be equal for all workers subject to this law, regardless of their origin, sex or age. In reality, company is using hundreds of migrant workers while the wages are paid 3 times higher than the local for the same position and profession.

-Labor Law article No. 293: The dismissal of shop steward or a candidate for shop steward can take place only after authorization from Labor Inspector. According to this article, company failed to implement.

-Prakas 305: Over the representation of professional unit of employees. According to this Prakas, company has never fulfilled its obligation. Base on this Prakas all dismissed union board are allowed to enter the premises for union purposes in their term.

-Prakas 313: Regarding Shop Stewards are the representative in the workplace. According to the Prakas, NagaWorld management participated in certain extend in formation of company internal rules and regulations. However, the management finally dismissed most of active shop steward unreasonably and did not abide by the law.

-Degree 38: Regarding contract, responsibility outside contract, effectiveness and form of contract. We would like to affirm that the signatures for compensation of the dismissed union boards are not from our will.

C- Conclusion

Based on description and account from the beginning until the day the union board dismissed on 26 February 2009 cause the removal from the workplace, intimidate and suppress the working union members.

As mentioned above, we would like to ask for your intervention to take measure against injustice action done by the company to local union members.

D- Suggestion

The group of dismissed union board must be reinstated without any condition while the same position and wage must be maintained