

GRAISEA STORIES OF CHANGE

ISSUE NO. 1 | SEPTEMBER 2017

Responsible business practices: Cambodia's changing business landscape

Rapid growth characterised Cambodia's economy in the past few years. Fueled by a population of more than 15 million¹—with half of the workforce working in the agriculture sector—Cambodia has established itself as a potential economic playmaker in the South East Asian region. However, just like in many developing countries, sustaining this growth is a major challenge. As a result, irresponsible business practices coupled with weak regulatory framework overseeing the private sector have put communities and workers at risk.

Focusing on this issue, the Gender Transformative and Responsible Agribusiness Investments in South East Asia (GRAISEA), through Oxfam in Cambodia and its partners, has implemented a project aimed at influencing corporate (agri)businesses in the country to promote responsible business practices that benefit women and men smallholder farmers. Responsible business practices, previously referred to as corporate social responsibility, however, have yet to gain ground in Cambodia; most stakeholders and businesses in the country are still unaware of the strategic importance of responsible business practices as a tool to increase competitiveness at both organisational and industry levels.

Likewise, gender-focused responsible business practices are considered rare in the country, even though the vast majority of the workforce in sectors like agriculture and garment are women. Moreover, in Cambodia, there has yet to be a separate legislation on responsible business conduct. Hence, there remains a lack of knowledge on good responsible business

practices, even among those who are willing to employ responsible business principles.

To bridge this gap, Oxfam—with a number of front-running companies and civil society organisations (CSOs)—initiated the CSR Platform Cambodia, mobilising more than 40 companies, chambers of commerce, and CSOs to share their best practices and resources. Moreover, four out of five leadership positions in the Platform are occupied by women, showing the changing mindset of Cambodian businesses in terms of women's participation in decision-making activities.

According to Pidor Chhay of the Transparency International Cambodia, which is a steering committee member of the CSR Platform, it is crucial for Cambodia to inject responsible business values into the private sector, as responsible business enables engagements and strengthens connections between and among companies, stakeholders, nongovernmental organisations (NGOs), and the government. These institutions, she added, need to work together to

establish social and environmental responsibility and good governance, which, in turn, ensures that growth is equally shared by businesses, workers, and communities.

Moreover, businesses need to be aware of their impact not only on the society and the environment but also on human rights and corruption-reduction efforts.

“Just like any other organism or citizen in a community, a business should take responsibility for all its impact—both the positive and the negative,” said Jack Van Dokkum of Pactics Group, also a member of the CSR Platform steering committee. He added that the goal of responsible business conduct is to both increase positive impact and decrease negative impact.

Pactics Group has created a people-and-planet friendly working environment at their garment factory based in Siem Reap, where they build the capacity of women and men workers by offering them computer, literacy, and English classes during work hours. They also support working mothers by providing day care services for their children.

According to Thim Chanreaksmey, compliance officer at Pactics, the more they learn about responsible business, the more they realize how it can benefit them. Aware that responsible business conduct is not easy to implement, not to mention it requires funds and resources, Van Dokkum said that they earn back the amount they spend in responsible business practices through increased productivity, reduced sick leave and staff turnover, increased employability, and better image among local communities.

Eco-Agri Centre (EAC), another steering committee member of the CSR Platform, meanwhile, creates a sustainable agricultural value chain by supporting women and men farmers and promoting organic food production. According to Ieng Sothearea of EAC, if a



“I KNOW AND UNDERSTAND MORE THAN BEFORE. I CAN NOW HELP MY HUSBAND AND OTHERS IN THE COMMUNITY.” —CHU META, VILLAGE FARMER

company chooses not to follow responsible business guidelines or policies, higher profits in the beginning may be expected. However, Sothearea cautioned that this cannot be sustained in the long run. The way business is done affects people—both producers and consumers—and the environment, which determine long-term growth and development.

Through GRAISEA, Oxfam also partners with local NGOs and companies to further enhance the capacity of women and men smallholder farmers in Cambodia. They train farmers in organic rice production and support these farmers in negotiating for fair contracts.

One of these companies is Amru Rice, a CSR Platform member that has been at the forefront of working with communities for quite some time already. The company buys rice directly from farmers and helps farmers sell their products to other markets. For Nbem Thangcheng, organic rice production manager at Amru Rice, it is their social responsibility to help farmers increase their income and improve their quality of life.

For village resident Chu Meta, “Amru is important for farmers like me because it brings our products to the market and helps us get a good price for them.” Meta also noted that the project is beneficial to women, in general, as it helped them understand more about rice production than before.

Even without having a regulatory framework in place, through the co-operation between the private sector and CSOs, Cambodia transitions into a business-oriented environment where responsible practices are being implemented more and more.



WORKERS AT PACTICS ENJOY COMPUTER, LITERACY, AND ENGLISH CLASSES DURING WORK HOURS.

¹ Based on World Bank Data: <http://data.worldbank.org/country/cambodia>

GRAISEA is a regional programme funded by the Government of Sweden. It aims to improve the livelihoods of small-scale producers in South East Asia through responsible, gender transformative value chains and private sector investments.

For more information about the programme, contact the GRAISEA Program Management Unit at graisea.pmu@oxfam.org.uk.
Bangkok, Thailand | www.oxfam.org.uk/graisea