



RESOLVING COLLECTIVE
LABOUR DISPUTES

The AC E-Newsletter

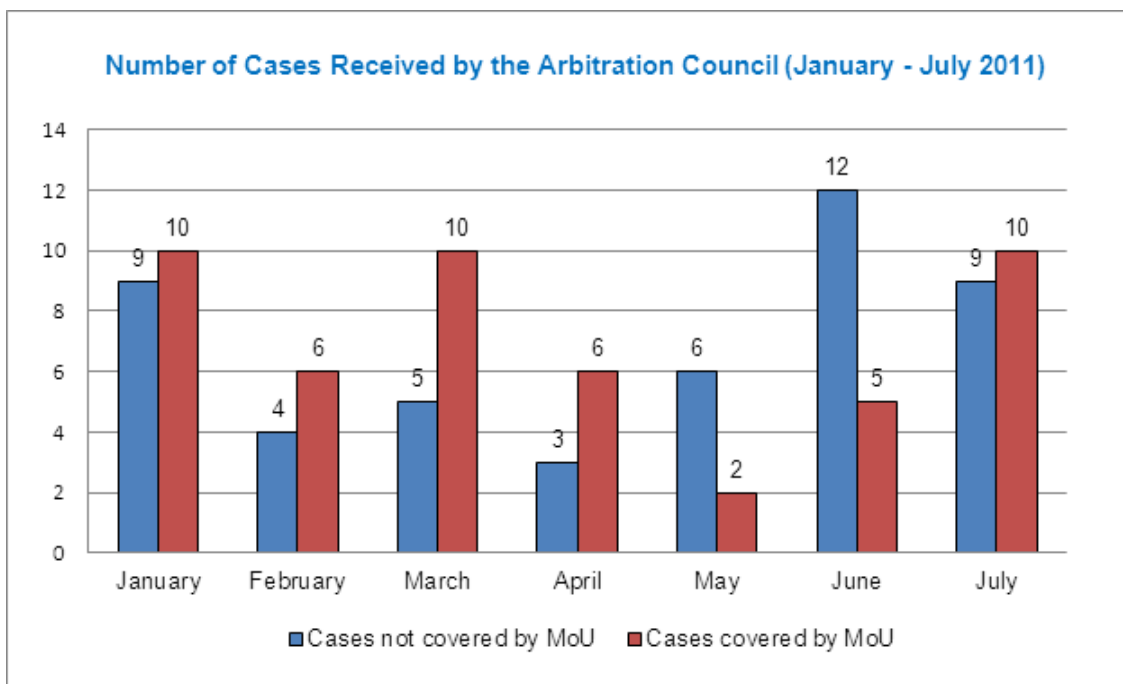
Memorandum of Understanding on Improving Industrial Relations in
the Garment Industry and Binding Arbitration

July 2011

Resolution of Labour Disputes Covered by the MoU

In July 2011, the Arbitration Council (AC) received 19 labour dispute cases. 10 of them were covered by the MoU. The AC resolved these labour disputes within 15 days or a reasonable extended timeline agreed by the disputant parties.

Overall, in January – July 2011, the AC has received 97 labour dispute cases where 49 cases (51%) were covered by the MoU. 22 cases (23%) were conciliated by the AC (including before, during and after the hearing), 60 (62%) cases were settled by an arbitral award, and 15 cases (15%) were pending. For all of these cases, the AC was able to address them in a speedy and transparent manner. Such a quick and impartial service reflects the AC's response to the needs of the enterprises



Observations on the Implementation of the MoU and Binding Arbitration Cases

There were 10 MoU cases registered in July 2011 with 8 cases being heard in the reporting period. There were 2 cases registered in June 2011 and the hearings for those cases were being heard in July 2011; the parties of the two cases reached agreements at the hearings. Throughout the arbitration process, we observed that:

Encouraging developments

- In 8 cases, the parties signed on separate agreements to confirm choosing binding arbitration on rights disputes. They understood the MoU provisions specifically about binding arbitration on rights disputes.
- In 9 cases, there were no industrial actions (strike and lockout) during the dispute settlement process at the AC.
- In 8 cases, the employer party was well prepared, presenting necessary documents for consideration by the AC.
- In 5 cases, the worker party was well prepared, presenting necessary documents for consideration by the AC.
- In 9 cases, the parties presented their argument well at the hearings.
- In 5 cases, the parties showed their willingness to settle the disputes by mutual agreements.

Challenges in the Implementation of the MoU

- In 1 case, the parties did not sign on a separate agreement to confirm choosing binding arbitration on rights disputes. The employer party did not understand the MoU provisions specifically about binding arbitration on rights disputes. The employer party claimed that they did not know about the content of the MoU. The worker party was not well prepared and failed to present necessary documents to the AC.
- In 2 other cases, the worker party also was not well prepared and failed to present necessary documents to the AC.
- In 1 case, the employer has had no work for the workers to do. The worker party went on strike for one morning after the AC issued the arbitral award because the worker party was not satisfied about the AC's decision. After that morning, the worker party stopped the strike.
- In 4 cases, there was a lack of cooperation among the parties in settling their disputes by an agreement. The parties wanted the AC to issue arbitral awards to settle their disputes.

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