



KINGDOM OF CAMBODIA
NATION RELIGION KING

ក្រុមប្រឹក្សាអាជ្ញាកណ្តាល

THE ARBITRATION COUNCIL

Case number and name: 106/07 – M & V III

Date of Award: 12 November 2007

ARBITRAL AWARD

(Issued under Article 313 of the Labour Law)

ARBITRATION PANEL

Arbitrator chosen by the employer party: **Ouk Ry**

Arbitrator chosen by the worker party: **An Nan**

Chair Arbitrator (chosen by the two Arbitrators): **Kong Phallack**

DISPUTING PARTIES

Employer party:

Name: **M & V International Manufacturing Limited (Company III)**

Address: #1628, National Road No. 2, Sangkat Chak Angre Leu, Khan Meanchey, Phnom Penh

Telephone: 016 707 046

Fax: N/A

Representatives:

1. Mr. Yin Nak Administrative Chief;
2. Mr. Morn Monirath Assistant;
3. Mr. Phon Phal Pisith GMAC official.

Worker party:

Name: **Cambodian Industrial Union Federation (CIUF) and Cambodia Federation of Independent Workers Trade Union (CFIWTU)**

Address: #1628, National Road No. 2, Sangkat Chak Angre Leu, Khan Meanchey, Phnom Penh

Telephone: 012 899 530, 012 699 395

Fax: N/A

Representatives:

Cambodian Industrial Union Federation (CIUF)

1. Mr. Phon Mai Official of Cambodian Industrial Union Federation (CIUF);
2. Mr. Leang Sophea Official of Cambodian Industrial Union Federation (CIUF);

3. Mr. Hin Mai President of CIUF at the factory;
4. Mr. Nuon Sopheap Vice-President of CIUF at the factory;
5. Mr. Um Sophea Secretary of CIUF.

Cambodia Trade Union of Independent Workers (CTUIW)

1. Ms. Hol Mom Secretary-General of Cambodia Federation of Independent Workers Trade Union;
2. Mr. Kong Samnang President of CFIWTU at the factory;
3. Mr. Nen Sina Vice-President of CFIWTU at the factory;
4. Mr. Chhay Ravuth Worker representative.

ISSUES IN DISPUTE

(In the Non-Conciliation Report)

1. Workers demanded that the company sign one year labour contracts. The company claimed that it signed labour contracts according to the purchasing order.
2. Workers demanded that the company deduct the attendance bonus [in proportion to the number of days of leave] by dividing the US\$ 5 attendance bonus by 26 days. The employer party claimed that the company implemented Notification 017 dated 18 July 2000.
3. Workers demanded that the company consider converting the wages of workers in the lamp-checking section from a monthly based wage to a piece-rate wage. The employer party requested [that it] maintain the minimum wage.
4. Workers demanded that the company [determine the date when it will] increase the wage of workers in the section that records that output of workers (“output section”), mobile workers and workers in the cleaning and checking sections. The employer claimed that the company would consider an increase within an appropriate time.
5. Workers demanded that the company issue the piece rate set by the production manager as practiced earlier, not the rate set by the administrative manager. The company party stood by its position by involving the administrative unit.
6. [Workers demanded that] the company provide a venue for the celebration of national holidays, Labour Day, Pchum Ben and Khmer New Year in addition to the provision of a budget for the events.
7. Workers demanded that the company maintain the piece rate target [at a rate] not lower than US\$ 2.20 per day. The employer party claimed that the company implemented the Labour Law.

JURISDICTION OF THE ARBITRATION COUNCIL

The Arbitration Council derives its power to make this Award from Chapter XII, Section 2B of the Labour Law (1997); the Prakas on the Arbitration Council No. 099 dated 21 April 2004; the Arbitration Council Procedural Rules which form an Annex to the same Prakas; and the Prakas on the Appointment of Arbitrators No. 076 dated 10 May 2007 (Fifth Term).

An attempt was made to conciliate the collective dispute that is the subject of this Award, as required by Chapter XII, Section 2A of the Labour Law. The conciliation hearing which took place on 4 October 2007 was unsuccessful, and the non-conciliation report No. 1094 was submitted to the Secretariat of the Arbitration Council on 5 October 2007.

HEARING AND SUMMARY OF PROCEDURE

Place of hearing: The Arbitration Council, Phnom Penh Centre, Building A, Sothearos Blvd., Sangkat Tonle Bassac, Khan Chamkarmon, Phnom Penh.

Date of hearing: 22 October 2007 (from 2:00pm to 5:00pm)

Procedural issues:

On 18 September 2007, the Department of Labour Disputes received a complaint dated 18 September 2007 from workers demanding that the company improve 14 issues related to working conditions. Having received the complaint, the Department of Labour Disputes designated its officials to conciliate the dispute and as a result seven out of the 14 issues were conciliated. The non-conciliated issues were submitted to the Secretariat of the Arbitration Council on 5 October 2007.

Having received the case, the Secretariat of the Arbitration Council invited the employer and the workers to a hearing to conciliate the seven non-conciliated issues on 22 October 2007 at 2:00pm. Both parties were present as requested by the Arbitration Council.

On the hearing day, the Arbitration Council attempted to conciliate the seven non-conciliated issues listed in the non-conciliation report of the Department of Labour Disputes; and as a result Issue 5 was conciliated and in the hearing the worker party requested to have Issue 6 withdrawn. Therefore, in this case the Arbitration Council will consider only Issues 1, 2, 3, 4 and 7 based on the evidence and statements of both parties in the hearing as follows:

EVIDENCE

Witnesses and experts: N/A

Documents, Exhibits and other evidence considered by the Arbitration Council

Provided by the employer party:

1. Letter 317 dated 22 May 2007 on the provision of wages for workers on maternity leave, provision of payment for terminating labour contracts, and attendance bonus;
2. Letter 059/97 dated 5 April 2007 on the request for clarification on the issues.
3. Daily report dated 19 July 2007 on the workers' demand for piece rate.

Provided by the worker party:

1. Registration certificate of Cambodia Federation of Independent Workers Trade Union (CFIWTU) at MV Garment dated 5 July 2001;
2. Letter 316 dated 3 March 2005 on the acknowledgement of union leaders in the second term;
3. Minutes of meeting on 5 July 2007;
4. Pay slips of Ngeun Eang, Him Pov, Sim Nen, Phal Chanavy, Chi Chorvy, Em Sophy, Ear Sok Huor and Mov Soth;
5. Minutes of the collective labour dispute conciliation at M&V III dated 19 June 2007;
6. Authorisation letter of the director of M&V III dated 22 October 2007.

Provided by the Ministry of Labour and Vocational Training [MoLVT]:

1. Letter 1480 dated 19 October 2007 on the request for collective labour dispute settlement at M&V III;
2. Report 1094 dated 4 October 2007 on the collective labour dispute settlement at M&V III;
3. Minutes of the collective labour dispute settlement at M&V III dated 20 September 2007.

Provided by the Secretariat of the Arbitration Council:

1. Invitation No. 473 dated 15 October 2007 to the worker party to attend the hearing;
2. Invitation No. 472 dated 15 October 2007 to the employer party to attend the hearing.

FACTS

- Having examined the report on the collective labour dispute conciliation;
- Having listened to the testimonies from both the employer party and the worker party;
- Having reviewed other supplementary documents;

The Arbitration Council finds that:

- M&V III Company, which is located on national road No. 2, Sangkat Chak Angre Krom, Khan Meanchey, Phnom Penh, employs 2,876 workers.

- There are four unions in the factory including Cambodia Federation of Independent Workers Trade Union (CFIW TU), Cambodian Industrial Union Federation (CIUF), C.CAWDU and Khmer Youth Trade Union (KYTU). Cambodia Federation of Independent Workers Trade Union (CFIW TU) and Cambodian Industrial Union Federation are the claimants in this case.
- According to the claim of the union representatives in the hearing, Cambodia Federation of Independent Workers Trade Union (CFIW TU) has 1,150 members and Cambodian Industrial Union Federation has 550 members.
- The worker party claimed that the demand was on behalf of all workers.

Issue 1: Workers demanded that the company sign labour contracts that are valid for one year

- Workers demanded that the company sign one year labour contracts because the company offered only three month labour contracts and the company's operations keep expanding.
- Workers claimed that signing short term labour contracts results in job insecurity and [workers] are not given severance pay or paid maternity leave.
- The employer did not agree stating that the company complied with the Labour Law and [its requirement to hire workers] was dependent upon the needs of the company's production chain. The Labour Law does not state how long a labour contract should be other than that it must not exceed two years.
- As for the current practice, the company issued two types of labour contracts including fixed duration labour contracts and undetermined duration labour contracts.
- The employer claimed that his workers have fixed duration labour contracts of three months, six months or one year.
- The employer claimed that about 20 percent of workers (equivalent to around 300 workers) have three month duration labour contracts,
- Workers did not produce evidence to show that the workers, making the demand, have worked for the company for more than two years.

Issue 2: Workers demanded that the company deduct the attendance bonus in proportion [to the number of days of leave] by dividing US\$ 5 by 26 days

- Workers demanded that the company deduct the attendance bonus in proportion [to the number of days of leave] by dividing the US\$ 5 by 26 days. According to the current practice, when workers needed to take leave this was approved by the company but the company deducted the entire US\$ 5 attendance bonus.

- When workers take authorised leave for important personal commitments their annual leave or special leave is not used.
- Workers claimed that the demand was only for leave authorised by the employer.
- The employer did not agree and asked to implement Notification 017 and Letter 317 dated 22 May 2007 of the Director of the Department of Labour Inspection.
- Letter 317 dated 22 May 2007 of the Director of the Department of Labour Inspection states that the entire US\$ 5 attendance bonus shall be deducted when workers are absent from work with approval from the employer.

Issue 3: Workers demanded that the company convert the wages of workers in the section which checks for mistakes using a light (“lamp checking section”) from a monthly based wage to a piece-rate wage

- Workers demanded that the company convert the wages of workers in the lamp - checking section from a monthly based wage to a piece-rate wage because previously they received a piece rate wage.
- The employer claimed that workers in the lamp checking section were paid by piece rate but the company changed the wage payment system to a monthly wage.
- There are around 100 workers in lamp checking section.
- 45 workers are members of Cambodia Federation of Independent Workers Trade and 30 workers are members of Cambodian Industrial Trade Union.
- Workers claimed that piece rate was in place at the company from 1999 to 2006 but the company changed its practice in 2007.
- Workers claimed that the company required each worker to finish 50 dozen [pieces] per day. For those who could not meet the company's standard, the company had never warned them but had reprimanded them. Workers claimed that all new workers were paid a monthly wage.
- Workers who were paid a monthly wage received a minimum wage of US\$ 50 per month. Workers did not provide evidence about the amount of wages they received when they were paid by piece rate.
- The employer claimed that the requirement was imposed by the company to conform with its work and production line and the requirement complied with the minimum wage under the Labour Law.

Issue 4: Workers demanded that the company determine the date when it will increase the wage of mobile workers and workers in the output, cleaning, and checking sections.

- Workers demanded that the company determine the duration for increasing the wage of workers in Piece Recording, Mobility, Cleaning and Checking Sections because the issue was already discussed once in June - July 2007. The employer representatives and representatives from Khmer Youth Trade Union participated in the discussions.
- Workers claimed that they negotiated with the company at the end of June 2007 and the company asked for one to three months to consider [the matter].
- The employer claimed that the company had discussed the issue. The company could not afford to increase the wage of workers in the Piece Recording, Mobility, Cleaning and Checking Sections. The company provided a US\$ 5 increase to group leaders and each machine repairmen.
- Workers accepted that the company had given an increase to group leaders and machine repairmen but not to workers in the Piece Recording, Mobility, Cleaning and Checking Sections.
- Workers claimed that there were 20 workers in the Piece Recording Section, 20 workers in the Mobility Section, 10 workers in the Cleaning Section and 30 workers in the Checking Section. Workers in all the sections received a minimum wage of US\$ 50 per month.

Issue 7: Workers demanded that the company maintain a piece rate [target] of not lower than US\$ 2.20 per day

- Workers demanded the company maintain a piece rate [target] of not lower than US\$ 2.20 per day because when workers were working in the five storey building in March and April 2007, they were paid this rate. The company stopped offering this rate in September 2007.
- The employer claimed that in July 2007 the company used to pay \$2.20 per day to workers who completed 70 to 80% of the target number of clothes. However this was not the practice in March - April 2007. It was just a short term provision of such rate.
- The employer claimed that currently the company pays a daily wage of US\$1.92 and around 70 to 80 percent of workers can meet the target.
- Workers did not agree and demanded that the company increase the piece rate [target] to US\$ 2.20 per day.
- The employer claimed that around 100 workers at the five storey building made this demand.
- Workers claimed that none of the workers received a main wage less than the minimum wage. The minimum wage that all workers earn when working normal hours was at least equal to the minimum wage calculated based on the piece rate.

REASONS FOR DECISION

Issue 1: Workers demand that the company sign labour contracts that are valid for one year

Article 65 of the Labour Law states that, “A labour contract establishes working relations between the worker and the employer. It is subject to common law and can be made in a form that is agreed upon by the contracting parties.”

Based on the above article, the Arbitration Council considers that a labour contract is an agreement between workers and an employer and it must be in accordance with the legal provisions about general contracts.

Article 22 of Decree 38 on Contract and Outside-Contract Responsibility stipulates that, “A contract is a legally binding agreement between the parties. Amendments to the contract can only be made with the consent of both contracting parties... A contract binds only the parties to the contract.”

Based on this Article, the Arbitration Council considers that no party to the labour contract can force the other party to accept the form or type and content of the contract if the other party does not agree. Such act entitles the other party to nullify the contract or the contract is nullified by the law.

In Arbitral Award 56/06 – Boric, the Arbitration Council explained that “A labour contract establishes working relations between the worker and the employer. It is subject to common law and can be made in a form that is agreed upon by the contracting parties. None of the contracting parties may force the other party to sign on the contract or accept the conditions that the other party finds unacceptable. A labour contract made by force can be considered null by the law or the other party.” (See Award 56/06 – Boric, Issue 1)

In this case, the Arbitration Council also agrees with the previous ruling of the Arbitration Panel. In this case, the worker party demanded that the company offer one year fixed duration contracts because the company signed only three month contracts and the company’s production line keeps expanding. The employer party does not agree arguing that the employer implemented Article 67 of the Labour Law and Article 67 does not state how long a labour contract should be. In practice, if a fixed duration contract exceeds two years, the company will convert it to an undetermined duration labour contract. In the current practice, the company used two types of labour contracts – fixed duration labour contracts and undetermined duration labour contracts.

The Arbitration Council finds that the workers demand that the employer sign a fixed duration contract of one year is not against the law because it is the right of the worker [to agree or not agree to the term of the contract] when signing the contract. On the other hand, the employer party’s refusal to offer one year fixed duration labour contracts does not violate the law either because it is the right of the employer when making the contract. It means that

in principle, no party may force the other party to accept conditions that the other party finds unacceptable. In this case, workers cannot force the employer to offer one year fixed duration contracts and the employer cannot force workers to sign three month or six month contracts if workers are not willing to. However, if workers and the employer agree upon a particular type of labour contract, both parties shall apply the [terms of the] labour contract for the duration except if the contracting parties agree to amend the contract.

In this case, the company chose labour contracts of three months and six months duration and both the employer and workers signed labour contracts of three and six months duration. Thus, both parties shall implement this type of labour contract until the expiration date.

Based on the above interpretation, the Arbitration Council rejects the demand of workers that the company sign one year fixed duration contracts. The rejection does not mean that workers have no right to demand [that the company] sign one year fixed duration contracts.

Issue 2: Workers demanded that the company deduct the attendance bonus in proportion [to the number of days of leave] by dividing the US\$5 [attendance bonus] by 26 days

In this case, the workers demand that when workers take leave with approval from the employer the company deduct the attendance bonus in proportion [to the number of days leave] by dividing the US\$5 [attendance bonus] by 26 days. According to the current practice, the company deducts the entire US\$5 when workers take leave with approval from the company. The company does not agree but claims to implement Notification 017 and Letter 317 dated 22 May 2007 of the Director of the Department of Labour Inspection. The Arbitration Council considers the case as follows:

Are workers that take urgent leave with approval from the employer entitled to an attendance bonus?

Point 3 of Notification 745 dated 23 October 2006 states that, "*Other benefits provided to workers through Point 3, Point 5 and Point 6 of Notification 017 dated 18 July 2000 shall be kept the same.*"

Point 3 of Notification 017 dated 18 July 2000 states that, "*Workers who come to work regularly on regular working days of a month shall receive a bonus of at least US\$ 5.00 per month.*"

In Arbitral Award 48/05 – Manhattan, Issue 1, the Arbitration Council held that "*The Notification does not state clearly how many days per month workers should work to be*

considered to be working regularly in order to receive the bonus.” (See Award 48/05 – Manhattan, Issue 1)

In this case, the Arbitration Council agrees with the above interpretation because the Notification does not clearly state how many days per month a worker should work to be considered to be working regularly in order to receive the bonus. However, according to Article 103 of the Labour Law, a bonus is a part of wage.

Article 103 of the Labour Law states that, “*Wage includes, in particular:*

- *actual wage or remuneration;*
- *overtime payments;*
- *commissions;*
- *bonuses and indemnities;...”*

Article 71(6) of the Labour Law states that, “*The labour contract shall be suspended under the following reasons:*

“The absence of the worker authorised by the employer, based on laws, collective, or individual agreements.”

Article 72(1) of the Labour Law states that, “*The suspension of a labour contract affects only the main obligations of the contract, that are, those under which the worker has to work for the employer, and the employer has to pay the worker, unless there are provisions to the contrary that require the employer to pay the worker.”*

Therefore, when a worker is absent with approval from the employer, it leads to the suspension of his or her labour contract and the worker is not required to work for the employer and the employer does not have to pay the worker. Unless there is a contrary provision that requires the employer to pay the worker. That means the employer shall not pay workers on the day(s) workers are absent with approval from the employer, but on the day(s) that the workers are not absent (for example, the day(s) the workers come to work) the employer is obliged to pay workers on those days.

In the previous cases, regarding attendance bonus, the Arbitration Council considered that “*attendance bonus*” was an incentive to encourage and [show] appreciation to workers who come to work for a full month without being absent for an unacceptable reason (See Arbitral Awards 62/04 – Ecent, Issue 1, 63/04 – Shine Well, Issue 5 and 15/05 – Wing Tai II, Issue 1)

Therefore, the attendance bonus is a part of [workers] wages. On the day(s) that workers are absent with approval from the employer, the employer shall not provide workers with an attendance bonus. It means that the employer may deduct the attendance bonus in proportion to the number of day(s) that workers are absent with approval from the employer. On the day(s) that workers work, the employer is obliged to provide workers with an

attendance bonus. Therefore, the employer shall provide workers with an attendance bonus in proportion to the number of day(s) that the workers work.

In this regard, the Arbitration Council finds that if the workers take leave with approval from the employer, the US\$ 5 attendance bonus shall be provided in proportion to the number of day(s) of approved leave. For example, if a worker is given two days leave, his or her attendance bonus shall be calculated as follows:

1. (US\$ 5 divided by 26 days) multiplied by 2 = US\$ 0.385
2. US\$ 5 – US\$ 0.385 = US\$ 4.615

In conclusion, the Arbitration Council finds that the employer should deduct workers' US\$5 attendance bonus in proportion to the number of day(s) of approved leave.

However, in this case, the employer raised letter 317 dated 22 May 2007 from the Director of the Department of Labour Inspection to the employer of M&V III Company. The Arbitration Council will not elaborate on the letter because the Labour Law empowers the Arbitration Council to settle any dispute that is related to the interpretation and enforcement of [laws or] regulations or of a collective agreements and the Labour Law also empowers the Arbitration Council to settle all other disputes on equitable grounds (See Article 312 of the Labour Law and Prakas 99/04).

In conclusion, the Arbitration Council decides that the employer [should] deduct workers' US\$ 5 attendance bonus in proportion to the number of day(s) of approved leave.

Issue 3: Workers demanded that the company convert the wages of workers in the lamp checking section from monthly based wage to piece rate wage

Article 2(2) of the Labour Law states that, *“Every enterprise may consist of several establishments, each employing a group of people working together in a defined place such as in factory, workshop, work site, etc., under the supervision and direction of the employer.”*

In the previous awards, the Arbitration Council considered that Article 2(2) meant that the employer had the right to manage and direct the company as long as the right was exercised legally and properly. (See Arbitral Awards 62/06 – Quicksew, Issue 5, 108/06 – Trinunggal Komara, Issue 1 and 33/07 – Gold Fame, Issue 3)

In Arbitral Award 39/07 – San San, Issue 2, the Arbitration Council considered that, *“Right to manage the employer’s enterprise includes the right to determine who shall receive piece rate wage and who shall receive minimum wage as long as the right is exercised legally and properly.”* (See Arbitral Award 39/07 – San San, Issue 2)

In this case, the Arbitration Council also agrees with the above ruling. It means that the employer has the right to determine who shall receive a piece rate wage and who shall receive a monthly wage as long as the right is exercised legally and properly.

In Arbitral Award 39/07 – San San, Issue 2, the Arbitration Council considered that “The employer has the right to provide workers with a piece rate wage as long as the shift from the minimum wage to piece rate wage does not affect the wage and other benefits that workers used to receive.”

In this case, the Arbitration Council agrees with the ruling of the Arbitration Panel in Arbitral Award 39/07; and the Arbitration Council considers that the principles set out in Arbitral Award 39/07 can be applied to the wage system which was changed from a piece rate to a monthly minimum wage. In this regard, the employer has the right to change the wage system as long as the change does not have a significant negative impact on the wage and other benefits that workers used to receive for the same type of work. In this case the workers did not provide any evidence to show what wages and other benefits they receive on a monthly basis. The workers did not provide evidence to show that the change to a piece rate basis led to a significant decrease in workers’ wages and other benefits.

Therefore, the Arbitration Council rejects the demand of workers that the company change the wage of workers in the lamp checking section from a monthly based wage to a piece-rate wage.

Issue 4: Workers demand that the company determine the date when it will increase the wage of mobile workers and workers in the output, cleaning, and checking sections.

In this case, the workers demanded that the company determine the date when it will increase the wage of mobile workers and workers in the output, cleaning, and checking sections because the issue was discussed in June - July 2007. The employer party confirmed that the company had discussed the issue, but the company could not afford the wage increase for mobile workers and workers in the output, cleaning, and checking sections. The company claimed to have given a US\$ 5 wage increase to the group leaders and machine repairmen. Regarding the demand, the Arbitration Council finds that no agreement arose out of the discussion in June - July 2007 and the law does not require the employer to set a time when it will increase the wage for workers.

Thus, the Arbitration Council decides to reject the demand of workers that the company determine the date when it will increase the wage of mobile workers and workers in the output, cleaning, and checking sections.

Issue 7. Workers demand that the company maintain the piece rate [target] at US\$2.20 per day

Based on the above facts, in this case workers demand that the company maintain a piece rate [target] at US\$2.20 per day because the company used to provide such a rate.

The employer claimed that the company used to provide such rate, but the company had proposed to shift the piece rate [target] to US\$ 1.92 per day and in principle at least around 70 to 80 percent of workers can meet the target. Thus, the Arbitration Council considers the case as follows:

Article 108 of the Labour Law states that, *“For task-work or piecework, whether it is done in the workshop or at home, the wage must be calculated in a manner that permits the worker of mediocre ability working normally to earn, for the same amount of time worked, a wage at least equal to the guaranteed minimum wage as determined for a worker.”*

Based on the content of the above article, the Arbitration Council considers that the employer is obliged to pay workers who undertake task-work or piecework an amount at least equal to the guaranteed minimum wage determined for a worker.

Article 137 of the Labour Law states that, *“In all establishments of any nature, whether they provide vocational training, or they are of a charitable nature or liberal profession, the number of hours worked by workers of either sex cannot exceed eight hours per day, or 48 hours per week.”*

Based on the content of the above article, the Arbitration Council finds that the number of working hours worked by workers of either sex cannot exceed eight hours per day or 48 hours per week.

Clause 1 and 2 of Notification 745/06 state that, *“The minimum wage for garment, textile workers and shoe making workers is set at US\$45.00 per month for probationary period of 1 month to 3 months. At the end of the probationary period, a full-right worker receives the minimum wage of US\$ 50 per month.”*

Based on the content of the above clauses, the Arbitration Council considers that the minimum wage of US\$ 50 per month is equivalent to US\$ 1.92 per day.

In the previous awards, the Arbitration Council held that, *“The employer has the right to determine or amend the piece rate, but the Arbitration Council decided that the determination should allow a worker of average skills to earn the minimum wage.”* (See Arbitral Awards 03/05 – Flying Dragon, Issue 6, 41/05 – Violet, Issue 8, 44/06 – Gold Fame, Issue 1)

In this case, according to the testimony of the worker party, the minimum wage of all workers (ordinary workers) involved in the case was US\$ 50 per month or US\$ 1.92 per day when the wage is calculated on the new piece rate. Moreover, no evidence proves that other ordinary workers receive less than the minimum wage when the wage is calculated based on the new piece rate.

Therefore, the Arbitration Council rejects the demand of workers that the company maintain the piece rate at US\$ 2.20 per day.

Based on the above facts, legal principles, and evidence the Arbitration Council makes its decision as follows:

DECISIONS AND ORDERS

- Issue 1:** Reject the demand of workers that the company offer one year fixed duration contracts.
- Issue 2:** Order the company to deduct the attendance bonus in proportion [to the number of days of leave] by dividing the US\$5 [attendance bonus] by 26 days when workers take leave with approval from the employer.
- Issue 3:** Reject the demand of workers that the company convert the wage of workers in the Light Bulb Checking section from a minimum wage to a piece-rate wage.
- Issue 4:** Reject the demand of workers that the company determine the duration for increasing the wage of workers in the Piece Recording, Mobility, Cleaning and Checking Sections.
- Issue 7:** Reject the demand of workers that the company maintain the piece rate at US\$2.20 per day.

Type of Award: Non-Binding Award

This Award will become binding after 8 days of the date of its notification unless one of the parties lodges a written opposition to the Minister of Labour through the Secretariat of the Arbitration Council within this period.

SIGNATURES OF MEMBERS OF THE ARBITRATION PANEL:

Arbitrator chosen by the employer party:

Name: **Ouk Ry**

Signature:

Arbitrator chosen by the worker party:

Name: **An Nan**

Signature:

Chair Arbitrator (chosen by the two Arbitrators):

Name: **Kong Phallack**

Signature: