

Secretary of State Hillary Rodham Clinton

To Gender Equality and Women's Empowerment Policy Dialogue

July 13, 2012
Sofitel Hotel,
Siem Reap, Cambodia

SECRETARY CLINTON: Thank you very much, Minister Phavi, for that introduction and also for describing the results of what has been, by all reports, an excellent meeting. And I thank all the heads of delegations who are here and all of the attendees. I want to welcome all our partners from the Lower Mekong nation and from the Friends of the Lower Mekong. And I want to commend the Government of Cambodia for its leadership in the Lower Mekong Initiative and for co-hosting this conference.

We launched this organization three years ago to expand cooperation on issues that affect the daily lives of people across the region. And I'm getting some feedback. I'm hearing the Cambodian translation at the same time. I wish I spoke Cambodian, but I don't. So I was having a little trouble, but thank you for that.

We launched this organization three years ago to expand cooperation on issues that affect the daily lives of the people across the region, from protecting the environment to managing water resources to improving infrastructure, education, and public health. And now with the inclusion of the government in Nay Pyi Taw we are poised to make even greater progress together.

Yesterday in Phnom Penh, I announced that the United States is easing sanctions to allow American businesses to invest there. And today I am pleased to add that we are also launching a new partnership with the non-profit Abbott Fund to invest one million dollars in the health and education for women and girls.

I am delighted that the Lower Mekong Initiative is now also focusing on the rights and opportunities of women. At the ministerial meeting in Phnom Penh this morning, we adopted a joint statement by all of the countries represented that will integrate gender equality and women's empowerment through the LMI agenda. I like what the Minister said about how we came together to care to share and dare to dream, and I think that's a very good description of what you have been doing here.

As Secretary of State, I make these issues about women and girls a priority everywhere I go. Because when women have the chance to participate in the economic and political lives of their communities, not only do their lives improve, but the lives of their families do as well. Commerce flourishes, instability declines, and you see a general uplifting of societies and nations. And I have met women all over this region who are living this truth every day – educators in Hanoi, entrepreneurs in Bangkok, democracy activists in Yangon, garment workers here in Siem Reap, women like all of you who are working hard for progress throughout the Mekong region.

Unfortunately, as you know so well, outdated legal and social barriers continue to limit women's participation in business and politics. According to the World Bank, more than 100

countries have laws that restrict women's economic activity, whether it is opening a bank account on their own, signing a contract, owning land, or pursuing the profession of their choice. And millions of women here in Southeast Asia are trapped in the informal economy, labouring in fields and factories for very low wages with very few protections. And of course, some have it even worse – victims of forced labour, forced prostitution, or other forms of modern day slavery.

Now, too often, discussions of these issues are on the margins of international debate. We have separate parallel conversations about women's rights, about alleviating poverty, and then we have another conversation about international economics. But I once asked an economist in Africa, after spending the day traveling through an African country seeing women working in the fields, women working in the markets, women fetching fuel, women carrying water, women tending children – I asked, “Don't you think it's time we count women contributions to the economy in some way.” And he responded, “No, what they do is not part of the economy.” And I said, “Well, if every woman working in the field, in the markets, in the homes were to stop working for a week, I think every economist would learn they are definitely part of the economy.”

All these issues are related, and we need to start thinking about them in an integrated way, because in the end, what is an economy for? An economy is a means to an end. It is not an end in itself. An economy is to enable people to make more out of their own lives as well as to make a living. And therefore, the best economic systems are ones which give the most opportunity to the greatest number of people. And what we have to do in the 21st century is to take a hard look about what we can do, not just in Southeast Asia but around the world, to make sure that economies are working for people and not just people at the top, but people throughout society. Because, after all, most people don't live at the highest, elite level of any society. That's a very small group. And, if the results of people's hard work in any society is not spread across all the people but instead goes up to the top, you will not see the kind of progress that is possible.

So as I travelled across Asia this week – from Japan to Mongolia, to Vietnam, to Laos, and now Cambodia – I've been talking about the mutually reinforcing role that economics and human rights play in not only your lives, but in America's engagement in the region – what is sometimes called our pivot to Asia. Labour issues promoting workers' rights, improving labour conditions, supporting women's economic participation, protecting people from modern day slavery is all part about how you build prosperous, peaceful societies.

And so today, I want to focus on the rights of workers here in Southeast Asia and in our modern global economy. It's important that we understand fair labour standards for men and women can spur economic growth and widen the circle of prosperity. And governments, businesses, and workers all have a responsibility to make that happen.

So let's begin with rights. The international community and international law recognize that workers everywhere, regardless of income or status, are entitled to certain universal rights, including the right to form and join a union and to bargain collectively. Child labour, forced labour, discrimination based on gender, race, ethnicity, religion, or other factors, should be universally prohibited.

So defending these labour rights and improving working conditions is a smart economic investment, but it's also a very important value. Now back in 1999, my husband was

president of the United States and the entire world was fiercely debating what we should be doing to deal with what is called globalization. Well, my husband gave speeches at both the World Trade Organization and the International Labour Organization. And he delivered the same message to each audience: To deny the importance of core labour issues in a global economy is to deny the dignity of work. The belief that honest labour fairly compensated gives meaning and structure to our lives.

Well, that was true then; it was true when I was a little girl and I watched my mother working in our home, and I watched my father working in his small business; and it is true today. Standing up for workers' rights and high labour standards is both right and moral, but it is also smart and strategic. Just look at the progress that has taken place here in Cambodia.

In the late 1990s, this country was emerging out of years of war and economic ruin. Nearly 80 per cent of Cambodians made a very meagre living by subsistence farming. And the new government was looking for ways to boost growth and connect to the global economy. In the United States, my husband's administration was convinced that trade incentives could be used to strengthen workers' rights around the world. The result was an agreement – an agreement between the United States and Cambodia that opened American markets to Cambodian textiles in return for tough new monitoring programs in local garment factories. Now that agreement wasn't perfect – no agreement ever is – and there are certainly, as I have heard, problems in garment factories across the country. But compare where Cambodia was in 1999 and where it is today. Working conditions have improved. Wages have risen. It has become easier to form a union, and instead of scaring off investors, the fact of these reforms actually attracted them.

Multinational clothing companies saw a chance to clean up their supply chains and improve their reputation. So they started buying more and more Cambodian products, and exports soared. Where there was once just a handful of state-owned textile and apparel factories employing only a few thousand people, within 10 years there were hundreds of new factories providing jobs for more than 350,000 Cambodians – mostly young women, who migrated from poor rural communities to earn wages far above the average of what otherwise would have been available to them.

Research conducted by the International Labour Organization and other institutions tell us that this is not an isolated example. Respecting workers' rights leads to positive, long-term economic outcomes, including higher levels of foreign direct investment. And bringing workers, especially women, into the formal economy has ripple effects: Inequality declines while mobility increases, taxes are paid, countries and communities are stronger and better able to meet the rising expectations of their people.

Now the flip side of that is also true. Denying workers their universal rights costs society dearly in lost productivity, innovation, and growth, as well as undermining the rule of law and creating instability. So we should pay attention to these findings.

I do hope that decision makers around the world, including in my own country, actually look at evidence, because evidence matters. Whether you're a scientist looking at research or a government official looking at analysis, look at the evidence. Here in Southeast Asia, economies have grown rapidly by attracting foreign investors looking for low-cost labor and material and by exporting affordable goods to more developed markets. But this export-driven model can only take a country and a region so far.

In the wake of the global financial crisis and worldwide recession, Asian countries can no longer count on endless demands from Europe and the United States. And by the same token, American manufacturers may be looking for new customers in new markets, especially in Asia. That's why developed nations, like the United States, will need to build more at home and sell more abroad. And developing countries, in Asia and elsewhere, will need to grow a larger middle class that will fuel demand for both domestic and imported goods and services. Henry Ford, back at the beginning of the 20th century, when he started building cars in Detroit, Michigan back in the United States, paid his workers the unheard salary of \$5 a day. And all of the other employers came to him and they complained that he was paying his workers too much and that would raise the wages of all the other workers in all the other businesses. And Henry Ford said, "If I don't pay my workers, who will buy the cars that I am making?"

So if you begin to pay your workers more, they then buy more goods, which actually helps more businesses. And that is the next phase of growth in Asia, as well as the future of the global economy. We should not be in a race to the bottom. We should be in a race to see how we raise income, raise standards of living, and raise the sharing of prosperity. So for this to happen, we will have to make sure that women have the opportunity to move from the informal economy to the formal economy with employment. We will have to make sure that migrant workers are respected and protected, that people in modern-day slavery are free and rehabilitated. In effect, how do we transform the workforce to create more opportunities?

Well to begin with, governments will have to modernize labour laws to respect workers' rights and ensure that men and women have fair, safe working conditions and can earn a living wage. And governments will have to get serious about enforcement, cracking down on unscrupulous recruiters, criminal traffickers, and abusive employers.

Now, strengthening the rule of law will not just protect workers, it will also attract investors and make it easier for everyone to do business. And multinational corporations, like those in America, will have to insist that every link in their supply chain meets international labour standards. Now, of course, I know there's a price tag that comes with that. But it is an investment, and it's an investment that will pay dividends, because it can be very attractive to consumers in my country, in Europe, and elsewhere to know that the goods they buy are being produced in conditions that really help people improve their own lives. And then, of course, workers will have to keep pushing for their own rights, organizing and advocating.

Now, it took decades of struggle for workers in America to form unions strong enough to protect their rights and secure changes like the eight-hour day and the minimum wage, but it helped to create the great American middle class. And we are now adjusting our economy to the new challenges, but we certainly were advantaged by all of the changes over the last one hundred years.

I think the nations of Southeast Asia are at the beginning of your own journey. I know that there are still many problems and a lot of poverty. And I have been now in every country in the region, and I know there's a lot of poverty. There are still too many people who are terribly poor, too many children who don't get the healthcare and the education they need, too many government officials that are not really serving the people. But there is good news as well.

And I want to commend the Government of Cambodia for their draft new trade law that could be a model for the region. It would extend rights and protection to domestic workers. It would allow people to join unions. And if this law is passed and enforced, it will set a very strong standard for the rest of the region.

Similarly in Vietnam, where I was a few days ago, there is still – there is also encouragement despite continuing problems. At the start of the year, a new anti-trafficking law came into effect. After reports of abuses on coffee plantations in Lam Dong Province, officials called for greater inspections and stricter punishment for illegal labour brokers. And Vietnam is working with the International Labour Organization to improve conditions in garment factories.

And the prospects for progress are even more dramatic in Burma, which for many years was one of the most repressive and closed societies in the world. I saw with great interest reports of the government in Nay Pyi Taw rolling back the restrictive and exploitative labour rules. Workers are beginning to organize, although they still face penalties for joining unregistered unions. There will be a lot of challenges, but I hope that we see continuing progress there.

Now, for our part, the United States is putting in place protections to ensure that the increased investment we would like to see advances the reform process. Because after all, what we want to do is make workers' rights, rising wages, fair working conditions the norm everywhere. And we will be working with all of the countries represented here.

We've also made workers' rights a centrepiece of a new far-reaching trade agreement called the Trans-Pacific Partnership. We are working with Vietnam, Malaysia, Australia, Canada, Mexico, and others in these negotiations.

We are also throughout Southeast Asia supporting training and workshops on international labour standards for union organizers, employers and government officials. We're sponsoring exchanges so labour academics can learn from each other, and we're helping police and prosecutors go after trafficking and other abuses.

We're working with ASEAN to deal with the migrant worker problem. We have so many people across borders looking for better opportunities and are often exploited and abused. Now, after visa requirements among ASEAN countries becomes easier, then we need a framework on the rights of migrant workers by 2015.

We're also working with labour ministries, and we've signed agreements with Vietnam and China that provide exchanges and technical assistance on a range of labour issues, from mine safety to social security.

America is a Pacific nation, and our futures and our fortunes are bound up with each other. So we want to work with all of you, and particularly on behalf of women and workers, because we think that holds the key. The World Bank has done some excellent research showing that if the barriers to women's participation in the formal economy were eliminated, growth rates in every country would rise, and some would rise dramatically.

So when I talk to government officials who I can tell are not really interested in women, which I do from time to time – not women officials but the other kind, as you know – and I

make the case that women's rights should be protected and women's opportunities should be advanced, sometimes I see their eyes glaze over. And they say to themselves, I'm thinking as I look at them, well, she says that all the time. She goes around in the world talking about women's rights, and that's fine and I'll listen to her, but I'm not really that interested.

But when I say if you will change your laws so women can open up bank accounts or women can have access to credit, so women can start new businesses as easily as men, so that women can have fair wages when they move into the formal economy, your GDP will rise, all of a sudden I see them waking up. Because it's true that I have spent many years of my life talking about how important it is that women be given the same rights as men and the same dignity so that they can fulfil their own God-given potential.

But the argument I'm making today and I'm making around the world is that you are losing out if you do not empower women as economic beings. Because I'll go back to the experience I had in Africa. Now, I don't think the economist I was talking to was prejudiced against women. I just don't think he thought of all the things women do without being paid, that all of us do, have done, and continue to do to keep families and communities and societies and economies going.

And so therefore any country that wants to maximize their economic growth in a sustainable, inclusive way will be leaving money on the table if they don't include women and do everything they can to show respect for what women can do for themselves as well as their countries.

So this is an exciting time to be a woman in Southeast Asia, because if we work over the next years to realize the potential that this conference demonstrated with all of the excellent recommendations that the ministers have told us about, then we will see Asia grow even faster and more successfully, and most importantly we will see more girls and boys having the opportunity to fulfil their own God-given potential.

Because after all, I think as a mother, what we want for each of our children and what we should want for every child is that chance to be all he or she can be. Because talent is universal, but opportunity is not. So for every child who is not educated, we may be losing a scientist who would solve multi drug-resistant malaria. We may be losing a great activist. We may be losing a great academic. Who knows? But one way for sure to maximize the chance of every society to do even better is to be sure we give women the chance to compete and to demonstrate what they can contribute to us all.