

# **Cambodian Export Diversification and Expansion Program (CEDEP) I: High Value Silk Component**

## **End-of-project Weaver Survey Report**

**September 2015**

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## Introduction

Cambodia's recent WTO Trade Policy Review recognized the role of international trade as the driving force behind much of the country's economic growth and achievements in poverty reduction. While Cambodia strives to deepen its integration into the world trading system, the diversification of export products and markets remain a high priority. Trade diversification will accelerate economic and social development in Cambodia and will help reduce the country's exposure to negative trade shocks.

ITC has been supporting the Cambodian silk sector since 2005. The assistance took off with the preparation of a sector strategy whose priorities were subsequently addressed through the implementation of the Sector-wide Silk Project Phase I and II. The second project phase was completed in March 2012 and brought about significant results in terms of strengthened weaver communities and silk companies that became export ready or started successfully tapping the potential of foreign markets. The assistance to the silk sector requested by the Government under the new EIF project aims to build on these results with the objective to enhance the competitiveness of the sector and to increase exports of high value silk products with a beneficial impact on poverty reduction and employment, particularly among women.

Cambodian Export Diversification and Expansion Program (CEDEP) I: High Value Silk component brought significant benefits to weavers. It has contributed to the improvement of skills for weavers, provided more employment opportunities and increase of income for weavers working in rural area, many of them women. 53 new employments were created among 24 interviewed weavers, mainly by weaver group leaders. The income of weavers grew from average of USD 392 in 2012 to USD 785 in 2014, and it is expected to reach USD 848 in 2015. Many weavers reported they have improved weaving and dyeing skills through the training provided by ITC and built confidence on their techniques.

## Methodology

### Sample Survey Design and Implementation

This survey was carried out by collecting data of weavers through a sample survey. The objective of the survey is to establish end-line against baseline data to measure project impact and outcome indicators.

### Scope and Sample Selection

The survey targeted the weavers who have worked with 14 silk companies which have been assisted by ITC as direct beneficiaries of the project. Samples were randomly selected from the list of 88 weavers who are producing silk products for 14 companies. Based on the information provided by 14 companies and the baseline data, a survey questionnaire was developed to measure the project results (outcome and impact) archived against targets.

27 out of 88 weavers were randomly selected as samples to conduct the interview for the end-line survey. However, only 24 samples were included in the analysis because the data received from other three samples were outlier and excluded from data processing in order to provide reliable end-line data for accurate comparison.

The number of sample represents 28 percent of samples surveyed (88 weavers) for the baseline survey as some weavers included in the baseline survey were either migrated or unable to contact. The survey with 24 weavers was conducted through field visits and individual interviews from May to July 2015. The face-to-face interviews were conducted by the consultant while few weavers were interviewed by phone due to the remote location, or interviewed in Phnom Penh when they visited silk companies there.

## **Data Collection and Quality**

The survey collected qualitative and quantitative data on project impacts on weavers through the questionnaires. The questionnaires have 7 sections including: General Information, Employment, Income, Silk Weaving, Sales, Technical Assistance, and Environmental Sustainability.

After initial analysis on questionnaires, some interviewees were contacted to clarify some data before processing and analyzing them. As mentioned, three samples were eliminated from the analysis due to the provision of outlier data. When the questionnaires were not complete, the weavers were contacted to verify information or data by phone. The data was collected from 10 May to 20 July 2015. After entering data into the Excel Spreadsheet, the data was cleaned and verified again to check the consistency and reliability.

## **Limitations to the Survey**

The quality of data relies on the quality of information provided by weavers. The consultant tried his best to verify the data during and after interview to ensure the accuracy as much as possible. Since several weavers didn't keep the proper records of information, some data are based on the estimations by the weavers.

## **Location and gender of interviewees**

24 weavers who were interviewed live three different provinces: Kandal, Takeo, and Prey Veng. 67% of surveyed weavers are women.

## **Employment**

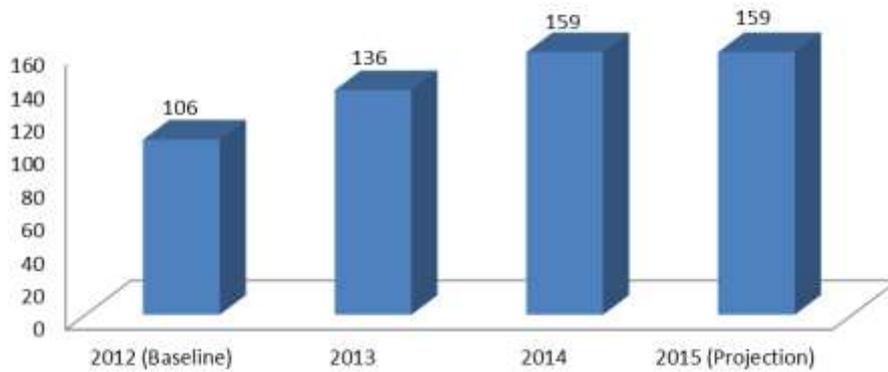
All surveyed weavers were contracted by companies to produce silk products and paid by pieces or products basis. Silk companies make formal or verbal contracts with weavers and make payment based on number of silk products they have delivered. Likewise, leaders of groups of weavers also employ individual weavers and pay by pieces or products basis. If compared with the baseline in 2012, all 24 weavers interviewed and 91 percent of 88 weavers (who were interviewed for baseline survey) were employed and paid by piece or product basis.

Interviewed 24 weavers produce and supply silk products to 14 companies which are the direct beneficiaries of ITC project. In addition, weavers also supply silks products to other silk companies or vendors such as KSV, National museum, Loom, CCCC, individual middlemen and vendors in local markets.

The weavers who were contracted through a formal written contract have increased to 29% in 2015 from 4% in 2012. The increased numbers of formal contracts indicate the confidence of companies on well-performing weavers. Some companies include exclusive design of silk product in the contract and weavers secured the amount of orders from companies, which ensure certain level of incomes.

The number of weavers employed by 24 interviewed weavers (including self-employed) increased from 106 in 2012 to 159 in 2014. The increase of employment was led by weaver group leaders who received larger amount of orders from companies or vendors and hired group of weavers to increase production. For example, three weavers transformed from individual self-employed weavers to group leaders who employ subcontracted weavers in local communities after receiving larger volume of orders. At the same time, 16 interviewed weavers remained as individual weavers working under the team leaders.

**Figure 1: Evolution of Weaver Employment (2012-2015)**



The number of employed weavers remained the same at the end of first quarter of 2015. Group leaders cautiously responded when they were asked if they plan to employ more weavers in 2015 since additional employment depends on the volume of orders from companies or vendors in coming 3 to 6 months, which most group leaders were not able to project. While group leaders confirmed that they would recruit additional weavers for few days or weeks if they get increased orders, they foresee the level of employment to remain the same as 2014.

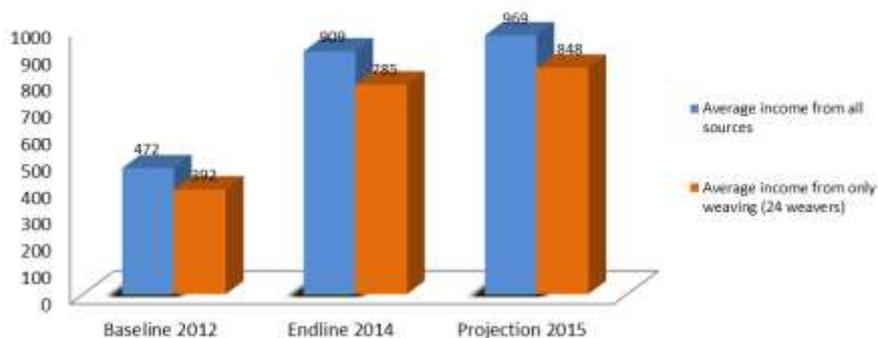
## Income

79% of weavers had other sources of incomes such as farming, money exchange, photographer, home gardening, small trading, sales of fruits at the local market, teacher, and motor taxi while only 21% depends only on weaving activities. These figures are the same as figures in the baseline survey (24 weavers).

Weaver's monthly average incomes from all sources (including activities other than silk weaving) have increased from 472 USD in 2012 to 909 USD in 2014, increasing 93 %. It is projected to be 969 USD in 2015, 105% increase from 2012.

Furthermore, for surveyed 24 weavers, monthly average incomes from silk weaving have also increased by 100%, from 392 USD in 2012 to 785 USD in 2014 and it is projected to be 848 USD in 2015, 116% increase from 2012<sup>1</sup>. It was also found that the silk weaving contributed almost 90% of monthly income of weavers.

**Figure 2: Weavers' Monthly Average Income**



<sup>1</sup> One weaver, who also performs as supplier of silk products to silk companies, has significantly high monthly income compared to other weavers, which contributed to the increase of average monthly income of 24 weavers.

## Silk Weaving and Sales

For weaving, 96 % of weavers used silk, 8% used cotton and 4% used synthetic in 2014, while 88 % used silk, 29% used cotton and 4 % used synthetic in 2012.

67% of weavers used the silk yarns which were provided by the employers while 29% have purchased their own silk yarns from middle men, local markets and other companies. 4% of surveyed weavers received silk yarns from companies and also purchase silk yarn by themselves. In 2012, 63% of weavers use the silk yarns provided by the employers and 21% purchased them from the same sources, while another 16% used silk yarns from companies and also purchased silk yarns by themselves. Furthermore, most weavers were provided with the new design or collections when orders were made by companies.

88% of weavers have observed their skills in yarn preparation, weaving, and dyeing have improved thanks to the trainings provided by ITC project.

21% of surveyed weavers (24 weavers) were reported to serve export markets in 2014, while the 45% of surveyed weavers (88 weavers) were reported to serve export markets in 2012. The reasons of lower reports in the end-line is that weavers sell silk products to intermediaries or companies, most of them are not aware which final markets the products were sold to.

## Technical Assistance and Challenges

Almost all weavers have received technical assistances from current or previous ITC projects and other donor funded projects on: sourcing of inputs (4%), design and marketing (13%), costing and pricing (8%), quality management (8%), production techniques (4%) and others such as dyeing and choosing pattern (75%). Most of them considered design, quality management and dyeing are the most important elements to increase efficiency of the production and improve quality. They observed that their skills have improvement thanks to various training projects, which also helped to improve their productivities and incomes.

They faced challenges such as slow production during rainy season, decreased orders from some companies and vendors, and high turn-over rate of weavers (they decided to work in the garment factories in Phnom Penh). Group leaders cited lack of financial support as challenge, including getting credit for companies and meeting requests from vendors which require more working capital. Team leaders also cited the increase in the prices of silk yarn and other costs of productions as challenges.

## Environmental Sustainability

Future plans among weavers to ensure environmental sustainability include activities such as minimizing waste, burning waste, outsourcing dyeing and recycling wastes for other products.

## Conclusion

ITC project produced key results in increasing weavers' employments and incomes. ITC's training program also contributed to the improvement of weavers' capacities and skills to produce high quality silk products. Simultaneously, the weavers also face several challenges such as: slow production during rainy season, decreased orders from some companies and vendors, high turn-over of weavers. Group leaders cited lack of financial support and getting credit to companies and meet vendors requests as one of the major challenges. Team leaders also cited the increase in the prices of silk yarn and other costs of productions are challenges they face.

## Case Studies

### Mrs. Moul Thary

Moul Thary, 42, currently operates silk production in Kandal Kaoh village, Kaoh Oknha Tei commune, Ksach district, Kandal province. She learned weaving silk with her parents. Her weaving skills and techniques significantly improved after she attended trainings organized by ITC in 2010. Silk weaving has become her main income in addition to her husband's salary, who works as a government official. Traditionally, customers have been purchasing her silk products at her premises. She also used to place consignments at the national museum.

In 2014, Mrs. Thary was introduced to six silk exporting companies during a tour visit organized by ITC. After the tour, she was able to secure orders from Sentosa Silk and Kravan House, which are among the largest silk companies in Cambodia.

In early 2015, Mrs. Thary entered into an exclusive agreement with Sentosa Silk for producing and supplying tie and handkerchief, based on designs provided by Sentosa. Her income from silk production doubled from 2012 to 2014, and expects to further increase in 2015.

With increased sales, Mrs. Thary was able to hire 4 woman weavers who are paid by pieces. Some of them used to work in Phnom Penh, but earned relatively small net incomes after paying food and transport. She is also able to send her sons to high school and university in Phnom Penh.



### Ms. Ros Sarith

Ros Sarith, single and 29 years old, lives in the Prek Chrey village, Prek Russey commune, Lvea Em district, Kandal province. She works as a teacher in a secondary school in the Lvea Em district and also as a silk weaver.

Her main client, Craft Village, a small company supported by the ITC project, has been contracting her since 2009. Before, it was difficult for her to find clients and her technical skills including weaving space, design, colour, marketing and quality, were not as good as now. She has benefited from ITC support since 2009, as part of the current CEDEP I project and previous ITC projects.



As a result, her technical skills have improved and she could find new clients. Her income has significantly increased and almost doubled from around USD 100 in 2012 to USD 188 in 2015, thanks to orders from Craft Village which was introduced to her by ITC during a weaver tour.

Ros Sarith and her family made savings from weaving incomes, to contribute to fund their new traditional wooden house in 2015. She would like to continue weaving and is keeping practicing the technical skills she acquired from ITC training. Moreover, she will try to expand her weaving business by looking for more clients, to possibly sub-contract other weavers in the future.

## Annex I. End-lines of Key Performance Indicators

The table below summarizes the end-line data versus baseline data extracted from the weaver survey according to selected relevant project logical framework and performance indicators.

Strategy of Intervention	Key Performance Indicators	Baselines	End-lines	Remarks
<b>Impact #1:</b> Increased competitiveness of the Cambodian silk sector with a positive impact on poverty reduction through employment creation and income growth, especially among women, thereby contributing to meet Cambodia's MDGs	Increase in income of silk weavers by 200%	Monthly income from silk weaving: average USD 387 per weaver (88 weavers answered)	Monthly average income from silk weaving: 785 USD per weaver (24 answered). (100% increase from baseline (2012), 116% increase projected in 2015) Assuming the end-line average income of 24 surveyed weavers represent 88 weavers in baseline, the income of individual weavers increase by 103% in 2014 and it is projected to increase by 119% in 2015, from 2012.	
<b>Impact #2:</b> Focus on high value silk exports will contribute to developing Cambodia's image of an economy that can compete not only on price but also on quality.				
<b>Output 2.2</b> Improved vertical integration of silk value chain and enhanced technical skills of weaving communities to enable production of high quality handmade silk products in larger quantities	Number of (male/female) weavers who improved technical skills in yarn preparation, weaving and dyeing	Knowledge and skills will be assessed before and after trainings	88% of weavers have improved their technical skills in yarn preparation, weaving and dyeing after the project started (21 of 24 weavers answered)	
	<i>Road Map Pillar 2 KPI 2.3.7.e:</i> Continuing capacity building among weavers/producers	Baseline not required – activity-specific indicator	End-line not required – Activity based indicator	
	Number of (male/female) weavers serving the export market	Estimated 38 weavers reported to be serving export markets: 45.2% (84 weavers answered)	21% of weavers served the export market (5 of 24 weavers answered)	The reasons why it decreased because 88% of weavers were contracted or directly sell through intermediaries.
	Share of production output compliant with "spec card" requirements	Baseline not required – activity-specific indicator	End-line not required – Activity based indicator	

## Annex II. Questionnaire for weavers



### ASSESSMENT TOOL FOR WEAVER

This is survey undertaken by the International Trade Centre aiming to assess the production and export capacities of selected Cambodian Silk Companies. The information you give will be processed anonymously and NOT be used for taxation or other official purposes. Please fill in one questionnaire only for each company.

- Questionnaire n° .....
- Date (day/month/year): .....
- Interviewer's name: .....

#### 1. GENERAL INFORMATION

1.1 Name	
1.2 Age	
1.3 Gender	
1.4 Community's name and location (town, province)	

#### 2. EMPLOYMENT

2.1 Are you employed?	<input type="checkbox"/> Yes on a permanent basis (with a monthly salary) <input type="checkbox"/> Yes, paid by product <input type="checkbox"/> No
2.2 Who is employing you? (multiple answers possible)	<input type="checkbox"/> Company. Please specify: <input type="checkbox"/> Intermediary or supplier. Please specify: <input type="checkbox"/> Association. Please specify: <input type="checkbox"/> Other
2.3 How long have you been working with the above-mentioned employer(s)?	
2.4 How does the employer(s) contract you?	<input type="checkbox"/> Verbally <input type="checkbox"/> Formal (written) contract
2.5 How are you paid and how much?	<input type="checkbox"/> Per hour. Please specify: .....USD <input type="checkbox"/> Per output/piece. Please specify: .....USD
2.6 How many your team members or staffs have been worked in 2012-2015?	In 2012 Men: Women: in 2013 Men: Women: In 2014: Men: Women: In 2015: Men: Women:

### 3. INCOME

3.1 Do you have other activities than weaving to earn money? e.g. farming	<input type="checkbox"/> Yes. Please specify: <input type="checkbox"/> No
3.2 What is your overall average monthly income (total)?	2014: .....USD 2015: .....USD
3.3 What is your average monthly income from silk weaving only?	2014: .....USD 2015: .....USD

### 4. SILKWEAVING

SOURCING	
4.1 What type of material do you work with? <i>(multiple answers possible)</i>	<input type="checkbox"/> Silk <input type="checkbox"/> Cotton <input type="checkbox"/> Synthetic <input type="checkbox"/> Wool <input type="checkbox"/> Other: Specify:
4.2 Are you a member of a Purchasing Unit?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4.3 Do you purchase silk yarn or does the employer provide it?	<input type="checkbox"/> You purchase <input type="checkbox"/> Provided by the employer
4.4. If you purchase, what is the source of silk yarn?	<input type="checkbox"/> Middlemen <input type="checkbox"/> Local market <input type="checkbox"/> Other. Please specify:
4.5 What kind of silk yarn do you use and from which country?	Fine Silk <input type="checkbox"/> China <input type="checkbox"/> Vietnam <input type="checkbox"/> Thailand <input type="checkbox"/> Domestic <input type="checkbox"/> Other <input type="checkbox"/> Specify:
	Rough Silk <input type="checkbox"/> China <input type="checkbox"/> Vietnam <input type="checkbox"/> Thailand <input type="checkbox"/> Domestic <input type="checkbox"/> Other <input type="checkbox"/> Specify:
4.6 How many Quantity (kg) and value have you purchased?	In 2012:                   Quantity (kg): Value (USD):  In 2013:                   Quantity (kg): Value (USD):  In 2014:                   Quantity (kg): Value (USD):  In 2015 (estimate) Quantity (kg): Value (USD):
4.7 Have you purchased other production inputs?	In 2012:                   Quantity (kg): Value (USD):  In 2013:                   Quantity (kg): Value (USD):  In 2014:                   Quantity (kg): Value (USD):  In 2015 (estimate): Quantity (kg): Value (USD):

4.8 Do you design new products and collections or does the employer provide design instructions?	<input type="checkbox"/> You design <input type="checkbox"/> Employer provides
4.9 Have you observed that your technical skills in yarn preparation, weaving and dyeing have improved after the project starts? If yes, please provide the reasons	<input type="checkbox"/> Yes <input type="checkbox"/> No Reasons:

#### 5. SALES

5.1 Are you serving export markets? (exports directly by weavers or sales through intermediaries which export)	<input type="checkbox"/> Yes <input type="checkbox"/> No
5.2 Do you sell your products <b>directly</b> to buyers?	<input type="checkbox"/> Yes. Where? <input type="checkbox"/> No (sales only through intermediaries)
5.3 What is the amount of your sales per month by year (in USD)?	<p><b>In 2012:</b>  Direct sales to buyers:  Quantity:  Value (USD):</p> <p>Sales to intermediaries (exporter):  Quantity:  Value (USD):</p> <p><b>In 2013:</b>  Direct sales to buyers:  Quantity:  Value (USD):</p> <p>Sales to intermediaries (exporter):  Quantity:  Value (USD):</p> <p><b>In 2014:</b>  Direct sales to buyers:  Quantity:  Value (USD):</p> <p>Sales to intermediaries (exporter):  Quantity:  Value (USD):</p> <p><b>In 2015 (estimate):</b>  Direct sales to buyers:  Quantity:  Value (USD):</p> <p>Sales to intermediaries (exporter):  Quantity:  Value (USD):</p>
5.4 Please specify the type of buyers and how you reach them (in local markets, etc.)	<input type="checkbox"/> Local markets or shops. How? <input type="checkbox"/> Tourists. How? <input type="checkbox"/> International buyers. How? In which countries?

5.6 How did you identify the intermediaries you work with? ( <i>multiple answers possible</i> )	<input type="checkbox"/> It is the intermediaries who contacted you <input type="checkbox"/> You got the contacts from other weavers <input type="checkbox"/> You identified them through your own research <input type="checkbox"/> Other: Specify
5.7 Specify since how long you have been working with these intermediaries.	Average number of months and years:

#### 6. TECHNICAL ASSISTANCE

6.1 What types of technical assistance have you received?	Sourcing of inputs <input type="checkbox"/> Design <input type="checkbox"/> Identification of new markets and buyers <input type="checkbox"/> Marketing and sales <input type="checkbox"/> Costing and Pricing <input type="checkbox"/> Packaging <input type="checkbox"/> Quality management <input type="checkbox"/> Production techniques <input type="checkbox"/>
6.2 What type of technical assistance do you consider most important to increase production efficiency and quality improvements?	Sourcing of inputs <input type="checkbox"/> Design <input type="checkbox"/> Identification of new markets and buyers <input type="checkbox"/> Marketing and sales <input type="checkbox"/> Costing and Pricing <input type="checkbox"/> Packaging <input type="checkbox"/> Quality management <input type="checkbox"/> Production techniques <input type="checkbox"/> Other <input type="checkbox"/> Please specify:
6.3 What problems or challenges are you facing?	
6.4 Are there any particular lessons that you have learned so far that could be useful for other people implementing similar projects?	
6.5 Have you observed any changes after project has started?	
6.6 What are your suggestions and recommendations to improve the project implementation?	

#### 7. ENVIRONMENTAL SUSTAINABILITY (ADDITIONAL QUESTION)

7.1. Please describe your activities and future plan that your business (weaving activities) has done or will do to ensure the environmental sustainability? (i.e. production, waste management,.... ect.)	
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#### 8. LIST OF ATTACHMENT (IF AVAILABLE)

1. Monthly or Annual Contractual Agreement 2012-2014, & 2015 (Projection)
2. List of products produced and serving markets 2012-2015
3. List of import raw materials and sources 2012-2015
4. Other supporting documents



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Project Facebook page: <https://www.facebook.com/pages/CEDEP-I-Cambodian-High-Value-Silk/141914845991104>

Project video on YouTube: <http://www.youtube.com/watch?v=L0Z5ZQpTPtE&feature=youtu.be>