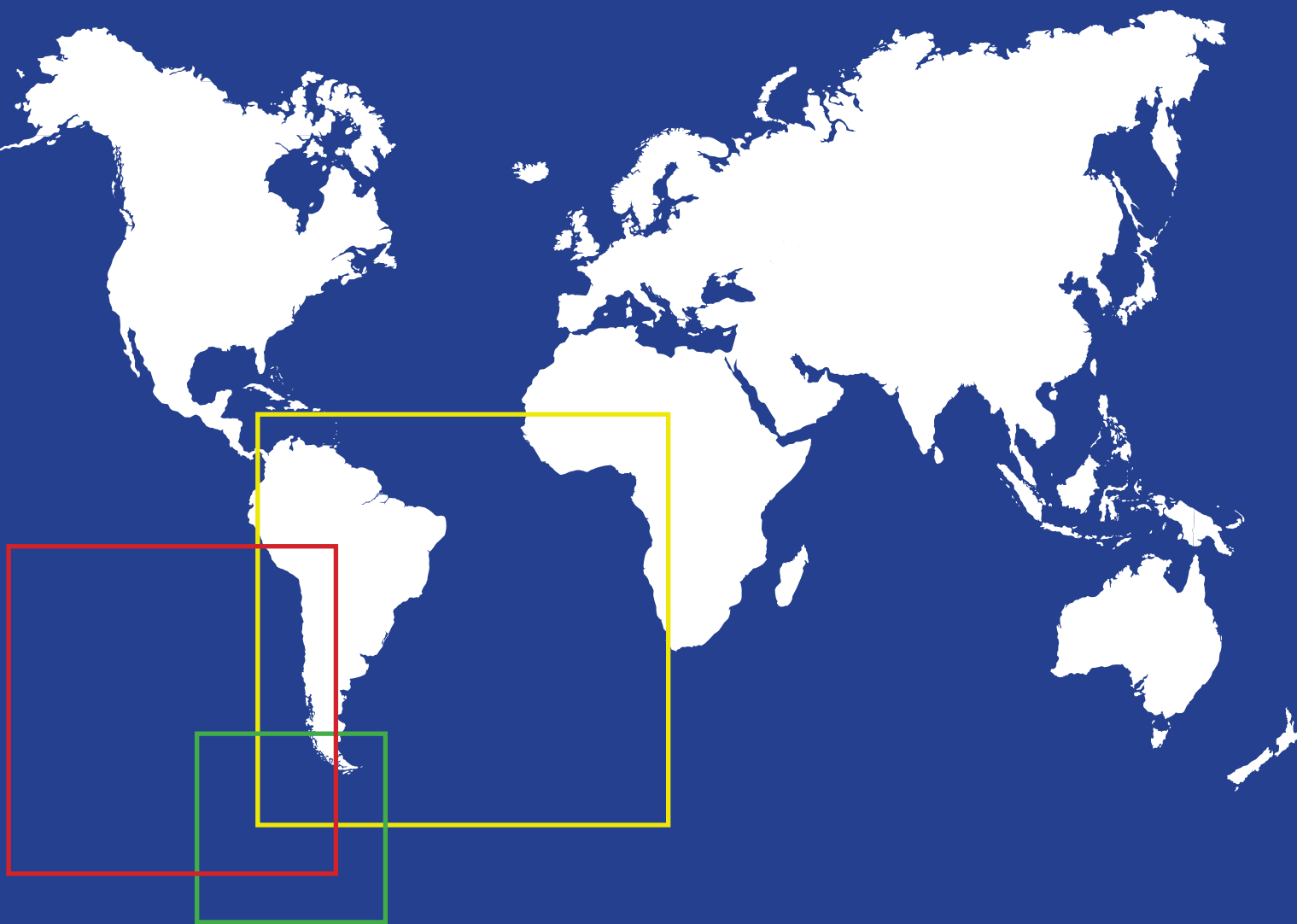




International
Labour
Office

Decent Work Country Profile CAMBODIA



**Decent Work
Country Profile
CAMBODIA**

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Preface

Decent work is central to efforts to reduce poverty and is a means for achieving equitable, inclusive and sustainable development. It involves opportunities for work that is productive and delivers a fair income, provides security in the workplace and social protection that are in line with the country's development objectives.

In this regard, monitoring and assessing progress towards decent work at the country-level is a long-standing concern for the ILO and its constituents. The 2008 *Declaration on Social Justice for a Fair Globalization* details that member States may consider “the establishment of appropriate indicators or statistics, if necessary with the assistance of the ILO, to monitor and evaluate the progress made” (Paragraph II.B.ii.).

In September 2008, the ILO convened an international Tripartite Meeting of Experts (TME) on the Measurement of Decent Work, and consequently, adopted a framework of Decent Work Indicators, that was presented to the 18th International Conference of Labour Statisticians in December 2008. The Governing Body endorsed the proposal to test the framework in a limited number of pilot countries, by developing Decent Work Country Profiles.

The project on “Monitoring and Assessing Progress on Decent Work” (MAP) (2009–2013) with funding from the European Union, works with government agencies, employers' and workers' organizations, as well as research institutions to strengthen the capacity to self-monitor and self-assess progress towards decent work. The MAP project covers nine countries in the world, including Cambodia, and facilitates the identification of decent work indicators that are relevant at the national level, supports data collection, and uses the collected data for an integrated policy analysis of decent work (Profiles) in order to make them relevant for decent work country programmes and national policies. The MAP project also provides guidelines and manuals on measuring and assessing progress on decent work from the pilot countries' experience.

The Decent Work Country Profiles cover ten substantive elements corresponding to the four strategic pillars of the Decent Work Agenda (full and productive employment, rights at work, social protection and the promotion of social dialogue): employment opportunities; adequate earnings and productive work; decent hours; combining work, family and personal life; work that should be abolished; stability and security of work; equal opportunity and treatment in employment; safe work environment; social security; and, social dialogue, employers' and workers' representation.

Generally, the Profiles compile in one document all available data on decent work, statistical and legal indicators, as well as analysis of gaps and trends on decent work. They facilitate the evaluation of progress made towards decent work and inform national planning and policymaking.

The Profiles provide key information for designing and monitoring the Decent Work Country Programmes (DWCP) and represent an advocacy tool to mainstream decent work into National Development Policies. The compiled decent work indicators can serve as a reliable baseline at the stage of defining decent work targets, and as a powerful instrument for the monitoring and evaluation of the DWCP and national policies.

The Decent Work Country Profile for Cambodia is aimed at providing information on all the elements of decent work in the country, analysing statistical and legal indicators within the framework of national labour and social policies, over the past ten years or more (depending on data availability). The purpose of the document is to assess and give baseline information on the state of decent work in Cambodia including the recent progress it has made in decent work fields.

The Decent Work Country Profile for Cambodia aims to assess progress of the achievement of decent work in Cambodia and to further inform social dialogue at the national level.



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The Decent Work Country Profile for Cambodia has been prepared by national consultants with the active participation of the Ministry of Labour and Vocational Training (MOLVT) and the National Institute of Statistics (NIS), together with the technical assistance of the ILO experts from ILO Bangkok and ILO Geneva.

National partners identified a list of decent work indicators relevant for Cambodia during the *Tripartite Training and Consultation Workshop on Measuring Decent Work* (Phnom Penh, 4–6 May 2011). The legal and statistical indicators were compiled according to the national list of decent work indicators and analysed within the social and economic context that has prevailed in Cambodia during the last decade. The draft Profile was discussed by constituents during the *Tripartite Validation Workshop of the Cambodia Decent Work Country Profile* held in Phnom Penh, on 1–2 March 2012, with the participation of the Ministry of Labour and Vocational Training, the National Institute of Statistics the Ministry of Planning, the National Employment Agency (NEA), as well as representatives from the Cambodian Federation of Employers and Business Associations (CAMFEBA), from the Cambodia Confederation of Trade Unions (CCTU) and from the Cambodian Trade Unions.

The main results of the Profile are important inputs for the design and implementation of the Cambodia Decent Work Country Programme. The Profile for Cambodia also represents an important advocacy tool for mainstreaming decent work into the National Development Plan.

The International Labour Office would particularly like to thank the representatives from the Cambodia Employers' and Workers' organizations, the Ministry of Labour and Vocational training, the Ministry of Planning, the NSI, and other agencies for their contribution to the Decent Work Country Profile.

The ILO would like to thank the European Union for financing this study and supporting the entire process of preparation and validation of the Profile, under the ILO/EC Project “Monitoring and Assessing Progress on Decent Work” (MAP).

In addition, the International Labour Office would like to thank the ILO officers from ILO Decent Work Team of Bangkok Country Office and ILO Geneva who have contributed to the development of the Profile.

Some statements made in the Decent Work Country Profile for Cambodia may not reflect the positions of the above named institutions and individuals. Any errors or omissions remain the sole responsibility of the International Labour Office.

Executive summary

Since the early 1990s, Cambodia has pursued wide-ranging economic reforms aimed at facilitating the transition from central planning to a market-based economic system. These reforms, together with improved security and political stability, ushered in a period of unprecedented economic growth that has helped reduce poverty, enhance human development, and strengthen the socio-economic context for decent work.

As poverty has declined, social indicators have improved. Thanks to rising primary enrolment rates and a narrowing gender gap, the vast majority of Cambodian girls and boys now attend primary school. At the same time, challenges remain at the secondary and tertiary levels, which lag far behind in terms of enrolment and attainment standards, thus hindering the economic potential of the future workforce. Health indicators have also improved, as access to basic health services have widened and public awareness of infections and disease has risen. Awareness and prevention campaigns have helped bring down HIV prevalence rates from 2.1 per cent in 1999 to 0.5 per cent in 2009.

However, as this report highlights, social and economic advances have also been met with new and intensified challenges that threaten progress toward decent work.¹ The Decent Work Country Profile for Cambodia seeks to elaborate on the nature and extent of these challenges – as well as the achievements – through an assessment of progress toward decent work. Using a combination of statistical and legal framework indicators it covers ten thematic areas ranging from employment opportunities to social dialogue, working hours to social security. It is designed to aid policymakers and development partners in appropri-

ate policy planning aimed at poverty reduction, development, and decent work.

The Profile shows that Cambodia's labour force has been growing since the 1990s, with the pace of change accelerating in more recent years. In the same period, the working age population expanded by slightly more, leading to a rise in the already high **labour force participation rate** (LFPR). These rates remained consistently higher among men than women, although the gap has narrowed slightly since 2004. Labour force participation is considerably higher in rural than urban areas with a slight reduction in urban participation rates observed between 2004 and 2009 possibly partially due to discouraged workers leaving the labour market after retrenchment during the economic downturn.

A large proportion of the working age population is in employment, and the **employment-to-population ratio** has risen in recent years. In Cambodia's context this is more likely a symptom of the necessity to work than the economy's ability to create decent jobs, as the level of both income and social protection is generally low for most of the population. With formal employment opportunities in short supply, most Cambodians remain in less secure and more vulnerable types of work. This is evident in the **vulnerable employment rate** (proportion of own-account workers and unpaid family workers) which, while declining of late, remains high at around 73 per cent. Women are overrepresented among vulnerable workers, because of persistent gender inequalities the country faces with regard to women's access to decent work.

The official **unemployment rate** is remarkably low and has fallen across all groups since the mid-2000s. However, this is again more likely to be an indication of poverty and the need to work than a situation of full and productive employment. Pockets of high unemployment remain among

¹ These include uneven growth and growing income inequality, fiscal and macroeconomic constraints, low productivity, and ongoing human capacity weaknesses – all of which will present formidable policy challenges in the coming years.

specific groups and geographic localities; the worst affected being urban workers with a secondary education. In general, youth remain far more likely to be unemployed than older adults, in both rural and urban areas.

Although real wages have been generally rising, the Profile finds recent progress on **adequate earnings and productive work** to have been modest. Average earnings have increased in almost all occupations since 2004 and have broadly benefited both men and women, while low pay rates have not declined, suggesting no worsening of income inequality between low and middle-income earners. However, despite legal and constitutional protections against discrimination in the labour market, gender gaps are prevalent in both real wages and in earnings by occupational area. Men's wages are consistently higher and growing more rapidly than women's. Likewise, low pay rates are higher for women than for men – an indication not only of wage inequalities but of the sectoral concentrations of women in low paid formal employment such as garment manufacturing.

Progress in bringing workers out of low pay and closer to median earnings is moving faster for urban than rural workers, while low pay rates are rising for the latter, leading to growing inequality between these areas. Working poverty, meanwhile, afflicts nearly one in three of the employed (2004 figures), further illustrating the extent of the challenge of decent earnings and productive work.

Minimal progress has been made with regard to **decent hours**. Judging work across all economic activities (and not only the main economic activities of workers), data reveal increasing proportions of both men and women working **excessive hours**, i.e. those in excess of 48 hours per week. In particular, the largest shares of such workers are found among wage earners and those in urban areas. This suggests a growing disconnect between the provisions of the labour law and the reality in the labour market. By taking into account only main economic activities, excessive hours actually appear to be on the decline, with greater shares of workers working less than 39 hours per week. Given the earning levels of main economic

activities, workers counteract by developing secondary activities.

As observed in many countries, men in Cambodia tend to work longer hours in recorded employment than women. This may reflect the comparably higher tendency of women to work part-time as a means to better balance competing household and family responsibilities. But essentially, data may also underestimate the true extent of women's working hours through the non-recognition of some of their activities in the official definition of work.

The recent picture with regard to **time related underemployment** is mixed: while a five percentage point decline is evident between 2004 and 2009 when all economic activities are counted, the restriction to main economic activities reveals underemployment has risen by almost seven percentage points. The latter trend would suggest that in an increasing proportion of cases, a person's main job is providing insufficient hours of employment to provide an adequate standard of living, thus leading them to take on additional jobs. Overall, underemployment is most prevalent among female and rural workers.

Results concerning the **combination of work, family and personal life** are inconclusive, although the prospects for improvement are closely linked to progress in working hours. In this regard, the growth of excessive working hours in Cambodia is likely to undermine progress toward a decent work-life balance for many workers. However, with greater shares also working fewer than 39 hours per week, this may be a positive trend for reconciling competing responsibilities of work and the home. Cambodia has a reasonable legal and policy framework to safeguard the work-life balance, but this is offset by both the poor coverage of the law and weak enforcement at the enterprise level.

Child labour is a major barrier to the achievement of decent work and other core development objectives in Cambodia. Although the child population has remained fairly stable since 2007, data show child labour to be on the rise across all major categories, including hazardous work.

Although still high, child labour is least prevalent among primary school age children, which in part reflects important recent gains made in primary enrolment. Moreover, despite the rise in numbers of children attending secondary school, nearly four in every ten children between the age of 12 and 14 remain in an economic activity of more than 15 hours per week. Recent data also reveal a worrying recent increase in hazardous child labour among all age-groups of children (5 to 17 years old). This includes risky occupations such as fishing, scavenging, quarrying and mining, as well as jobs with excessively long hours.

Boys and girls are similarly affected by child labour, although in line with global trends, boys appear to be moving into hazardous forms at a faster rate than girls. Child labour also tends to be more common in rural areas, most likely due to poverty and the comparative scarcity of educational opportunities, particularly at secondary level, as compared to urban centres. However, the share of children in hazardous work is rising fastest in urban areas.

Job stability and security are important indicators of progress toward decent work. As noted, more than seven in ten workers in Cambodia remain in vulnerable employment, in jobs that typically lack formal work arrangements which would include continuity of income necessary for decent living standards and insulation against external shocks. Similarly, although no official data are available, precarious work (i.e. work that is casual, seasonal, temporary or short term) – is likely to be widespread, particularly in view of the continued dominance of agriculture.

Movement from non-wage to wage employment is often associated with improvements to employment stability and security; however in Cambodia this movement has been sluggish. Non-wage workers represent a high, –albeit declining, – proportion of those employed in industry and services, and for many of them stability and security at work is far from guaranteed. In some sectors, the economic crisis and its aftermath exacerbated conditions for workers: the garment sector, for example, has seen a rise in the use of casual and probationary contracts, which not only reduce job

security and make workers easier to terminate, but also leave them with fewer potential entitlements and legal protections.

The legal and policy framework in Cambodia aimed at the promotion of **equal treatment and opportunity in employment** has been improving, but disparities and deficits remain. With regard to gender, while a rising share of females in certain sectors is indicative of widening opportunities for women in the labour market, barriers are still evident in terms of their access to higher status occupations and the growing gender wage gap. Stereotypes also play a part in dictating employment outcomes, with women still dominating sales and service-based occupations.

Data show **occupational injuries** in Cambodia are on the rise, although better reporting may also account for a proportion of this increase. Such injuries continue to affect far more men than women, although the proportion occurring among women has also increased of late. Official data, however, are likely to under-represent the true picture, since such data are geographically limited and reflect inspections carried out only in enterprises covered by the labour law.

Current data suggests that social security in Cambodia remains limited in terms of scope, quality, and coverage. Despite an improving policy context (particularly, the recently launched National Social Protection Strategy for the Poor and Vulnerable), most Cambodians still pay for healthcare out of their own pocket and do not benefit from a pension.

Despite this, positive signs are evident, with overall healthcare spending on the rise and a narrowing gap between the share of this financed by households and the share financed by the state. The growth of non-discriminatory social health protection has also extended the reach of basic healthcare to some of the poorest and most vulnerable groups.

Both government and private **spending on health** has increased sharply in the last decade and the share of the burden of healthcare spending which falls on households is in decline. In addition, the

reach of non-discriminatory social health protection is also being extended through the growth of health equity funds and community-based health insurance. **Pension coverage** remains lacking in Cambodia. The new wider pension scheme proposed for 2012 will remedy this to a certain extent but, will remain limited in coverage.

Workers' and employers' representation is on the rise, as is evidenced by the growing number of unions and members of the main employers' organization, CAMFEBA. Union formation has expanded from its origins primarily in the garment industry to other sectors including construction, tourism and transport. Expanding CAMFEBA membership reflects both the growing dynamism of the domestic economy and the improvement of the organization's own capacity and services.

The picture as regards **collective bargaining** is more mixed, since data reflects particular events in the history of recent industrial relations. However,

in general, genuine agreements – i.e. those which represent comprehensive negotiation and cover multiple rather than single issues – remain few. The distinction between these and less genuine agreements cannot currently be ascertained from official records, which undermines its usefulness as a measure of progress toward decent work.

The nature and **volume of strikes and lockouts** have changed over time, although on average during the 2000 to 2010 period, there were more strikes during the first half than the last half of the decade. This suggests that industrial relations are maturing in Cambodia. While negotiations surrounding the minimum wage typically result in rising strikes, the recent economic crisis brought a more subdued approach to disputes by unions (for fear of prompting job losses, for example). Although there were generally fewer strikes during the 2006 to 2010 period, official data also suggest that they were becoming more expensive in terms of days lost.

List of abbreviations

CAMFEBA	Cambodian Federation of Employers and Business Associations
CARD	Council for Agricultural and Rural Development
CBA	Collective bargaining agreement
CBHI	Community-based health insurance schemes
CCTU	Cambodia Confederation of Trade Unions
CEACR	Committee of Experts on the Application of Conventions and Recommendations
CEDAW	Committee on the Elimination of Discrimination against Women
CSES	Cambodia socio-economic survey
EPR	Employment-to-population ratio
FDC	Fixed duration contract
GDP	Gross domestic product
HEF	Health equity fund
ILO	International Labour Organization
IPEC	International Programme for the Elimination of Child Labour
LAC	Labour Advisory Council
LFPR	Labour force participation rate
LL	Labour Law
LSHTSE	Law on the suppression of human trafficking and sexual exploitation
LSS	Law on Social Security Schemes
MDG	Millennium Development Goal
MoLVT	Ministry of Labour and Vocational Training
MoSAVY	Ministry of Social Affairs, Veteran and Youth Rehabilitation
NEA	National Employment Agency
NEET	Share of youth not in education and not in employment
NPA	National Plan of Action
NSDP	National Strategic Development Plan
NIS	National Institute of Statistics
NSPS-PV	National Social Protection Strategy for the Poor and the Vulnerable
NSSF	National Social Security Fund
OSH	Occupational safety and health
PPP	Purchasing power parity
PWP	Public work programme
RS	Rectangular Strategy for Growth, Employment, Equity and Efficiency
TRE	Time-related underemployment
TVET	Technical, Vocational Education and Training
UDC	Undetermined duration contract

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1 Economic and social context for decent work

Since the early 1990s, Cambodia has pursued wide-ranging economic reforms aimed at accelerating and consolidating the transition from central planning to a market-based economic system. These reforms, together with improved security and political stability, helped usher in a period of unprecedented economic growth which has not only transformed the physical landscape of the country, but has also made significant inroads into poverty reduction and human development.

In the decade prior to the economic crisis, Cambodia was one of the world's fastest growing economies. Between 1999 and 2007, GDP growth in PPP terms averaged 8 per cent per annum, and peaked at 11.5 per cent in 2005. Alongside this growth came structural shifts in the economy, as illustrated by the comparably faster growth of industrial employment over traditional sectors like agriculture. Although the latter still employs the bulk of the working population, its share of total employment remained virtually static at around 58 per cent between 2004 and 2009, while the equivalent share for the industrial sector rose 2 percentage points to 15.6 per cent.

Employment shares in agriculture, industry and services have remained fairly evenly distributed between men and women, although men typically form the slight majority (Table 1.2). The exception is the industrial sector, where women's shares in both 2004 and 2009 were more than 50 per cent (Table 1.3). This is likely to be due to the abundance of female-dominated jobs in the garment industry, which is the pre-eminent industrial employer in the country.¹

¹ The female share of employment in industry as a whole remained slightly more than half over the 2004 to 2009 period – albeit with a slight overall decline (from 52.7 per cent to 51 per cent). For more on women's share of employment by occupational category, see Chapter 8 (Equal opportunity and treatment in employment).

The recent decline in agricultural employment has been most pronounced in the country's urban areas which is most likely related to the physical proximity of industrial jobs.² Between 2004 and 2009, the share of total employment in agriculture in these areas contracted by almost half, from 26.7 per cent to 13.5 per cent. Meanwhile, the concomitant share in industry rose by 12.8 percentage points to 18.4 per cent (Table 1.2). In terms of employment and contribution to GDP, 'industry' in Cambodia continues to be dominated by garment manufacturing, although as discussed below, the largest recent gains in terms of industrial productivity have come from the mining sector (Table 1.2).

In a context of rapid economic growth, a little progress on poverty reduction has been observed, and at far more modest rates than might have been expected. The share of people living under the national poverty line declined from 36.1 per cent in 1997 to 30.1 per cent in 2007, with rates both lower and falling more rapidly in urban areas. This underscores the importance of improving productivity and incomes in agriculture, where poverty is most concentrated, as part of a wider national strategy for balanced and inclusive growth in Cambodia (Table 1.4).

Growth in Cambodia has also been accompanied with rising inequality. Data from 2004 and 2007 show that consistently more than one-third of national income is concentrated in the hands of the richest ten per cent, and this share rose from 34.9 per cent to 36.9 per cent during that time. At the same time, the income share of the poorest

² Agricultural production also takes place in urban areas in Cambodia, typically not in the main commercial centres but within wider urban catchment areas and peripheries.

Table 1.1. Real GDP per capita

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
CONT-9. Real GDP per capita in PPP\$												
Real GDP per capita, PPP (constant 2005 international \$)	864	947	1,010	1,072	1,124	1,200	1,303	1,453	1,583	1,717	1,802	1,739
Real GDP per capita, PPP (growth rate), %	2.7	9.6	6.7	6.1	4.9	6.8	8.6	11.5	9.0	8.4	4.9	(3.5)

Source: World Bank, World Development Indicators, International Comparison Program database (<http://data.worldbank.org>, accessed 1 June 2011).

Note: GDP per capita based on purchasing power parity (PPP). PPP GDP is gross domestic product converted to international dollars.

Table 1.2. Employment by branch of economic activity

	Socio-Economic Surveys			Census	
	2004	2007	2009	1998	2008
CONT-6. Employment by branch of economic activity (% distribution)					
Total	6,622,222	7,060,874	7,732,463	4,773,488	6,841,272
Agriculture	57.9	58.0	58.0	75.6	72.1
Industry	13.6	14.7	15.6	4.2	8.6
Services	27.1	27.1	26.3	18.3	19.3
Others and not reported	1.4	0.2	0.0	1.9	0.0
Male	3,339,063	3,612,264	3,892,588	2,330,301	3,345,926
Agriculture	58.7	56.7	58.0	69.0	69.2
Industry	12.7	15.1	15.2	5.0	8.1
Services	27.7	28.0	26.8	23.4	22.7
Others and not reported	0.9	0.2	0.0	2.5	0.0
Female	3,283,160	3,448,610	3,839,875	2,443,187	3,495,346
Agriculture	57.2	59.4	58.1	81.8	75.0
Industry	14.4	14.2	16.0	3.5	9.0
Services	26.6	26.1	25.8	13.5	16.0
Others and not reported	1.8	0.2	0.0	1.3	0.0
Urban	1,000,841	1,285,728	1,412,877	756,420	1,225,965
Agriculture	26.7	16.3	13.5	18.2	14.0
Industry	12.8	14.2	18.4	16.0	25.3
Services	58.8	69.4	68.0	63.2	60.7
Others and not reported	1.6	0.1	—	2.6	0.0
Rural	5,621,382	5,775,146	6,319,586	4,017,068	5,615,307

Source: NIS calculations from Cambodia Socio-economic Survey (2004, 2007, 2009) and Population Census (1998, 2008).

Note: Ages 15+. Data not strictly comparable across years due to variances in survey and sample design.

10 per cent already small, fell from 3.1 per cent to 2.7 per cent (Table 1.5).

Wage inequalities are also important, although indications point to an improving overall picture. In 2004, by taking into account main and secondary economic activities, wealthy wage workers – those in the 90th percentile (P90) of the income distribution – earned on average nearly eighteen

times as much as those with very low wages (the 10th percentile, or P10) and nearly twelve times as much in 2009.³ A similar but less pronounced situation was observed for workers within their main economic activity only (Table 1.6).

³ More specifically, the ratio of monthly earnings of those near the top of the distribution (the 90th percentile, or P90) over the monthly earnings of those near the bottom (the 10th percentile, or P10) was 17.8 in 2004 and 12 in 2009.

Table 1.3. Female share of employment by sector

	Socio-Economic Surveys			Census	
	2004	2007	2009	1998	2008
CONT-10. Female share of employment by sector, %					
Total	49.6	48.8	49.7	51.2	51.1
Agriculture	48.9	50.0	49.7	55.4	53.1
Industry	52.7	47.3	51.0	42.0	53.7
Services	48.6	47.1	48.7	37.6	42.4
Others and not reported	65.4	58.0	–	34.5	33.1
Urban	47.8	46.3	49.1	42.7	47.1
Agriculture	48.2	47.9	48.8	52.5	48.9
Industry	48.7	40.7	50.8	41.6	53.8
Services	46.9	47.1	48.7	40.7	43.9
Others and not reported	67.9	27.7	–	30.3	33.7
Rural	49.9	49.4	49.8	52.8	52.0
Agriculture	49.0	50.1	49.8	55.5	53.3
Industry	53.4	48.7	51.1	42.5	53.6
Services	49.4	47.1	48.8	33.9	40.4
Others and not reported	64.9	62.8	–	35.7	29.5

Source: NIS calculations from Cambodia Socio-economic Survey (2004, 2007, 2009) and Population Census (1998, 2008).

Note: Ages 15+. Data not strictly comparable across years due to variances in survey and sample design.

Table 1.4. Poverty

	1997	2004	2007	2009
CONT-12. Poverty indicators				
Poverty rate, national poverty line, % of total population	36.1	34.7	30.1	na
Poverty gap, national poverty line, %	na	6.7	7.2	na
Poverty rate, urban poverty line, % of urban population	21.1	18.0	na	na
Poverty gap, urban poverty line, %	na	1.2	na	na
Poverty rate, rural poverty line, % of rural population	40.1	39.2	34.7	na
Poverty gap, rural poverty line, %	na	7.8	8.3	na
Poverty rate, international \$2 per day (PPP), % of total population	na	68.2	57.8	na
Poverty gap, international \$2 per day (PPP), %	na	28.0	20.1	na
Poverty rate, international \$1.25 per day (PPP), % of total population	na	40.2	25.8	na
Poverty gap, international \$1.25 per day (PPP), %	na	11.3	6.1	na

Source: World Bank, World Development Indicators (2011), referencing Cambodia Socio-Economic Survey (various years).

Note: Poverty gap is the mean shortfall from the poverty line (counting the non-poor as having zero shortfall) as a percentage of the poverty line.

Disaggregation by sex reveals a comparably better picture among women than men: over the same period the female ratio (P90/P10) fell from 20 to 8.4 – meaning that where the earnings of well-off women were previously 20 times higher than those of poor women, five years later they were just eight times higher. However, this does not necessarily

indicate that the situation of the poorest women improved, since other scenarios could have led to the same change in the ratio (Table 1.6).⁴

⁴ The wealthy, for example (P90) may have seen their earnings fall while those of the poor (P10) remained static (hence the P90/P10 ratio would fall); similarly, both groups could have seen their earnings decline.

Table 1.5. Income inequality

	2004	2007	2009
CONT-4. Income inequality (percentile ratio P90/P10)			
Percentile ratio (P90/P10)	11.4	13.7	na
Income share held by highest 10%	34.9	36.9	na
Income share held by lowest 10%	3.1	2.7	na

Source: World Bank, World Development Indicators, Development Research Group (<http://data.worldbank.org>, accessed 1 June 2011), referencing Cambodia Socio-economic Survey (various years).

Table 1.6. Inequality in wages/earnings

	2004	2007	2009
CONT-11. Wage / earnings inequality (percentile ratio P90/P10)			
Total (employees, monthly salary/wages earned during the last month from all economic activities).	17.8	11.3	12.0
Male	18.0	10.3	12.3
Female	20.0	10.3	8.4
Total (employees, monthly salary/wages earned during the last month from main economic activity).	13.3	10.4	10.0
Male	12.6	10.0	9.6
Female	15.0	10.6	7.5

Source: Cambodia Socio-economic Survey (2004, 2009).

Note: Ages 15+. Includes employees only and covers monthly salary/wages earned during the last month from all economic activities.

The high levels of inequality in earnings provide an indication of the uneven nature of Cambodia's growth to date, and raise concomitant questions over the sustainability of future growth, particularly if further reductions in inequality are not realized soon. This is recognized in the National Strategic Development Plan, which notes that Cambodia's high Gini coefficient for per capita consumption suggests that equivalent measures of income inequality are also high. In response, it highlights the need to address the issue at its root: namely, the uneven spread of economic and social opportunities and the skewed distribution of financial and human capital among different groups in society.⁵

Inflation has become a growing recent concern in Cambodia, and was drawn into focus amid the global food and fuel price crises of 2007 and 2008. Being a small open economy with significant trade reliance with neighbouring Thailand and Vietnam, the country was also highly vulnerable to imported

inflation, particularly on processed and manufactured goods. Inflation, as measured by the country's average consumer price index, started to rise significantly toward the end of 2007, and this continued into 2008, when it reached an average of 25 per cent (Table 1.7). The following year saw a sharp decline in inflation as Cambodia became embroiled in the global economic downturn. With monetary policy constrained by the dollarized economy, the Cambodian Government has comparably fewer options than others in the region to manage inflationary pressures, both now and in the coming years.

Although still lower than most of its ASEAN neighbours, Cambodia's labour productivity has improved in recent years. Nationally, labour productivity levels – as measured by GDP per employed person in constant 2000 Riels – expanded by an average of 4.4 per cent per annum between 2004 and 2009, although this tends to mask the often large disparities evident between sectors. Between 2004 and 2009, GDP levels per employed person in industry more than doubled from R5,819,703 to R12,149,091 (in constant

⁵ See RGC (2006) *National Strategic Development Plan 2006-2010*. Available at: http://www.cdc-crdb.gov.kh/cdc/aid_management/nsdp.pdf

Table 1.7. Inflation

CONT-5. Inflation rate													
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Inflation, average consumer prices, Index	80.2	83.4	82.8	82.7	82.8	83.6	86.9	92.4	98.1	105.6	132.0	131.1	136.4
Inflation, average consumer prices, annual change, %	14.8	4.0	(0.8)	(0.1)	0.1	1.0	3.9	6.3	6.1	7.7	25.0	(0.7)	4.0
Inflation, end of period consumer prices, Index	83.8	83.3	82.7	82.3	83.5	83.5	87.9	95.2	99.2	113.1	127.3	134.0	138.2
Inflation, end of period consumer prices, annual change, %	13.3	(0.5)	(0.8)	(0.4)	1.4	(0.0)	5.3	8.4	4.2	14.0	12.5	5.3	3.1

Source: IMF, World Economic Outlook Database (April 2011), referencing National Institute of Statistics.

Note: Prices are not harmonized; frequency of source data is monthly.

prices), or an average increase of 15.9 per cent per annum, making it the most productive sector in the economy by some distance (and more than seven times as productive as agriculture).⁶ A similar rate of expansion was also observed in the service sector, albeit from a lower base: productivity here grew from R4, 174,712 to R8, 697,500, or 15.8 per cent on average per annum (Table 1.8).

Progress in agriculture, by comparison, was far less impressive, expanding by an average of 2.1 per cent per annum (rising from R1, 458,833 to R1, 620,081). With nearly 60 per cent of the employed still in this sector, this represents a major challenge for the country's overall growth, development, and decent work prospects. Indeed, although structural change toward industry (particularly garment production and construction) and services (particularly trade, real estate, transport and communication, and hospitality and tourism) is expected to continue in the coming years⁷, the achievement of balanced and inclusive growth in Cambodia will still rest heavily on the ability of the country to improve agricultural productivity, which as regional examples like Thailand have shown, will continue to dominate employment even at middle income status.

Labour and employment rights in Cambodia are governed by a number of legal authorities, including the 1993 Constitution, the Labour Law (LL) of

1997, various regulations (sub-decrees, Prakas, circulars and Notices), as well as collective bargaining agreements, employment contracts and employer's internal regulations.⁸ According to the Constitution, Cambodia shall recognize and respect the United Nations Charter, the Universal Declaration of Human Rights, and the covenants and conventions related to human rights, women's and children's rights (Art. 31). Cambodia must also take action to implement the ILO Conventions that it has ratified.

The Cambodian Labour Law and related regulations provide the overarching legal framework and minimum set of guarantees for employment relations in Cambodia. The law applies to all enterprises of more than eight employees and all employer-employee relations where a written or verbal contract is present.⁹ It does not generally apply to household employees, those employed in air and maritime transport, and state employees (such as civil servants, judges, the police, army and military police). Owing to its insistence on a formal contract, whether written or oral, the law also excludes the bulk of those working outside the formal sector (where employment contracts are rare).

As in most countries, the achievement of decent work in Cambodia is dependent on a coordinated,

⁶ Large disparities exist within the industrial sector, however, with the recent growth of mining in particular bringing up the overall average.

⁷ World Bank: *Sustaining Growth in a Challenging Environment* (PREM Sector Unit, Phnom Penh, February 2009).

⁸ ILO: *Guide to the Cambodian Labour Law for the Garment Industry*, Better Factories Cambodia (Phnom Penh, 2005); BNG: *Guide to the Cambodian Labor Law for NGOs*, BNG Legal (Phnom Penh, September 2010).

⁹ This is true regardless of the nationality of the employer or employee, as long as the work is to be performed in Cambodia.

Table 1.8. Labour productivity

	2004	2007	2009
CONT-3. Labour productivity (GDP per employed person, level and growth rate)			
GDP per employed person, constant 2000 prices (Riels)	2,768,341	3,544,399	3,439,525
Agriculture	1,458,833	1,751,319	1,620,081
Industry	5,819,703	7,291,454	12,149,091
Services	4,174,712	5,377,027	8,697,550
GDP, constant 2000 prices (billion Riels)	18,333	25,027	26,596
Agriculture	5,596	7,174	7,995
Industry	5,235	7,564	7,123
Services	7,502	10,289	11,478
Total employed persons	6,622,222	7,060,874	7,732,463
Agriculture	3,835,943	4,096,342	4,934,938
Industry	899,530	1,037,379	586,299
Services	1,797,010	1,913,511	1,319,682

Source: GDP: NIS National Accounts; Employment: NIS calculations from Cambodia Socio-economic Survey (various years).

Note: GDP figure for 2009 is an estimate. Base year is 2000.

professional and well-financed system of labour administration. In its broadest sense, such a system refers to all activities undertaken by the country's public administration related to the design, implementation, governance and evaluation of labour policy (across all government departments and public bodies). In this respect, labour administration is an important component of both decent work and wider socio-economic development, since it provides the institutional underpinning of efforts to encourage employment growth, protect workers, extend social protection, and strengthen social dialogue. At the normative level, labour administration is enshrined in ILO Convention No. 150 (Labour Administration Convention), which Cambodia has ratified, and which sets out the general provisions to define the role, functions and organization of administration systems at the national level.

As in other countries, the major challenges for Cambodia in terms of labour administration are twofold: (i) the generally low capacity of ministries to develop and coordinate integrated labour and employment policies, as well as their effective implementation and enforcement; and (ii) the need to enhance flexibility and adaptation of the system to changing economic conditions, most notably through the modernization of management and use of new technologies.

Cambodia has made significant progress in improving key education indicators since the late 1990s – something which has important implications for its future development prospects. Net enrolment rates in primary education have risen from 83.2 per cent in 1999 to 88.6 per cent in 2008, and with this, the gap between girls and boys has also been narrowed. With girls' enrolment rates accelerating more than twice as fast as that of boys (7.4 percentage points over the period in question, as against 3.4 percentage points for boys), recent trends would suggest the gender gap in primary enrolment may soon be eliminated altogether (Table 1.9).

A less impressive picture is evident at the secondary school level, where, the enrolment rate remains roughly half that of primary schools (34 per cent in 2007) despite doubling between 1999 and 2008. This means that although the vast majority of children in Cambodia are now attending primary school, a majority above the age of 12 are not continuing their studies. This has profound implications for their future employability and labour productivity, as well as the country's development prospects.

Rising enrolment rates mean fewer children on average are out of school. Since 1999, the proportion of children not in school – measured as 100 minus the net enrolment rate – has fallen 5.4 percentage points to 11.4 per cent in 2008. At

Table 1.9. Children not in school

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
CONT-1. Children not in school (%)												
Percentage of children not in school, primary education (ages 6-11), total	na	16.8	12.7	15.7	13.6	na	na	na	10.2	10.2	11.4	na
Male	na	13.0	9.0	12.7	11.0	na	na	na	9.3	8.3	9.6	na
Female	na	20.7	16.5	18.8	16.3	na	na	na	11.2	12.2	13.3	na
Percentage of children not in school, secondary education (ages 12-17), total	na	84.7	83.8	82.6	77.8	74.5	74.1	76.0	69.5	66.0	na	na
Male	na	80.2	79.3	78.1	72.4	69.0	70.2	74.0	67.2	63.8	na	na
Female	na	89.3	88.3	87.2	83.4	80.1	78.1	78.1	71.9	68.3	na	na
Percentage of children not in school, lower secondary education (ages 12-14), total	na	77.3	76.6	72.1	66.0	60.9	57.7	52.3	47.2	43.6	41.8	43.6
Male	na	70.5	70.1	65.3	58.9	53.7	51.6	46.9	42.8	39.6	38.7	41.6
Female	na	84.2	83.3	79.1	73.4	68.2	64.0	57.9	51.9	47.7	44.9	45.6
Net enrolment rate, primary education (ages 6-11), total	na	83.2	87.3	84.3	86.4	na	na	na	89.8	89.8	88.6	na
Male	na	87.0	91.0	87.3	89.0	na	na	na	90.7	91.7	90.4	na
Female	na	79.3	83.5	81.2	83.7	na	na	na	88.8	87.8	86.7	na
Net enrolment rate, secondary education (ages 12-17), total	na	15.3	16.2	17.4	22.2	25.5	25.9	24.0	30.5	34.0	na	na
Male	na	19.8	20.7	21.9	27.6	31.0	29.8	26.0	32.8	36.2	na	na
Female	na	10.7	11.7	12.8	16.6	19.9	21.9	21.9	28.1	31.7	na	na
Gross enrolment ratio, lower secondary education (ages 12-14), total	na	22.7	23.4	27.9	34.0	39.1	42.3	47.7	52.8	56.4	58.2	56.4
Male	na	29.5	29.9	34.7	41.1	46.3	48.4	53.1	57.2	60.4	61.3	58.4
Female	na	15.8	16.7	20.9	26.6	31.8	36.0	42.1	48.1	52.3	55.1	54.4

Source: UNESCO Institute for Statistics Data Centre, referencing Cambodia Ministry of Education, Youth and Sports (<http://stats.uis.unesco.org>, accessed 13 May 2011).

Note: Children not in school estimated as 100 minus the Net enrolment rate (NER) or Gross enrolment ratio (GER). NER used for (a) primary education (ages 6-11) and (b) secondary education (ages 12-17). GER used for lower secondary education (ages 12-14).

the same time, the gender gap has also narrowed, although girls remain more likely than boys to be out of primary school. The secondary school picture is far less impressive: despite falling by nearly 20 per cent, the share of 12 to 17 year olds who were not in school in 2007 still stood at two-thirds.¹⁰ However, the gender gap for that age group narrowed quite significantly during the same period.

The disparities between primary and secondary education may in part be the result of the overwhelming recent focus policymakers and development partners have placed on improving the primary system as the basis for economic and developmental progress. Education is one of the four pillars of Cambodia's Rectangular Strategy, and is

as such covered both in the NSDP and in the Education Strategic Plan (ESP).¹¹ Achieving universal primary education is also one of Cambodia's Millennium Development Goals (CMDG 2).

Adult literacy rates chart the performance of basic educational standards among the population aged 15 and above. In this regard, and in line with general educational progress, Cambodia has seen an improving overall picture in recent years. Between 2004 and 2008, total

¹¹ While the ESP typically looks at short term educational policies like reducing corruption in schools and improving teacher training, the Government also has a long term strategy called the National Plan for Education for All: 2003-2015. Through a multi-stakeholder, sector-wide approach, this strategy aims to improve educational quality in Cambodia by gradually reducing the cost of education, particularly for the poor, and increasing the wages and performance-incentives available to teachers (including, performance-related pay, for example). See ODI: *Cambodia Case Study for the MDG Gap Task Force Report*, Overseas Development Institute (London, May 2010).

¹⁰ No data is available for 2008.

Scope of the Labour Law

The Labour Law (LL) applies to workers and employers who have an employment contract (written or oral). It does not apply (Art. 1 LL) to permanent civil/public servants; the judiciary; the police and army (they are governed by separate statutes). It does not apply to domestic workers (unless stated and apart from freedom of association provisions under the LL). Seafarers and flying personnel are governed by special legislation (apart from freedom of association provisions). Apprentices are not excluded from the LL, however termination of apprenticeship contracts is regulated by specific provisions (Arts. 63-64 LL).

Art. 3: “Worker” designates any person who has signed an employment contract in return for remuneration, under the direction and management of another person, whether that person is a natural person or legal entity, public or private. “Employees or helpers” are those who are contracted to assist any person in return for remuneration, but who do not perform manual labour fully or who do so incidentally. “Employers” designates all persons who, or legal entities, public or private which constitute an enterprise, provided that they employ one or more workers.

The LL covers casual workers. They are subject to the same rules and obligations and enjoy the same rights as regular workers unless specified (Art. 10 LL). A casual worker performs an unstable job and is contracted to perform specific work that shall normally be completed within a short period or perform a work temporarily, intermittently and seasonally (Art.9 LL). The LL also applies to part-time workers (03/03).

Type of contracts

A worker can be hired for a fixed or undetermined duration (Art. 66 LL). A fixed-term contract cannot exceed two years; it can be renewed as long as the total period of employment does not surpass two years (confirmed by Arbitration Council in Award 10/03). It needs to be in writing. If these provisions are not respected, the contract is deemed to be for an undetermined period (Art. 67 LL). Workers, who are engaged in an employment that is not performed regularly throughout the year, are considered to have met the condition of continuous service, if they work an average of 21 days per month (Art. 166 (3) LL). Employers who employ eight or more employees must have internal regulations which must be in compliance with the national labour legislation (LL: Arts. 22-25; 30; 284; Prakas 313/00; Notice 14/02). Fixed-term contracts may have an unspecified finishing date when they are drawn up for replacing a worker who is temporarily absent; seasonal work; occasional periods of extra work or a non-customary activity of the enterprise. Such contracts may be renewed indefinitely. Daily or hourly contracts are considered to be fixed-term contracts with an unspecified date.

The **Arbitration Council** orders the employer to convert the status of casual workers (floating workers) who have worked consecutively for more than two months to that of regular workers (permanent workers) and to provide the same rights and benefits to the casual workers as those of the regular workers (see for example, Award 116/10- Whitex of 29 November 2010).

A **probationary employee** is one who has a clearly defined probationary period in their contract (03/03). The probationary period cannot exceed three months for regular employees, two months for specialized workers and one month for non-specialized workers (Art. 68 LL). After a probationary period, a worker must be hired for a fixed or undetermined duration (Arbitration award 3/03).

An **apprentice** is a person being trained by the employer. An apprenticeship is for a maximum period of two years (Art. 51 LL). However, Notice 06/97 states that in the garment industry the period of apprenticeship should last no longer than two months. The apprenticeship agreement needs to be in writing (Art. 52 LL).

literacy rates rose by four percentage points to 77.6 per cent, with the men’s rate higher at 85.1 per cent while the women’s was at 70.9 per cent. Although still indicative of unequal access to education among Cambodian girls, the 2008 data represented a significant narrowing of the gender gap since 2004 (Table 1.10).

Over the last decade, Cambodia has moved from having a generalized HIV epidemic to one that is ‘concentrated’ – i.e. low overall prevalence but with high rates among specific at-risk groups.¹² Adult prevalence has fallen by more than half

since 2001, and in 2009 stood at 0.5 per cent (aged 15 to 49) – down from 2.1 per cent in 1999.¹³ The reduction is in large part due to the success of information, outreach and prevention programmes started in the 1990s (see for example the “100% Condom Use Program” in brothels, started in 1998). Reduced prevalence is also linked to the large number of deaths among men during the last decade, who were infected early in the epidemic, prior to the introduction of life-saving anti-retroviral treatments (Table 1.11). Women form the majority among those liv-

¹² Official definitions of the two major categories of HIV epidemic are available at <http://www.avert.org/statistics.htm> and http://www.unicef.org/aids/index_epidemic.html

¹³ USAID: HIV/AIDS Health Profile (Phnom Penh, December 2010). Available at: http://www.usaid.gov/our_work/global_health/aids/Countries/asia/cambodia_profile.pdf

Legal Framework Indicator 1. Labour administration

Law, policy and institutions: Labour Law (LL).

Art. 338 LL stipulates that Labour Administration is responsible for preparing, implementing, coordinating, supervising, evaluating national labour policy and settling individual and collective disputes. The MoLVT shall issue a Prakas to determine the structure and functions of the Labour Administration (Art. 341 LL). The Ministry of Labour and Vocational Training (MoLVT) has the responsibility to administer the enforcement of the LL and related laws. It is central to governance and reform policies and is the key coordinating body for the operationalization of the labour legislation. Provincial departments for labour have been set up in all provinces in the past few years.

Within the MoLVT, the General Directorate of Labour has six departments concerning: labour inspections; labour dispute; employment and manpower; child labour; occupational health; and social security. The MoLVT also includes the General-Directorate for Technical, Vocational Education and Training (TVET). The Department of TVET, originally part of the Ministry of Education, Youth, and Sport, was merged into the new MoLVT in 2004. The Manpower Training and Overseas Sending Board became part of the MoLVT in 2006 by sub-decree 70 to act as public recruitment agency to manage the migration of Cambodian workers abroad. Coordination of the functions entrusted to the Ministry is ensured by a scheme pursuant to which all departments of the Ministry report to the General Department on Labour on their activities.

The Ministry of Social Affairs, Veteran and Youth Rehabilitation (MoSAVY) is mandated to work on social welfare; developing regional strategies for combating trafficking; child welfare (including child labour policies); and social security. The National Social Security Fund (NSSF) was established under the auspices of the MoLVT and the Ministry of Finance in order to administer the social security system (NSSF-C for civil servants is under the auspice of MOSAVY). It is managed and monitored by a tripartite governing body.

The National Training Board was established in 1996 in order to coordinate a long-term development plan for technical vocational education and training. Moreover, the National Employment Agency was founded in April 2009 with the objective to develop effective labour market information and provide quality employment services. Labour Inspectors and controllers ensure the enforcement of the labour legislation; and provide technical advice in cooperation with relevant ministries (LL: Arts. 344-345).

The Labour Advisory Council (LAC) was established in 1999 to review and approve labour regulations (including minimum wage review). Sub-Decree No. 37 Ankr BK on the Composition and Functioning of the LAC (No. 62 Ankr BK) was introduced on 28 April 1999. The LL foresees the creation of labour courts with jurisdiction over the individual disputes occurring between workers and employers regarding the execution of the labour contract or the apprenticeship contract (Art. 387 LL); they have not been established yet. The Arbitration Council (AC) was established in 2003 as an independent, national institution with quasi-judicial authority derived from the LL to resolve collective labour disputes.

Evidence of implementation effectiveness: The Government stated in its report to the CEACR that the coordination of the functions and responsibilities of the system of labour administration is ensured by a “top-down” decision making system, while information and assistance to provincial offices are provided upon their request from the central office. The CEACR noted with interest that the MoLVT has been working with the ILO to monitor and improve labour conditions in the informal sector. During the period of 1 May 2003 to 31 December 2009, the AC received over 830 cases. Of the 653 cases received through December 2008, either an agreement was facilitated or an award that was subsequently accepted by the parties was issued in 68 per cent of them.

Ratification of ILO Conventions: The Labour Administration Convention, 1978 (No. 150) has been ratified on 23 August 1999.

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.basic?p_lang=en&p_country=KHM);
2. CEACR 2010 direct request concerning Convention 150 (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdroff=1&ctry=1190&year=2010&type=R&conv=C150&lang=EN>);
3. CEACR, Direct Request concerning Convention No. 150, 2009 (<http://www.ilo.org/ilolex/cgi-lex/pdconv.pl?host=status01&textbase=iloeng&document=25036&chapter=9&query=Cambodia%40ref&highlight=&querytype=bool&context=0>);
4. Chan Sovannareth, Implementing New Strategic Direction in HRD Cooperation in the GMS (<http://www.adb.org/Documents/Events/Mekong/Proceedings/HRD9-Appendix5A.pdf>);
5. International Organization for Migration, Review of Labor Migration Dynamics in Cambodia (<http://piasdgserver.usp.ac.fj/apmrn1/fileadmin/files/docs/cambodia/LMReportCambodia.pdf>);
6. ILO, Better Factories Cambodia (http://www.betterfactories.org/content/documents/1/NSSF_Brochure%20%28Eng%29.pdf);
7. The Arbitration Council (<http://www.arbitrationcouncil.org/Aboutus/TheArbitrationCouncil/StatisticsonLabourDisputeResolution/tabid/228/language/en-US/Default.aspx>);
8. Kingdom of Cambodia, Policy on Labour Migration for Cambodia, p. 18 (http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_145704.pdf);
9. Chan Sophal, Review of labour migration management, policies and legal framework in Cambodia, ILO Asia-Pacific Working Paper Series, May 2009, p. 14 (http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_106497.pdf).

Table 1.10. Adult literacy rate

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
CONT-7. Education of adult population (adult literacy rate), %												
Total	67.3	na	na	na	na	na	73.6	na	na	na	77.6	na
Male	79.5	na	na	na	na	na	84.7	na	na	na	85.1	na
Female	57.0	na	na	na	na	na	64.1	na	na	na	70.9	na

Source: UNESCO Institute for Statistics Data Centre, referencing Cambodia Ministry of Education, Youth and Sports (<http://stats.uis.unesco.org>, accessed 13 May 2011).

Note: Ages 15+.

ing with HIV in Cambodia; their share having increased from 61.4 per cent of the estimated total in 2001 to 62.5 per cent in 2009. The majority are in their most productive working years, but many face discrimination and risks in the workplace as a result of their condition. To better protect the employment rights of those living with HIV, as well as to extend outreach, prevention and treatment services to their workplaces, the Cambodian Government has established a national tripartite coordinating mechanism on HIV and AIDS in the workplace, which has paved the way for new workplace based committees and programmes through which the aforementioned support can be delivered.

Summary Assessment

Important recent changes to the labour market in Cambodia have been fuelled largely by rapid economic growth. . The bulk of the employed population remains tied to agriculture despite the increasing growth of the service and industrial sectors which are both more productive and have faster rates of job creation than agriculture. In this context, raising incomes and productivity in the agriculture sector and expanding decent job opportunities in the wider rural economy will be key to ensuring balanced and inclusive growth and development in the coming years.

Compared to the country's rapid growth, poverty reduction has proceeded at a more modest pace, and remains a major obstacle to development. Due to the comparably more dynamic nature of the industrial and service sectors, poverty is falling faster in urban areas than in rural areas. At the same time, income inequality is high and appears to be growing. This undermines other aspects of developmental progress in Cambodia, and raises questions about the sustainability of future growth.

Cambodia shows good results in terms of recent educational progress, especially at the primary level, and especially among girls. Primary school enrolment rates have risen to nearly 90 per cent and the number of out of school children have fallen as a result. Literacy rates have increased as well, although a persistent gender gap is indicative of the continued challenges girls face in terms of equal educational access. Greater efforts are still required to improve enrolment and standards at the secondary level.

Cambodia has reduced its overall HIV prevalence rate since the late 1990s. However, prevalence remains higher among specific at-risk groups and more generally, among working age women. Workplace HIV committees, which currently enjoy only limited coverage, can play an important role in reducing HIV vulnerability and combatting discrimination in employment.

Table 1.11. HIV prevalence in the working age population

	2001	2005	2009
CONT-2. Estimated % of working-age population who are HIV positive			
Estimated number of people living with HIV, ages 15+	83,000	na	56,000
Estimated number of women living with HIV, ages 15+	51,000	na	35,000
Adult prevalence rate, ages 15-49, %	1.2	0.6	0.5

Source: UNAIDS: *Report on the Global AIDS Epidemic 2010*; UNAIDS and WHO: *AIDS Epidemic Update 2009*.

2 Employment opportunities

The right for women and men to choose employment freely, on the basis of their skills and experience and the needs of society is enshrined in the Cambodian constitution (Article 36, see LFI 2 below). In addition, employment concerns have been explicitly incorporated into national development plans since the mid-2000s.

Since 2004, the Rectangular Strategy for Growth, Employment, Equity and Efficiency (RS) has formed the overarching socio-economic policy agenda of the Cambodian Government, setting out its long-term vision for the country's development. It places good governance at its core, with concomitant– and overarching– commitments to strengthen peace and stability, promote sustainable and equitable development, respect human rights, and consolidate the country's democratic transition.

Employment is a key pillar of the RS, coming under Rectangle 3, which covers: (1) strengthening private sector and attracting investments; (2) creation of jobs and ensuring improved working conditions; (3) promotion of SMEs; and (4) creation of social safety nets for civil servants, employees and workers. This focus is naturally reflected in the National Strategic Development Plan (NSDP), which outlines priorities for private sector development and employment, and elaborates in further detail strategic action to achieve this. The ILO aligns its Decent Work Country Programme primarily (but not solely) with this component of the RS.

The NSDP (2006–2010) and the updated NSDP (2009–2013) articulates a systematic and multi-faceted policy approach with regard to employment creation, particularly for new and young labour force entrants. These include increased investments in agricultural productivity (to spur

job growth and cross-sector multiplier effects), investment promotion in job-rich sectors like agro-industry, tourism, and light industry, and better quality and improved access to technical vocational education and training (TVET). In addition, the Government has also sought to encourage international assistance in order to strengthen labour market data collection and analyses, employment services as well as management of cross-border labour migration.

In line with the employment focus of the RS, the Government in recent years has sought to strengthen the institutional capacity aimed at employment growth and labour market efficiency. This has been reflected in new investments in employment services, labour market information, and training and skills development, in particular. Although the National Training Board has been effective since the mid-1990s, the country's National Employment Agency has only been in operation since 2009, and hence is yet to make any significant impact on national employment indicators. These developments, together with ongoing efforts aimed at improving skills standards and upgrading the physical infrastructure for training and skills development should enable Cambodia to progress in addressing key labour market challenges, especially the deepening skills mismatch and persistent weaknesses in labour productivity.

The Cambodian Government has committed to the development of a National Employment Policy, which will bring the country into closer alignment with its obligations under ILO Convention No. 122.¹

¹ Full implementation of the Employment Policy Convention, 1964 (No. 122) – and particularly the development of a National Employment Policy – was disrupted in the ensuing years of conflict and isolation, which officially ended in 1993 following the UN-backed election and the transition to a new democratic political system.

Cambodia has also pursued employment objectives as part of its recently introduced strategy: National Social Protection Strategy for the Poor and Vulnerable, (NSPS-PV), a key component of which is a harmonized public works programme. Under this programme, it is expected that poor communities will be able to avail of temporary employment opportunities in the development of local infrastructure and other physical assets (i.e. primarily low and semi-skilled, labour intensive work). Using the principles of “self-targeting” (i.e. offering wages just above the minimum so as to attract those most in need), public works programmes are particularly effective at relieving seasonal unemployment and underemployment in rural areas, thus also contributing to economic and food security. As the scheme is rolled out in the coming years, there will be opportunities to monitor and assess the progress of this programme in terms of a number of employment indicators, in particular the number of workdays created and beneficiaries reached.²

Cambodia’s labour force has undergone significant changes since the late 1990s. In 2008, workers aged 15 or older numbered just under 7 million, representing an increase of 1.9 million from 1998, or an average increase of 3.3 per cent per annum. Based on more recent CSES data, this number expanded at an even faster rate in the mid and late 2000s, increasing by just under 1.1 million between 2004 and 2009. With a concomitant slightly larger increase in the working age population, Cambodia’s labour force participation rate (LFPR) – the number of persons in the labour force expressed as a percentage of the working age population – also increased, by just over 1 percentage point to 81.7 per cent, following the longer term trend. Participation rates remained consistently higher among men than women (see Table 2), although the gap narrowed slightly between 2004 and 2009.

The bulk of the population in Cambodia resides in rural areas and is engaged mostly in agriculture. Labour force participation rates are con-

siderably higher in rural than urban areas with more than 80 per cent between 2004 and 2009. Equivalent rates in urban areas, although lower, remained nonetheless high at 73.5 per cent in 2004 and 70.6 per cent in 2009. The decline during this period may be linked to a number of factors, including rising educational enrolment and the impact of the economic crisis, which led some newly jobless workers – from hard hit urban industrial sectors in particular – to leave the labour force altogether.³

Male labour force participation rates remained virtually unchanged between 2004 and 2009, at 86.1 per cent and 86.8 per cent, respectively, with a slight dip between 2007 and 2009. The female rate remained significantly lower at 77 per cent in 2009, despite having grown by 1.3 percentage points since 2004. Although it is common for women’s participation rates to be lower than males’ (women opt out of the labour force for a range of reasons, both voluntarily and coerced), a prolonged and widening gender gap may also indicate rising barriers to entry for women in the labour market.⁴ This is not yet evident in Cambodia where the divergence between the male and female LFPR has been small. However, various legal and policy provisions are already in place to try and pre-empt these trends through greater equality in access to education and training, employment services, and gender-sensitive business support services.⁵

A large proportion of Cambodia’s working age population is in employment. The employment-

² The inclusion of additional decent work indicators on the public works component of the NSPS-PV will depend on the availability, regularity, and reliability of the records kept by the coordinating body, the Council for Agricultural and Rural Development (CARD).

³ The example of retrenched garment workers returning home to rural areas to help with household chores and subsistence agriculture is one example of this. In this particular case, research has revealed that many of those who exited the labour force altogether intended to do so only temporarily, until the economy picked up and job prospects improved. See ILO: *From Downturn to Recovery: Cambodia’s Garment Sector in Transition*, Better Factories Cambodia (Phnom Penh, 2011, forthcoming).

⁴ Women often leave the labour force to raise families or manage households, due to social, traditional and institutional pressures to stay at home, and also sometimes in response to gender-based workplace discrimination.

⁵ However, it is at the same time important to note the narrowness of the definition of what constitutes employment, which fails to encompass a range of activities often performed by women – typically domestic and household tasks. This invisibility of women’s work often means that many women defined as economically inactive are in fact engaged in longer hours per week than men, in household and family work that contributes to and support the household’s main economic activities.

Legal Framework Indicator 2 Government commitment to full employment

Law, policy or institutions: Article 36 of the 1993 Constitution stipulates that Khmer citizens of either sex shall have the right to choose any employment according to their ability and the needs of society. Cambodia established the National Training Board in 1996, headed by the Deputy Prime Minister, which is responsible for the improvement of the existing educational and vocational institutions by setting national standards and certificates. The National Employment Agency was established on 27 April 2009 by Sub-Decree no. 67 RNK.BK. Furthermore, in 2004 the Government adopted the Rectangular Strategy for Growth, Employment, Equity and Efficiency (RS) which is the overarching socio-economic policy agenda of the Cambodian Government. To enable growth and development, the RS has four priority components: (i) agricultural development, (ii) infrastructure rehabilitation and development, (iii) private sector development and employment creation; and (iv) capacity building and human resource development. The main tool for the operationalization of the RS is the National Strategic Development Plan (NSDP), which also serves as the Government's national Poverty Reduction Strategy Paper (PRSP) and is the principal reference point for the harmonization and alignment of official development assistance to Cambodia. The key pillars of the NSDP match those of the RS. In addition, the Third Education Sector Development Program (ESDP III) and the Education Strategic Plan (2009–2013) were adopted by Cambodia. The CEACR noted that the Government endorses a policy of labour migration to neighbouring countries as a way of reducing poverty and unemployment. Cambodia has committed to the development of a National Employment Policy and is in the process of setting up a National Steering Committee for Decent Work to steer the Policy.

Evidence of implementation effectiveness: In a report to the CEACR, the Government stated that the Labour Advisory Committee has not been consulted in the development and implementation of employment policies. The Committee invited the Government to intensify its efforts to take into account the stakeholders' perspectives in formulating and implementing employment policies. The ILO Decent Work Country Programme implies that much of the workforce is unskilled, while many of the educated youth cannot find jobs due to a mismatch of skills and aspirations, on the one hand, and job requirements and available positions, on the other. The Government indicated in its report that there were 45 public and 209 private/NGO educational and vocational institutions and that the number of students graduating from these programmes had increased by 22.5 per cent between 2006 and 2008.

Ratification of ILO Conventions: The Employment Policy Convention, 1964 (No. 122) has been ratified by Cambodia on 28 September 1971.

Sources:

1. CEACR, Observation, Convention 122, 2010 (<http://webfusion.ilo.org/public/db/standards/normes/appl/index.cfm?lang=EN>);
2. ILO, Decent Work Country Programme, 2008-2010 (<http://www.ilo.org/public/english/bureau/program/dwcp/download/cambodia.pdf>);
3. National Employment Agency (<http://www.nea.gov.kh/main/en/NEA>);
4. ILO policy brief on youth employment in Cambodia, 2007 (http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_bk_pb_141_en.pdf);
5. Promoting employment in Cambodia: Analysis and options, ILO Subregional Office for East Asia, Elizabeth Morris, 2007, pp. 112-13 (http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_bk_pb_137_en.pdf).

to-population ratio (EPR) rose slightly during the mid-2000s to 81.5 per cent in 2009.⁶ Although positive, these numbers are less impressive against the backdrop of rapid economic growth (which averaged 9.6 per cent per annum between 2001 and 2007) and a robust expansion of the labour force. Together, they lend weight to the conclusion that Cambodia's economy remains limited in its ability to create decent employment opportunities. Ratios of over 80 per cent are usually indicative of abundant low quality employment, which itself

reflects poverty and the need to work for survival, especially in rural areas, where poverty is most widespread and where concomitantly, the highest employment-to-population ratios are found. Between 2004 and 2009 the EPR in rural areas grew by more than 3 percentage points to 84.5 per cent, while that of urban areas declined 1.4 percentage points to 70.8 per cent.

Rates of change in the EPR were higher for women than men, which has led to a slight narrowing of the gender gap for this indicator. In terms of rural-urban disparities, the EPR is higher in rural areas.

⁶ NIS: *Labour and Social Trends in Cambodia 2010* (National Institute of Statistics, Ministry of Planning, Phnom Penh, September 2010).

It should be noted that the high employment-to-population ratios observed in Cambodia provide no indication of the quality of employment being created, and therefore offer limited insight into the true state of progress toward decent work, since high ratios can be indicative of abundant low quality employment. For a more accurate picture of the direction and quality of employment growth, it is important to consider other labour market indicators, particularly the vulnerable employment rate.

Two indicators which help to shed light on issues of employment quality are the informal employment rate and the vulnerable employment rate (i.e. the sum of own-account workers and contributing family workers as a proportion of total employment). While data for the former are absent for Cambodia, data on vulnerable employment show a slight decline between 2004 and 2009, from 75.8 per cent to 73.4 per cent. This trend suggests only modest improvements have been made in the quality of employment over the last decade, despite rapid economic growth, diversification (away from agriculture) and falling unemployment. High rates of vulnerable employment also indicate widespread incidence of poverty, which in Cambodia remains true despite gradual progress in recent years.⁷

Women are still found consistently in greater numbers in vulnerable employment than men: in 2009, the female rate was some 8 percentage points higher than for males, at 77.4 per cent. This can at least be partly attributed to the traditional dominance of women in unpaid family work, which remains strongly upheld in many parts of the country today. Furthermore, although census data suggest the situation has improved since the late 1990s, CSES data point to a slight widening of the gender gap in the latter half of the 2000s. This strongly indicates the ongoing barriers women face in terms of gaining equal access to decent work opportunities in Cambodia.

Gaps are also evident between rural and urban areas, with vulnerable employment being con-

sistently higher in the former for every reference year. In line with the geographical bias of formal employment growth in Cambodia, vulnerable employment is in faster decline in urban than rural areas.

The unemployment rate⁸ is generally very low in Cambodia, in large part because most people of working age cannot afford to spend time looking for the right job, especially in the absence of unemployment benefits (see Legal Framework Indicator 3: Unemployment insurance) or family savings.⁹ From an already low base, official unemployment continued to fall in recent years, going from 0.9 per cent in 2004 to just 0.1 per cent in 2009 despite the impact of the economic crisis, which caused thousands of layoffs in several sectors. However, the crisis seems to have pushed more workers into other types of work – agriculture and the informal economy, in particular – than outright unemployment. Similar low rates of less than 0.5 per cent were observed for both men and women and both in urban and rural areas, although the largest decline was found in urban areas where the rate fell from 2.3 per cent in 2004 to 0.3 per cent in 2009. Total unemployment, after being slightly higher among women in 2004, was higher among men by 2009, although the absolute numbers were relatively small.

Although national unemployment rates are low in Cambodia, young people are far more likely to be unemployed than adults. In 2008, the youth unemployment rate was three times that of the adult rate.¹⁰ At the same time, following national overall trends, the rate of official youth unemployment fell from 12.2 per cent in 1998 to just 3.3 per cent in 2008. CSES data from the period 2004 to 2009 reveal a continuation of this trend, albeit from a lower start point and with a far smaller annual change. During this period the youth unemployment rate fell a further 1.3 per cent to 0.2 per cent.

⁷ Like the vulnerable employment rate, declines in Cambodia's poverty rate have been sluggish when measured against the stellar economic growth rates of the last decade. See World Bank: *Sustaining Growth in a Challenging Environment: Cambodia Country Economic Memorandum* (PREMS Unit, February 2009).

⁸ The unemployed comprise all those persons who, in a specified period (either a day or a week) were: (a) without work (i.e. not working in the specified period); (b) currently available for work; and (c) seeking work (i.e. had taken specific steps in a specified recent period to find work). See ILO: *Decent Work Indicators for Asia and the Pacific: A guidebook for policymakers and researchers* (Regional Office for Asia and the Pacific, Thailand, 2008).

⁹ NIS op.cit.

¹⁰ Ibid: p. 23.

Legal Framework Indicator 3 Unemployment insurance

Law, policy or institutions: N/A

Qualifying conditions: N/A

Benefits (level and duration): N/A

Evidence of implementation effectiveness: N/A

Coverage of workers in law: N/A

Coverage of workers in practice: N/A

Ratification of ILO Conventions: The Social Security (Minimum Standards) Convention, 1952 (No. 102) and the Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168) have not been ratified by Cambodia.

The youth labour force expanded by more than 26,000 between 2004 and 2009 in urban areas, as opposed to a contraction of nearly 112,000 in rural areas. Far more so than CSES figures, census data reveals both higher overall rates of unemployment and a larger rural-urban disparity. Between 1998 and 2008, urban rates of youth unemployment fell from 22.4 per cent to 7.8 per cent, while equivalent rates in rural areas declined from 10.2 per cent to 2.2 per cent.

The unemployment rate offers no insight into whether employment in a country is either full or productive, or embraces other key principles of decent work. As already noted, low incomes and a widespread absence of social protection compel many Cambodians to work just to survive, often in conditions contrary to decent work (low pay, insufficient hours, inadequate protection of fundamental rights and entitlements at work).

The highest rates of unemployment are concentrated among those with a primary or secondary education rather than those with the lowest or highest levels of education. In 2009, the share of those unemployed with a secondary education was 53.5 per cent nationally – up 4 per cent since 2004. Among the same group, males and urban workers appear comparably worse off than females and rural ones. In urban areas, for example, the share of unemployed with a secondary education rose almost twenty percentage points to 80.2 per cent in 2009 while in rural areas it fell from 42.3 per cent to 39.8 per cent.

Among those with a primary education, lower but still high shares of unemployment affect proportionally more women than men. The share of the unemployed who have no schooling appears to be on the rise, with comparatively more women and rural workers, than their counterparts falling into this category.

The share of youth not in education and not in employment (NEET) fell by over 3 percentage points between 2004 and 2009 when it stood at 7.2 per cent. Part of this can be explained by the widening of opportunities for both formal and non-formal training, as well as skills development, which tend to attract individuals who may otherwise be simultaneously out of education and out of work. Recent government indications put the number of public and private/NGO-run educational and vocational institutions at 45 and 209 nationally, with a recorded increase of 22.5 per cent in the number of students graduating from these programmes between 2006 and 2008.

The falling share of youth NEET may be influenced by the falling rate of youth unemployment in Cambodia, which is likely to have benefitted some young people who were previously out of both education and work.

Many of the aforementioned employment indicators relate to the volume of employment and not necessarily to its quality. High employment-to-population ratios and falling unemployment rates as observed in Cambodia do not necessarily imply

Table 2.1. Employment opportunities

	Socio-Economic Surveys			Census	
	2004	2007	2009	1998	2008
EMPL-1	Employment-to-population ratio, %				
Employment-to-population ratio, %, Total	79.8	80.3	81.5	73.0	77.0
Male	85.3	87.5	86.6	77.4	79.6
Female	75.0	73.9	76.9	69.2	74.7
Urban	71.8	69.4	70.4	57.0	62.9
Rural	81.4	83.1	84.5	77.0	81.0
Employment, Total	6,622,222	7,060,874	7,732,463	4,773,488	6,841,272
Male	3,339,063	3,612,264	3,892,588	2,330,301	3,345,926
Female	3,283,160	3,448,610	3,839,875	2,443,187	3,495,346
Urban	1,000,841	1,285,728	1,412,877	756,420	1,225,965
Rural	5,621,382	5,775,146	6,319,586	4,017,068	5,615,307
Working-age population, Total	8,295,036	8,797,557	9,482,868	6,539,848	8,881,890
Male	3,914,583	4,128,661	4,492,763	3,009,001	4,201,248
Female	4,380,453	4,668,896	4,990,105	3,530,847	4,680,642
Urban	1,393,194	1,851,523	2,006,298	1,325,949	1,949,676
Rural	6,901,842	6,946,034	7,476,570	5,213,899	6,932,214
EMPL-2	Unemployment rate, %				
Unemployment rate, %, Total	0.9	0.7	0.1	5.3	1.6
Male	0.9	0.7	0.2	4.6	1.5
Female	0.9	0.8	0.1	5.8	1.8
Urban	2.3	2.2	0.3	11.0	4.5
Rural	0.7	0.4	0.1	4.1	1.0
Unemployment, Total	60,763	51,645	10,965	264,894	114,368
Male	29,993	23,988	6,529	113,279	50,523
Female	30,770	27,657	4,435	151,615	63,845
Urban	23,566	28,303	3,717	93,715	57,363
Rural	37,197	23,342	7,247	171,179	57,005
Labour force, Total	6,682,985	7,112,518	7,743,428	5,038,382	6,955,640
Male	3,369,056	3,636,251	3,899,117	2,443,580	3,396,449
Female	3,313,929	3,476,267	3,844,311	2,594,802	3,559,191
Urban	1,024,406	1,314,031	1,416,595	850,135	1,283,328
Rural	5,658,579	5,798,487	6,326,833	4,188,247	5,672,312
EMPL-3	Share of youth not in education and not in employment, %				
Share of youth not in education and not in employment, %, Total	10.4	8.6	7.2	20.1	8.5
Male	7.1	4.9	3.7	15.7	6.8
Female	13.7	12.2	10.8	24.2	10.3
Urban	11.3	13.2	10.2	24.8	12.3
Rural	10.2	7.4	6.4	18.8	7.4
Youth not in education and not in employment, Total	326,262	253,210	222,164	419,114	254,868
Male	113,467	70,643	57,886	159,789	102,050
Female	212,795	182,566	164,278	259,325	152,818

		Socio-Economic Surveys			Census	
		2004	2007	2009	1998	2008
	Urban	60,732	80,711	65,458	108,748	87,460
	Rural	265,529	172,499	156,705	310,366	167,408
	Youth population, ages 15-24, Total	3,148,573	2,947,671	3,105,793	2,089,945	2,988,492
	Male	1,593,074	1,448,592	1,577,819	1,018,284	1,503,759
	Female	1,555,499	1,499,078	1,527,974	1,071,661	1,484,733
	Urban	537,393	609,891	641,902	438,319	712,956
	Rural	2,611,180	2,337,779	2,463,892	1,651,626	2,275,536
EMPL-4	Informal employment, %	na	na	na	na	na
EMPL-5	Labour force participation rate, %					
	Labour force participation rate, %, total	80.6	80.8	81.7	77.0	78.3
	Male	86.1	88.1	86.8	81.2	80.8
	Female	75.7	74.5	77.0	73.5	76.0
	Urban	73.5	71.0	70.6	64.1	65.8
	Rural	82.0	83.5	84.6	80.3	81.8
	Labour force, Total	6,682,985	7,112,518	7,743,428	5,038,382	6,955,640
	Male	3,369,056	3,636,251	3,899,117	2,443,580	3,396,449
	Female	3,313,929	3,476,267	3,844,311	2,594,802	3,559,191
	Urban	1,024,406	1,314,031	1,416,595	850,135	1,283,328
	Rural	5,658,579	5,798,487	6,326,833	4,188,247	5,672,312
	Working-age population, Total	8,295,036	8,797,557	9,482,868	6,539,848	8,881,890
	Male	3,914,583	4,128,661	4,492,763	3,009,001	4,201,248
	Female	4,380,453	4,668,896	4,990,105	3,530,847	4,680,642
	Urban	1,393,194	1,851,523	2,006,298	1,325,949	1,949,676
	Rural	6,901,842	6,946,034	7,476,570	5,213,899	6,932,214
EMPL-6	Youth unemployment rate, %					
	Youth unemployment rate, %, Total	1.5	1.2	0.2	12.2	3.3
	Male	1.6	1.3	0.2	12.3	3.4
	Female	1.3	1.1	0.2	12.0	3.3
	Urban	4.2	5.0	0.3	22.4	7.8
	Rural	1.0	0.5	0.2	10.2	2.2
	Youth unemployment, Total	35,762	27,162	5,146	154,482	59,823
	Male	20,042	14,789	2,771	70,728	29,216
	Female	15,720	12,373	2,376	83,754	30,607
	Urban	13,943	17,160	1,254	45,289	28,096
	Rural	21,819	10,003	3,892	109,193	31,727
	Youth labour force, Total	2,447,771	2,270,747	2,362,197	1,268,671	1,796,785
	Male	1,259,534	1,149,953	1,225,909	572,862	858,191
	Female	1,188,237	1,120,794	1,136,288	695,809	938,594
	Urban	334,336	344,022	360,707	202,170	358,844
	Rural	2,113,435	1,926,725	2,001,490	1,066,501	1,437,941
EMPL-7	Unemployment by level of education, %					
	Total	100.0	100.0	100.0	100.0	100.0

		Socio-Economic Surveys			Census	
		2004	2007	2009	1998	2008
	No schooling	16.7	10.7	19.2	31.2	20.6
	Pre-primary	0.4	0.0	0.0	0.9	1.7
	Primary level	28.6	41.4	25.3	38.5	29.3
	Secondary level	49.5	32.7	53.5	28.8	44.7
	Tertiary level	4.8	15.1	2.0	0.6	3.7
	Male	100.0	100.0	100.0	100.0	100.0
	No schooling	7.4	3.3	15.2	24.7	16.9
	Pre-primary	0.0	0.0	0.0	0.8	1.6
	Primary level	23.1	26.8	22.9	37.4	27.6
	Secondary level	64.7	40.1	58.4	36.0	49.3
	Tertiary level	4.8	29.8	3.4	1.1	4.7
	Female	100.0	100.0	100.0	100.0	100.0
	No schooling	25.7	17.1	25.0	36.0	23.5
	Pre-primary	0.8	0.0	0.0	0.9	1.8
	Primary level	34.1	54.1	28.8	39.3	30.6
	Secondary level	34.6	26.3	46.2	23.4	41.1
	Tertiary level	4.9	2.5	0.0	0.3	3.0
	Urban	100.0	100.0	100.0	100.0	100.0
	No schooling	11.6	4.2	0.0	20.7	13.9
	Pre-primary	0.0	0.0	0.0	0.8	1.3
	Primary level	18.2	24.1	19.8	33.8	24.9
	Secondary level	60.8	46.9	80.2	43.1	53.4
	Tertiary level	9.5	24.8	0.0	1.5	6.5
	Rural	100.0	100.0	100.0	100.0	100.0
	No schooling	19.9	18.5	29.0	36.9	27.3
	Pre-primary	0.6	0.0	0.0	0.9	2.1
	Primary level	35.2	62.5	28.2	41.1	33.7
	Secondary level	42.3	15.6	39.8	21.0	36.0
	Tertiary level	1.9	3.4	3.1	0.2	1.0
EMPL-8	Employment by status in employment, %					
	Total	100.0	100.0	100.0	100.0	100.0
	Employers	0.1	0.1	0.3	0.2	0.1
	Employee (wage and salaried workers)	22.2	24.9	26.2	12.3	17.3
	Own account worker	38.1	38.7	50.3	45.9	39.6
	Contributing family worker	37.7	36.1	23.1	40.9	42.9
	Others and not reported	1.9	0.3	0.1	0.8	0.1
	Male	100.0	100.0	100.0	100.0	100.0
	Employers	0.1	0.1	0.3	0.2	0.2
	Employee (wage and salaried workers)	26.1	29.2	30.1	18.6	20.7
	Own account worker	44.3	46.6	47.4	61.5	54.5
	Contributing family worker	27.8	23.9	22.0	18.6	24.5
	Others and not reported	1.6	0.2	0.1	1.1	0.1
	Female	100.0	100.0	100.0	100.0	100.0
	Employers	0.1	0.0	0.3	0.1	0.1

		Socio-Economic Surveys			Census	
		2004	2007	2009	1998	2008
	Employee (wage and salaried workers)	18.2	20.5	22.2	6.3	14.0
	Own account worker	31.9	30.3	53.2	31.0	25.3
	Contributing family worker	47.7	48.8	24.2	62.1	60.6
	Others and not reported	2.2	0.3	0.1	0.5	0.0
	Urban	100.0	100.0	100.0	100.0	100.0
	Employers	0.1	0.3	0.3	0.4	0.3
	Employee (wage and salaried workers)	36.2	44.9	43.2	41.7	51.8
	Own account worker	33.3	32.6	39.2	44.2	33.4
	Contributing family worker	28.3	21.9	17.0	12.2	14.4
	Others and not reported	2.0	0.3	0.2	1.4	0.1
	Rural	100.0	100.0	100.0	100.0	100.0
	Employers	0.1	–	0.3	0.1	0.1
	Employee (wage and salaried workers)	19.7	20.5	22.4	6.7	9.7
	Own account worker	39.0	40.0	52.8	46.2	40.9
	Contributing family worker	39.3	39.2	24.5	46.3	49.2
	Others and not reported	1.9	0.3	0.1	0.7	0.0
EMPL-9	Proportion of own-account and contributing family workers in total employment, %					
	Total	75.8	74.7	73.4	86.8	82.5
	Male	72.1	70.5	69.4	80.1	79.0
	Female	79.6	79.1	77.4	93.1	85.9
	Urban	61.6	54.5	56.2	56.5	47.8
	Rural	78.3	79.2	77.2	92.5	90.1
EMPL-10	Share of wage employment in non-agricultural employment, %					
	Total	44.0	49.2	46.6	50.5	56.3
	Male	54.1	57.5	55.8	61.0	61.2
	Female	33.8	40.0	37.3	33.6	50.4
	Urban	47.5	50.7	48.0	51.5	58.9
	Rural	42.7	48.4	45.7	49.2	52.9
	Wage employment in non-agriculture, total	1,186,483	1,453,098	1,512,123	543,201	1,072,381
	Male	730,687	897,087	912,725	404,189	631,271
	Female	455,795	556,011	599,398	139,012	441,110
	Urban	340,571	545,357	587,016	308,593	621,521
	Rural	845,912	907,740	925,107	234,608	450,860
	Employment in non-agricultural sector, total	2,696,541	2,950,890	3,244,191	1,075,961	1,905,981
	Male	1,349,385	1,559,314	1,635,510	662,422	1,031,342
	Female	1,347,156	1,391,576	1,608,681	413,539	874,639
	Urban	717,096	1,074,709	1,221,897	599,407	1,054,393
	Rural	1,979,445	1,876,181	2,022,293	476,554	851,588

Source: NIS calculations from Cambodia Socio-economic Survey (various years) and Population Census (1998, 2008).

Note: All indicators based on Ages 15+, except youth indicators, which are ages 15-24. Data not strictly comparable across years due to variances in survey and sample design.

progress toward decent work, since these trends may in fact suggest more people having to rely on any type of work just to survive, including low quality work. Lack of unemployment insurance

and other social assistance provisions (see Legal Framework Indicator 3) as well as limitations in access to education are likely to further exacerbate this situation.

Between 2004 and 2009, the wage employment share in non-agricultural employment rose from 44 per cent to 46.6 per cent, although this share had peaked a few years earlier – prior to the economic downturn – at 49.2 per cent. Among these workers, women made the biggest gains, increasing their share by 3.5 percentage points as opposed to just 1.7 percentage points for men. Hence, despite slow overall progress and continued gender disparities in a number of other issues, this evolution suggests a generally more positive outlook as regards women's access to paid employment. This should be of course analysed with other indicators on the quality of wage employment (see chapters on earnings, working hours, and conditions of work, for example).

Summary assessment

The trends identified in this chapter illustrate progress in a number of areas towards the realization and expansion of decent work in Cambodia, but with a number of clear deficits remaining.

Labour force participation and employment-to-population ratios are on the rise, but with both standing at more than 80 percent, this is more likely an indication of poverty and a widespread prevalence of low quality employment than progress toward decent work. Furthermore, while economic growth had proceeded with remarkable pace prior to the economic downturn, employ-

ment opportunities do not seem to have kept pace with the needs of the labour force.

Changes to the vulnerable employment rate suggest only modest improvements have been made in employment quality over the last decade, despite rapid economic growth, falling unemployment rates and diversification out of agriculture.

Official unemployment is remarkably low and has generally fallen across all groups since the mid-2000s. However, rather than reflecting a situation of full and productive employment, this is again likely to reflect poverty and the compulsion to work for survival among working-age Cambodians. Meanwhile, pockets of high unemployment remain among certain groups, in particular urban workers with a secondary education. In general, youth remain far more likely to be unemployed than older adults, both in rural and urban areas.

The picture regarding gender equality is mixed. While work is comparably easier to find for all higher education graduates, for those with lesser levels of education or no education, women are the more likely to be unemployed whereas women with a secondary education are less likely to be unemployed than men. . Women's share is also the highest in vulnerable employment, and women are therefore most likely to lack the core components of decent work.

3 Adequate earnings and productive work

The concept of adequate earnings relates to the income from employment that is required to give men and women an adequate standard of living for themselves and their families. It can be measured through a number of indicators including average earnings (i.e. income levels), and for those at the lower end of income distribution, the low pay rate and working poverty rate. Similarly, productive work is predominantly measured in terms of labour productivity, i.e. the level and growth rate of GDP per employed person in the country (see Table 1.8 of Chapter 1: Economic and social context for decent work). However, with certain indicators covering employees only, it is only possible to derive an indicative picture of the situation vis-à-vis earnings and productive work, since there remain a large number of people in Cambodia who work on a non-wage basis. Furthermore, with sector-level data on these indicators also absent (occupational groupings typically span several sectors) it remains difficult to ascertain the precise conditions in terms of earnings and productive work among specific groups of the employed.¹

Real wages (all economic activities) rose by 16.6 per cent between 2004 and 2009, to R208,507 (approximately US\$51), however the differences by gender were significant, with men's wages not only consistently higher than women's, but also growing more rapidly. While real wages for men increased 25.6 per cent between 2004 and 2009, for women this growth was just 3.2 per cent. This indicates growing inequality in earnings

for women as compared to men despite the fact equal pay for equal work is guaranteed in both the Labour Law (Article 106) and by ILO Convention No. 100 (Equal Remuneration Convention), which Cambodia has ratified.²

Although nominal wages continued to rise throughout this period, Cambodian workers suffered a loss of real income during the economic downturn. This trend was reflected in declining real earnings between 2007 and 2009 with data showing that real losses were greater for men than for women: 14.2 per cent (male) versus 9 per cent (female). However, using the stricter earnings definition for main economic activity only, the trend is reversed with a 7.8 percentage point decline for men, and a 9.5 percentage point decline for women. The decline of real earnings is similar for main and secondary activities among women workers, while it is two times lower for main activities than for all activities among men workers.

Between 2004 and 2009, nominal average earnings increased, to varying degrees, in all but one occupational category, the exception being female 'legislators, senior officials and managers.' The largest percentage gains during this time for both genders were found to be among technicians and associate professionals, skilled agricultural and fishery workers, as well as in the armed forces, with increases ranging from 100 to 233 per cent. However, in all but one case, women received lower incomes than men, underscoring the persistence of gender inequality in income levels, despite legally enshrined equality provisions in labour market legislation.

¹ For example, nationally collected data is often insufficient at providing an accurate picture of the situation in sectors such as entertainment, where workers in beer gardens and karaoke halls are often deemed to be particularly vulnerable in terms of earnings and working conditions. In many cases, small surveys conducted by NGOs and research institutes are relied upon for policy advocacy (by union groups and UN agencies, for example).

² See Chapter 8 for more on the legal context concerning the principles of equal opportunity and treatment and equal remuneration for equal work (Legal Framework Indicators 12 and 13).

Table 3.1. Adequate Earnings and productive work

	2004	2007	2009
EARN-1. Working poverty rate¹			
Total	31.7	–	–
Male	31.7	–	–
Female	31.7	–	–
Urban	16.0	–	–
Rural	34.5	–	–
EARN-2. Low pay rate (below 2/3 of median earnings), %²			
Total (employees, monthly salary/wages from all economic activities)	32.0	31.4	31.3
Male	29.9	27.4	28.6
Female	35.1	37.2	35.1
Urban	18.8	23.4	14.5
Rural	36.1	35.1	37.9
Total (employees, monthly salary/wages from main economic activity)	30.4	27.8	27.8
Male	28.6	25.9	25.4
Female	33.2	30.6	31.0
Urban	19.6	22.4	13.3
Rural	34.0	30.4	34.0
EARN-3. Average monthly earnings by occupation³			
Total (employees, monthly salary/wages from all economic activities)	178,793	290,371	314,665
1. Legislators, senior officials and managers	247,958	260,246	313,585
2. Professionals	258,232	578,612	493,489
3. Technicians and associate professionals	331,752	348,616	693,826
4. Clerks	383,398	562,441	592,579
5. Service workers and shop and market sales workers	178,990	361,155	328,099
6. Skilled agricultural and fishery workers	82,751	105,183	221,176
7. Craft and related trade workers	195,633	266,098	325,940
8. Plant and machine operators and assemblers	239,188	279,189	436,542
9. Elementary occupations	157,932	170,264	233,955
10. Armed forces	157,779	205,860	432,090
Male	187,576	333,916	355,560
1. Legislators, senior officials and managers	230,408	268,185	329,980
2. Professionals	259,013	721,993	553,589
3. Technicians and associate professionals	369,745	328,603	767,718
4. Clerks	419,565	616,387	610,702
5. Service workers and shop and market sales workers	191,694	508,325	356,925
6. Skilled agricultural and fishery workers	98,727	139,331	226,052
7. Craft and related trade workers	227,641	284,951	384,987
8. Plant and machine operators and assemblers	245,103	328,752	458,427
9. Elementary occupations	168,044	199,026	267,932
10. Armed forces	155,045	209,298	432,065
Female	165,841	228,832	258,207
1. Legislators, senior officials and managers	327,736	238,832	233,910
2. Professionals	256,692	377,455	406,659
3. Technicians and associate professionals	244,490	411,507	491,017

	2004	2007	2009
4. Clerks	339,194	457,150	560,862
5. Service workers and shop and market sales workers	158,448	306,807	282,616
6. Skilled agricultural and fishery workers	64,120	78,668	213,214
7. Craft and related trade workers	156,943	189,106	285,315
8. Plant and machine operators and assemblers	236,245	252,937	266,302
9. Elementary occupations	129,667	134,185	182,770
10. Armed forces	209,174	143,222	432,465
Total (employees, monthly salary/wages from main economic activity)	184,017	294,873	333,427
1. Legislators, senior officials and managers	240,025	251,303	313,585
2. Professionals	242,268	555,331	493,489
3. Technicians and associate professionals	310,660	312,972	693,826
4. Clerks	383,398	524,710	592,579
5. Service workers and shop and market sales workers	172,797	368,004	328,099
6. Skilled agricultural and fishery workers	88,150	113,557	221,176
7. Craft and related trade workers	202,192	266,386	325,940
8. Plant and machine operators and assemblers	242,152	275,213	436,542
9. Elementary occupations	159,812	170,142	233,955
10. Armed forces	141,041	155,143	432,090
Male	190,836	329,007	376,542
1. Legislators, senior officials and managers	226,298	255,927	329,980
2. Professionals	238,930	690,139	553,589
3. Technicians and associate professionals	339,558	283,138	767,718
4. Clerks	419,565	549,716	610,702
5. Service workers and shop and market sales workers	176,485	508,325	356,925
6. Skilled agricultural and fishery workers	106,418	128,787	226,052
7. Craft and related trade workers	234,459	284,818	384,987
8. Plant and machine operators and assemblers	250,440	317,681	458,427
9. Elementary occupations	170,097	199,161	267,932
10. Armed forces	137,417	155,797	432,065
Female	174,059	243,999	274,079
1. Legislators, senior officials and managers	03,368	238,832	233,910
2. Professionals	248,799	366,201	406,659
3. Technicians and associate professionals	244,286	406,726	491,017
4. Clerks	339,194	473,510	560,862
5. Service workers and shop and market sales workers	166,553	314,311	282,616
6. Skilled agricultural and fishery workers	69,523	94,168	213,214
7. Craft and related trade workers	162,899	190,230	285,315
8. Plant and machine operators and assemblers	238,102	252,937	266,302
9. Elementary occupations	131,060	134,155	182,770
10. Armed forces	209,174	143,222	432,465
EARN-4. Average real wages⁴			
Average real monthly wages (constant 2004 prices), Total (employees, monthly salary/wages from all economic activities)	178,793	238,913	208,507
Male	187,576	274,741	235,606

	2004	2007	2009
Female	165,841	188,280	171,096
Average nominal monthly wages, Total (employees, monthly salary/wages from all economic activities)	178,793	290,371	314,665
Male	187,576	333,916	355,560
Female	165,841	228,832	258,207
Consumer Price Index	86.9	105.6	131.1
Consumer Price Index (base year = 2004)	100.0	121.5	150.9
Average real monthly wages, Total (employees, monthly salary/wages from main economic activity)	184,017	242,617	220,939
Male	190,836	270,702	249,509
Female	174,059	200,759	181,614
Average nominal monthly wages, Total (employees, monthly salary/wages from main economic activity)	184,017	294,873	333,427
Male	190,836	329,007	376,542
Female	174,059	243,999	274,079
Consumer Price Index	86.9	105.6	131.1
Consumer Price Index (base year = 2004)	100.0	121.5	150.9
EARN-5. Minimum wage as a percentage of median wage, %⁵			
Minimum wage as a percentage of median wage, Total, % (employees, monthly salary/wages from all economic activities in the textile, garment and footwear sector).	90.3	84.6	83.3
Male	90.3	72.5	77.8
Female	90.3	84.6	83.3
Median monthly wage, Total (employees, monthly salary/wages from all economic activities in the textile, garment and footwear sector).	200,000	240,000	280,000
Male	200,000	280,000	300,000
Female	200,000	240,000	280,000
Legal (statutory) minimum wage, USD	45	50	56
Legal (statutory) minimum wage, Riels	180,698	203,000	233,296
Official exchange rate (Riels/USD) (NIS: National Accounts)	4,016	4,060	4,166
Official exchange rate (Riels/USD) (National Bank of Cambodia Annual Report, annual average)	4,020	4,061	4,154
Minimum wage as a percentage of median wage, Total, % (employees, monthly salary/wages from main economic activity in the textile, garment and footwear sector).	90.3	81.2	83.3
Male	86.9	72.5	77.8
Female	90.3	84.6	83.3
Median monthly wage, Total (employees, monthly salary/wages from main economic activity in the textile, garment and footwear sector).	200,000	250,000	280,000
Male	208,000	280,000	300,000
Female	200,000	240,000	280,000
Legal (statutory) minimum wage, USD	45	50	56
Legal (statutory) minimum wage, Riels	180,698	203,000	233,296
Official exchange rate (Riels/USD) (NIS: National Accounts)	4,016	4,060	4,166
Official exchange rate (Riels/USD) (National Bank of Cambodia Annual Report, annual average)	4,020	4,061	4,154
EARN-6. Manufacturing wage index⁶			
	na	na	na

	2004	2007	2009
EMPL-7. Employees with recent job training (past year / past 4 weeks)	na	na	na
LEGAL-3. Statutory minimum wage (coverage of workers in law and practice)⁷			
Percentage of all wage and salaried employees who earned less than the legal (statutory) minimum wage in the textile, garment and footwear sector, %	29.4	36.5	23.8
Male	31.2	26.3	23.1
Female	29.0	38.3	23.9
Total number of wage and salaried employees in the textile, garment and footwear sector who earned less than the legal (statutory) minimum wage	79,989	90,979	77,574
Male	16,440	10,096	12,411
Female	63,550	80,883	65,162
Total number of wage and salaried employees in the textile, garment and footwear sector	271,943	249,396	326,255
Male	52,618	38,443	53,719
Female	219,325	210,953	272,536
Legal (statutory) minimum wage, USD	45	50	56
Legal (statutory) minimum wage, Riels	180,698	203,000	233,296
Official exchange rate (Riels/USD)	4,016	4,060	4,166

Source: NIS calculations from Cambodia Socio-economic Survey (various years). CPI: IMF, World Economic Outlook Database (April 2011): Index of Average Consumer Prices. Exchange rate: NIS: National Accounts. Manufacturing Wage Index Cambodia Socio-economic Survey (2004, 2009).

Notes: Ages 15+. National poverty line defined as the minimum level of food and non-food consumption required by an individual to fulfil his/her basic (food and non-food) needs. Basic food needs are measured using a lower threshold of 2100 calories (intake) per person per day. Non-food needs are measured across 10 categories: clothes, education, medicines, housing, furniture, transportation, recreation, personal care, tobacco, and miscellaneous items.

⁽¹⁾ Ages 15+. Includes employees only and covers monthly salary/wages from all economic activities and from main economic activity.

⁽²⁾ Ages 15+. Includes employees only and covers monthly salary/wages from all economic activities and from main economic activity.

⁽³⁾ Ages 15+. Includes employees only and covers monthly salary/wages from all economic activities and from main economic activity.

⁽⁴⁾ Ages 15+. Includes employees only and covers monthly salary/wages from all economic activities in the textile, garment and footwear sector only.

⁽⁵⁾ Ages 15+. Includes employees only and covers monthly salary/wages from all jobs in the manufacturing sector only.

⁽⁶⁾ Ages 15+. Includes employees only and covers monthly salary/wages from all economic activities in the textile, garment and footwear sector only.

⁽⁷⁾ Ages 15+. Includes employees only and covers monthly salary/wages from all economic activities in the textile, garment and footwear sector only.

Comparisons between the highest and lowest status occupations show a narrowing gap between their respective earnings in recent years.³ Nominal earnings of ‘legislators, senior officials and managers’ were on average 57 per cent higher than those in ‘elementary occupations’ in 2004, and 34 per cent higher in 2009.

In 2004, the highest nominal earners were clerks, while in 2009 the highest were technicians and associate professionals. Although the lowest earners in both years were skilled agricultural and fishery workers, nominal earnings in this group grew sharply – by more than 167 percentage points – to within a few dollars of the next lowest category, elementary occupations. As is evident in Chap-

ter 8, women dominate ‘services and sales’ occupations; however, men in these same jobs continue to earn significantly more.

In 2009, the most gender equal sector in terms of earnings was the armed forces (where men and women’s earnings were virtually the same at R432,000 or around US\$108 in 2009), whilst the largest disparities were found among plant and machine operators and assemblers. In 2009, men in this group earned 72 per cent more per month than women.

It is interesting to note the sharp reversal in recent years between men and women’s earnings in the group ‘legislators, senior officials and managers’. While in 2004, women’s earnings in this category were some 43 per cent higher than men’s, almost

³ High-status does not necessarily equate to high earnings, however.

the precise opposite was true in 2009, with women having suffered a decline to a level very close to that of men in 2004.

Comparable time-series data for working poverty are not available for Cambodia, but from the 2004 CSES it is evident that those below the nationally defined poverty line make up a substantial proportion of those employed. In 2004, working poverty stood at 31.7 per cent, meaning that nearly a third of people in employment – both men and women – live in poor households (where average individual income per day is less than US\$0.80 per day). Given the structure of the Cambodian economy, it is likely that the largest concentrations of poor workers are to be found in agriculture and the informal economy (see recent studies on the positive correlation between working poverty and agricultural employment).⁴

The working poor are also more likely to be found in rural areas: at 34.5 per cent in 2004, rural working poverty was more than double that of urban areas. This is most likely due to the low labour productivity rate in agriculture, as well as to the more dynamic nature of the urban economy, where salaries are generally higher and wage employment opportunities more abundant.

High rates of working poverty reflect badly on the decent work context in Cambodia, demonstrating that a significant proportion of working people still lack sufficient income to support themselves and their families despite low unemployment and high levels of labour force participation. The low level of social protection in the country compounds the problem and poor people have to resort to taking on work, irrespective of low incomes and poor working conditions (see Chapter 10) The introduction of the new National Social Protection Strategy for the Poor and Vulnerable (NSPS-PV) has amended the policy context in this regard but implementation delays and staged rollout of its various components will mean that tangible improvements to the living standards of these workers will unlikely change in the short run.

To assess distribution of earnings in the labour market, the low pay rate indicator is a useful tool of analysis. The low pay rate measures the proportion of all employed persons (employees only) whose monthly earnings were less than two-thirds of the median monthly earnings in that country. It is thus a definition of low remuneration employment relative to the earnings of others in a society.⁵

In Cambodia, the low pay rate remained roughly the same at just over 30 per cent between 2004 and 2009, although it must be noted that this is a relatively narrow reference period. This indicates that among employees at least, there has been virtually no change in the structure of earnings, and no increase in the proportion of persons classified as low paid.

Disaggregation by gender reveals negligible change over time for both women and men, although low pay rates were consistently higher for women than for men, by an average of 7.2 per cent. In 2009, 28.6 per cent of male employees were to be found in low paid work, while the corresponding rate for women was 35.1 per cent. This indicates persistent gender inequality in terms of earnings in wage employment in Cambodia, but is also likely linked to the sectoral concentrations of women in low paid formal employment such as garment manufacturing. At the same time, when the low pay rate definition is narrowed to include only income from ‘main economic activity’, this gender gap narrows, suggesting that men either work more in additional activities or enjoy higher remuneration than women from these activities.

According to the data, disparities in the low pay rate between rural and urban areas are pronounced and widening. In 2004, the urban and rural low pay rates were 18.8 and 36.1 per cent, respectively: a difference of 17.3 per cent (i.e. 17.3 per cent more rural workers were in the lowest third of earnings relative to median earnings in rural areas). By 2009, these figures were 14.5 per cent and 37.9 per cent, representing a gap of 23.4 per cent. Thus,, while earnings of more than a third of rural workers appear to be fairly stagnant in the low pay cat-

⁴ See, for example, Table A2, Chapter 1 in ILO: *Key Indicators of the Labour Market*, 7th Edition (2011).

⁵ The low pay rate may not necessarily correspond to absolute definitions of inadequate earnings, poverty or the working poor.

Legal Framework Indicator 4. Statutory minimum wage

Law, policy or institutions: Labour Law, MoLVT Notifications, Collective bargaining. Art. 104 LL states that minimum wage must ensure every worker a decent standard of living compatible with human dignity and Art. 107 LL states that it should be adjusted from time to time in accordance with the evolution of economic conditions and the cost of living. The LL gives authority to the MoLVT to set minimum wage levels for all working sectors after receiving the recommendations of the LAC, a tripartite body. The only sector with a minimum wage is the textile, garment and footwear industry (including piecework and homework – wages are productivity-based but must not be below minimum wage, see Notification No. 049/10). Workers on a probation period (between one and three months) are entitled to a minimum wage rate that is lower than the rate applicable to regular workers. Collective agreements may provide minimum wage rates that are more favourable to workers than those provided for in the legislation. Collective agreements must specify their scope of application and the agreement shall only apply to those establishments or sectors specified. Collective agreements may not be extended (LL: Arts. 96 and 97). LL: Art. 344 provides for labour inspectors with the authority to enter enterprises to ensure that labour laws are enforced.

Minimum wage levels: Minimum wage has been regulated for the textile, garment and footwear industry sector only but Arbitration Council awards have ruled, on the basis of equity, that similar minimum wage should be paid in other manufacturing industries (see 25/03). 1997 to 2000: 40\$ per month; 2000 to 2006: 45\$ per month; 40\$ per month for workers on probation (Notification No. 17/00); 1 January 2006 to 2010: 50\$ per month; 45\$ per month for workers on probation (Notification No. 032/08); 1 October 2010-2014: 61\$ per month; 56\$ per month for workers on probation (Notification No. 049/10). From April 2008 to October 2010, all workers in this sector (apprentices, casual or floating workers, probationary, and full-fledged workers) also received a cost of living allowance of \$6 US (Notification No. 032/08). In 2010, this has been incorporated into the minimum wage.

In November 2011, the Government announced a further \$5 increase to garment workers' monthly salaries, in the form of a health and wellbeing allowance, to commence in January 2012.

Workers of the textile, garment and footwear industry are entitled to a seniority bonus – \$2 for 1 year of seniority; \$3 for 2 years, etc. to a maximum of \$5 (Notice 17/00).

Evidence of implementation effectiveness: No information provided by ILO supervisory bodies. Strikes took place in September 2010 to protest against the latest increase in minimum wage.

Coverage of workers in law: covers approximately 358,000 workers in the garment and footwear sectors

Coverage of workers in practice: Better Factories in Cambodia reports indicate a 99 per cent compliance rate of minimum wage payments for regular workers, 89 per cent compliance rate for casual workers

Ratification of ILO Conventions: The Minimum Wage Fixing Convention, 1970 (No. 131) has not been ratified by Cambodia.

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.basic?p_lang=en&p_country=KHM);
2. TRAVAIL legal databases (http://www.ilo.org/dyn/travail/travmain.sectionReport1?p_lang=en&p_countries=KH&p_sc_id=1&p_year=2009&p_structure=1);
3. Wage Indicator (<http://www.wageindicator.org/main/minimum-wages/cambodia/wageindicator/main/minimum-wages/cambodia/cambodia-minimum-wage-faqs>).
4. Better Factories Cambodia Press Release on garment wage increase ([http://www.betterfactories.org/content/documents/Press%20Release_Pay%20rise%20for%20workers%20\(Eng\).pdf](http://www.betterfactories.org/content/documents/Press%20Release_Pay%20rise%20for%20workers%20(Eng).pdf))
5. Better Factories Cambodia Synthesis Reports ([http://www.betterfactories.org/content/documents/1/SR%2025th%20\(EN\)_Final.pdf](http://www.betterfactories.org/content/documents/1/SR%2025th%20(EN)_Final.pdf))

egory (relative to earnings in those areas), urban workers in this group are increasingly catching up with median earnings in urban areas.

Calculating the minimum wage as a percentage of the median wage is only possible in the garment industry, since this is the only sector in Cambodia with a legal minimum wage. Between 2004 and 2009, median monthly wages in this sector rose

by 40 per cent, from R200, 000 to R280, 000, or around US\$68. At the same time, the minimum wage in the sector rose just 29 per cent to R233, 296 (US\$56, including living allowance).⁶ This

⁶ Compulsory wage supplements introduced by employers (at the Government's request) since September 2010 have increased the statutory minimum wage for garment workers to \$61 per month. In January, this has been raised by a further \$5 with the addition of another compulsory living allowance.

trend is reflected in the falling share of the minimum wage in the median wage, which went from 90.3 per cent in 2004 to 83.3 per cent in 2009. When broken down by gender, the data reveal a widening gap: by 2009, the minimum wage among male workers was just 77.8 per cent of the median, while for women it was 83.3 per cent. Because the minimum wage itself is the same for both men and women, this suggests that the median male wage in the sector has accelerated more rapidly in the period than it has for women. This may be due to the higher concentration of female workers at the most basic end of the production chain in garment factories, where wages are lowest and hence closest to the statutory minimum (for example, sewing machine operators, cutters and finishers).

Despite longstanding minimum wage legislation covering the garment, footwear and textiles industry (hereafter referred to as the garment industry), a relatively high proportion of employees in this sector continue to receive wages below the statutory minimum.⁷ According to CSES data, between 2004 and 2007, the proportion of workers in this situation rose by 7.1 percentage points to 36.5 per cent, before dropping significantly in 2009 to 23.8 per cent. These trends may be attributed to changes in the policy environment during this time, principally the Government's decision in 2006 to increase the minimum wage by US\$5 to \$50 per month (see LFI 4, below). In this context, the observed rise in 2007 in the number of workers receiving less than they were legally entitled to may be attributed to lagging implementation of the new minimum wage rather than a conscious downgrading of wages by employers.

Alternative data from the ILO's Better Factories Cambodia programme, however, suggest that minimum wage compliance is in fact far higher, at close to 100 per cent for regular employees, and between 80 and 90 per cent for casual and piece rate workers.⁸ The difference between these figures and the CSES dataset used here is likely to relate

to the inclusion in the CSES of non-exporting and informal factories, neither of which is monitored by BFC.⁹ Such discrepancies underscore the need for more work to be done in devising suitable, representative and accurate indicators for minimum wage coverage in Cambodia.

Summary assessment

Despite the rise in real wages, recent progress on adequate earnings and productive work in Cambodia has been relatively modest. Average earnings increased in almost all occupations since 2004, and have broadly benefitted both men and women. However, decent work deficits remain widespread and in some cases little to no improvement has been evident. Gender inequality in real wages and by occupation remain persistent, underscoring the continued barriers women face in claiming rights to equal pay, despite a favourable policy and legal context. Men's wages are not only consistently higher than women's, but they are also growing more rapidly. In only a few occupations do women earn close or equal to the level of men (the armed forces being the notable exception).

The low pay rate has remained stable, although the differences between the relative proportions of men and women provide further indications of the gender disparities in male and female remuneration for wage earners. Meanwhile, progress in bringing workers out of low pay and closer to median earnings is moving faster for urban than rural workers. In rural Cambodia, the share of workers earning inadequate incomes (i.e. low pay rates) is high and growing. Working poverty, meanwhile, afflicts nearly one in three of the employed (at least according to 2004 data), thus further underscoring the magnitude of the challenges ahead.

In the garment industry, the gap between workers earning the statutory minimum wage and

⁷ The proportion of paid employees receiving wages below the statutory minimum may or may not include regular and non-regular employees, on probationary period or not. No indication is given in the CSES surveys.

⁸ See BFC synthesis reports on working conditions in Cambodia's garment industry, available at <http://www.betterfactories.org/resources.aspx?z=7&idtype=1&c=1#IdDoc=1>

⁹ The BFC programme monitors only exporting factories, which are by law mandated to register with the programme as a means to obtain an export license. Non-exporting factories may be registered or unregistered with the government (usually, the Ministry of Labour). Informal non-exporting factories are the category about which least is known (many are entirely unregulated), although anecdotal evidence and independent research has revealed non-compliance to be a major problem in many of these workplaces.

the median income level is widening, suggesting that minimum wage rises have not kept pace with those of the industry median. A faster rate of acceleration of the men's median wage provides further evidence of the disadvantages women face in terms of earnings.

Despite having fallen, the proportion of garment workers earning less than the minimum wage remains significant at over one-fifth. This indicates persistent deficits in terms of decent working conditions and compliance with the labour

law. Monitoring data from the ILO would suggest that this problem is most acute not in the export sector but in non-exporting and informal garment factories. Clearly, improved efforts are required to bring these factories under existing systems of monitoring and supervision if all garment workers, regardless of factory type, are to be assured the basic minimum wage. Recent Government moves to extend legal obligations for subcontracting firms to register with the Better Factories programme are a step in the right direction in this regard.¹⁰

¹⁰ See Better Factories Cambodia Press Release, Nov 24 2011, available at [http://www.betterfactories.org/content/documents/Press%20Release_Pay%20rise%20for%20workers%20\(Eng\).pdf](http://www.betterfactories.org/content/documents/Press%20Release_Pay%20rise%20for%20workers%20(Eng).pdf)

4 Decent hours

Indicators of decent hours relate primarily to the distribution of working time, and as such are an important component of job quality and decent work.¹ They are related to excessive hours, which are undesirable due to the adverse effect they can have on a worker's physiological, psychological and social wellbeing. Decent hours are also relevant to the time-related underemployment rate which calculates the proportion of employed persons who work less than a specified threshold of hours and are willing and available to work more hours. Since the 1920s, ILO Conventions Nos. 1 and 30 have provided a proposed international threshold for the determination of excessive working hours, based on a maximum acceptable work week of 48 hours.

In line with the Labour Law and ILO labour standards, excessive hours are defined as those that exceed 48 hours per week. As is mentioned in Chapter 1, the law applies to all workers with the exception of civil servants, the police, military, judiciary and air and maritime transport staff. Because it only applies to those with an explicit employment contract or relationship, the law also effectively excludes those working in the large informal economy.

Alongside maximum permitted working hours, legal provisions exist in Cambodia for paid annual leave. Regular workers, defined as those who regularly perform a job on a permanent basis, are entitled to paid leave by law, which in most cases amounts to a basic 1.5 days per month (18 days per year), with extra days awarded for long service.² The law also outlines alternative compensatory arrangements for non-regular and casual workers,

usually at a lower level of entitlement (see Legal Framework Indicators 5 and 6).

Although the extent to which the law is upheld nationally is not known, in some sectors it remains common for workers to sacrifice annual leave in exchange for payment from their employer. A good example of this is the garment sector, where such payments represent a relatively easy way of supplementing a low basic salary. While such agreements are not allowed under the Labour Law (Art. 167), they appear to be widely accepted by both workers and employers, with a very low risk of related prosecution of employers.³ However, while the right to paid annual leave is protected by law it does not apply to the large proportion of workers in informal employment.

In 2009, nearly half (48.5 per cent) of employed workers in all economic activities were working more than 48 hours per week representing an increase of just over 7 percentage points since 2004.⁴ By gender, proportionally more men fall into this category, and the gap between male and female is widening slightly: the percentage of women working excessive hours rose 6.4 percentage points to 43.6 per cent between 2004 and 2009, while the share for men rose 7.8 percentage points to 53.3 per cent. Among employees –i.e. wage earners– specifically, long hours seem even more prevalent, with shares for both men and women rising from just over half to more than 60 per cent over the same period.

¹ Decent hours also have repercussions for a number of other aspects of decent work, including safe work environment (see Chapter 8) and combining work with family life (see Chapter 4).

² See the 1997 Labour Law, available at: http://www.asiansurance.com.kh/labour_law.htm

³ ILO: *Guide to the Cambodian Labour Law for the Garment Industry*, Garment Sector Working Conditions Improvement Project (Phnom Penh, 2005).

⁴ 'Main economic activity' usually describes the activity in which the survey respondent feels he or she has spent the majority of their time doing during the reference period. This usually - but not always - correlates with the activity in which they derive the majority of their income. All 'economic activities', by contrast, describes all types of activity a person undertakes in the reference period, including secondary and supplementary jobs/income generating activities.

Legal Framework Indicator 5. Maximum hours of work

Law, policy or institutions: These provisions cover all workers covered by the Labour Law (LL). Domestic workers are excluded. Overtime is allowed for exceptional and urgent work (LL: Art. 139, as amended in 2007); it is voluntary and employers need to obtain permission (Prakas 80/99). The MoLVT can issue a Prakas authorizing an extension of the daily hours in order to make up for hours lost following mass interruptions in the work or a general slowdown from either accidental causes or acts of God, notably bad weather or because of holidays, local festivals, or other local events (LL: Art. 140). For certain categories of workers, the daily number of hours can be increased to nine as long as the weekly total does not exceed 48 hours.

Number of hours allowed: eight hours a day or 48 hours per week (LL: Art. 137). Overtime: two hours a day (pay – 50 per cent increase for day hours, 100 per cent increase for night hours and weekly rest days) Art. 139, as amended in 2007.

Evidence of implementation effectiveness: No information provided by ILO supervisory bodies.

Coverage of workers in law: N/A

Coverage of workers in practice: N/A

Ratification of ILO Conventions: The Hours of Work (Industry) Convention, 1919 (No. 1) and the Hours of Work (Commerce and Offices) Convention, 1930 (No. 30) have not been ratified by Cambodia.

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.basic?p_lang=en&p_country=KHM);
2. TRAVAIL legal databases (http://www.ilo.org/dyn/travail/travmain.sectionReport1?p_lang=en&p_countries=KH&p_sc_id=1001&p_year=2011&p_structure=2).

Rural-urban disparities are also evident, with long hours increasingly more prevalent in cities and towns than in the countryside. In urban areas, the share of employed persons working excessive hours increased from 45.6 per cent to 54 per cent between 2004 and 2009, while for the rural employed this share rose from 40.6 per cent to 47 per cent. The comparably smaller share of rural workers engaged in excessive hours is likely due to the dominance of agricultural work in rural employment which often consists of subsistence farming-. Rural employment often entails sustained periods of inactivity and under-employment contrary to much urban employment.⁵

However, examining only the main economic activity the share of employed persons working excessive hours actually declined between 2004 and 2009, from 44.8 per cent to 35.5 per cent for men, and 36.4 per cent to 31.3 per cent for women (thus also indicating a narrowing male-female gap). Comparing this to the figures for all economic activities, the data suggest that main activities have become less income-generating since 2004, with relatively more employed persons working excessive hours in additional activities.

⁵ Working hours may differ between planting and harvesting season in agricultural areas (i.e. higher when planting and harvesting, and lower outside these periods). To account for these fluctuations, Socio Economic Surveys are conducted throughout the year, using a uniform (size) sample of households every month.

Among employees only, the shares working excessive hours remained higher at around 50 per cent in 2004 and rose slightly in 2009 by 1.7 percentage points for men and 3.2 percentage points for women.

On the other hand, the gap between rural and urban areas is wider under the “main economic activity” definition than that of ‘all economic activities’, due to the fall in excessive hours among rural workers (from 39.9 per cent in 2004 to 30.2 per cent in 2009). This suggests that as a main activity, agricultural work typically entails fewer working hours – and possibly less income – than occupations in the urban sector.

In the main economic activity, the proportion of workers working excessive hours are both more stable over time than those in all economic activities, and show virtually no disparity by gender.⁶ By this measure, the share of both men and women working more than 48 hours per week in 2009 stands at just over half, only a few percent-

⁶ Employees are those workers who hold jobs defined as ‘paid employment jobs’, where the jobholder has an explicit or implicit employment contract under which he/she receives basic remuneration which is not directly dependent on the revenue that worker generates. See ILO: *Decent Work Indicators for Asia and the Pacific: A guidebook for policy-makers and researchers* (ILO Regional Office for Asia and the Pacific (ROAP), Bangkok, 2008).

Legal Framework Indicator 6. Paid annual leave

Law, policy or institutions: Labour Law (LL); More favourable provisions may exist in work contracts or collective agreement. Employees who work less than 48 hours a week receive paid annual leave on a pro-rate basis. Any agreement renouncing paid leave is void (LL: Art. 167). Annual leave is paid by the employer (LL: Art. 168).

Qualifying conditions: One year of service (LL: Art. 167); For jobs that are not performed regularly throughout the year, a worker is considered to have met the condition of continuous service if he works an average of 21 days per month (LL: Art. 166). All workers who work between one month of continuous service to one year are entitled to *compensation* for paid leave (LL: Art. 166). Casual workers who do not receive annual leave should receive an increased hourly rate (AC award 30/04 and 26/04). **Levels of leave:** one and a half days per month of continuous service; one additional day per three years of service (LL: Art. 166).

Evidence of implementation effectiveness: No information provided by ILO supervisory bodies.

Coverage of workers in law: N/A

Coverage of workers in practice: N/A

Ratification of ILO Conventions: The Holidays with Pay Convention, 1936 (No. 52), the Holidays with Pay (Agriculture) Convention, 1952 (No. 101) and the Holidays with Pay Convention (Revised), 1970 (No. 132) have not been ratified by Cambodia.

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.basic?p_lang=en&p_country=KHM);
2. TRAVAIL legal databases http://www.ilo.org/dyn/travail/travmain.sectionReport1?p_lang=en&p_countries=KH&p_sc_id=1001&p_year=2011&p_structure=2.

age points higher than in 2004. This suggests that the main disparities in working hours between men and women do not arise from wage employment but from other types of work and additional economic activities.

To examine more closely the distribution of these proportions across different working hour groupings, the breakdown by standardized hour bands is a useful statistical measure. By considering all economic activities, almost half of workers (44.9 per cent) worked more than 50 hours per week and one-third (34.4 per cent) less than 40 hours in 2009. Women are on the whole more likely to be found working less than 40 hours per week (39.4 per cent against 29.5 among men), while men are more likely to work in excess of 50 hours (49.8 per cent against 40 per cent among women). The proportion of workers working more than 50 hours increased between 2004 and 2009 thus signalling not only a growing disconnect between the provisions of the Labour Law and the reality, but also an increasing barrier to the achievement of decent working time (see Table 4).

The gender gap in working hours is not unusual and may reflect the comparably higher tendency

of women to work in part-time jobs. In addition, it is also important to note that definitions of employment used in this dataset (from national accounts) typically exclude a range of activities usually performed by women, which often leads to an under-representation of the true extent of their working hours: the so-called ‘invisibility of women’s work’.

In main economic activities, a decreasing proportion of workers are working excessive hours, while a larger share of workers are working less than 40 hours. To better interpret these trends, however, additional indicators such as that of time-related underemployment should be considered.

In main economic activities, there are notable rural-urban disparities in terms of working hour structure and trends. Consistently between 2004 and 2009, more than 40 per cent of urban workers were engaged for 50 or more hours in their main job, while in rural areas, these shares stood at 35 per cent in 2004, and 26 per cent in 2009. For the same period, more rural workers than their urban counterparts, both men and women, were engaged for less than 40 hours (10 to 19 hours and 30 to 39 hours).

Table 4.1. Decent hours

		2004	2007	2009
HOUR-1	Excessive hours (more than 48 hours per week), %			
	<i>Hours worked in all economic activities</i>			
	All workers	41.4	47.0	48.5
	Male	45.5	52.6	53.3
	Female	37.2	41.2	43.6
	Urban	45.9	52.8	54.0
	Rural	40.6	45.8	47.2
	Employees only	51.4	62.8	63.7
	Male	52.1	64.4	65.6
	Female	50.4	60.4	61.1
	<i>Hours worked in main economic activity only</i>			
	All workers	40.6	37.0	33.4
	Male	44.8	39.5	35.5
	Female	36.4	34.3	31.3
	Urban	44.8	46.3	47.7
	Rural	39.9	34.9	30.2
	Employees only	49.7	56.1	52.0
	Male	50.2	56.1	51.9
	Female	49.0	56.3	52.2
HOUR-2	Hours of work (standardized hour bands), %			
	<i>Hours worked in all economic activities</i>			
	Total	100.0	100.0	100.0
	0	0.4	0.1	0.6
	1 - 9	4.3	2.8	3.7
	10 - 19	8.5	7.5	7.8
	20 - 29	15.2	13.4	12.0
	30 - 39	10.9	10.7	10.4
	40 - 49	24.1	23.1	20.6
	50+	36.6	42.4	44.9
	Male	100.0	100.0	100.0
	0	0.4	0.2	0.5
	1 - 9	3.3	1.9	2.5
	10 - 19	7.1	5.4	6.2
	20 - 29	14.3	11.9	10.3
	30 - 39	9.8	9.4	9.9
	40 - 49	24.6	23.5	20.8
	50+	40.6	47.7	49.8
	Female	100.0	100.0	100.0
	0	0.4	0.1	0.8
	1 - 9	5.3	3.7	4.9
	10 - 19	9.9	9.7	9.3
	20 - 29	16.2	15.0	13.6
	30 - 39	12.0	12.1	10.8
	40 - 49	23.6	22.6	20.5

	2004	2007	2009
50+	32.6	36.8	40.0
Urban	100.0	100.0	100.0
0	0.5	0.4	0.4
1 - 9	2.2	2.3	2.1
10 - 19	7.2	4.7	3.7
20 - 29	10.7	10.0	9.5
30 - 39	9.4	7.1	6.8
40 - 49	28.5	26.4	27.4
50+	41.5	49.1	50.1
Rural	100.0	100.0	100.0
0	0.4	0.1	0.7
1 - 9	4.7	2.9	4.1
10 - 19	8.7	8.1	8.6
20 - 29	16.0	14.2	12.5
30 - 39	11.2	11.5	11.1
40 - 49	23.3	22.3	19.1
50+	35.8	40.9	43.8
<i>Hours worked in main economic activity only</i>			
Total	100.0	100.0	100.0
0	0.0	0.3	0.0
1 - 9	4.6	3.6	5.7
10 - 19	8.9	10.8	11.1
20 - 29	15.2	17.6	19.0
30 - 39	10.9	12.4	11.9
40 - 49	24.1	22.4	22.3
50+	36.2	33.0	30.0
Male	100.0	100.0	100.0
0	0.0	0.2	0.0
1 - 9	3.7	2.5	4.1
10 - 19	7.4	8.7	9.8
20 - 29	14.3	16.6	18.7
30 - 39	9.8	12.1	12.0
40 - 49	24.6	24.6	23.5
50+	40.2	35.3	31.9
Female	100.0	100.0	100.0
0	0.0	0.3	0.0
1 - 9	5.6	4.7	7.2
10 - 19	10.3	12.9	12.4
20 - 29	16.2	18.5	19.4
30 - 39	12.1	12.8	11.7
40 - 49	23.6	20.1	21.1
50+	32.2	30.6	28.1
Urban	100.0	100.0	100.0
0	0.0	0.5	0.0
1 - 9	2.6	2.7	2.3

	2004	2007	2009
10 - 19	7.6	6.2	4.7
20 - 29	10.7	11.6	11.7
30 - 39	9.5	7.9	7.8
40 - 49	28.6	28.5	29.4
50+	41.1	42.5	44.0
Rural	100.0	100.0	100.0
0	0.0	0.2	0.0
1 - 9	5.0	3.8	6.4
10 - 19	9.1	11.8	12.5
20 - 29	16.0	18.9	20.7
30 - 39	11.2	13.4	12.8
40 - 49	23.3	21.1	20.7
50+	35.4	30.9	26.9
HOOR-3	Annual hours worked per employed person		
HOOR-4	Time-related underemployment rate, % of total employment¹		
<i>All economic activities</i>			
Time-related underemployment rate, %	41.7	36.5	36.4
Male	37.6	31.2	31.9
Female	45.9	42.1	41.0
Urban	31.8	26.7	23.2
Rural	43.5	38.7	39.4
Underemployment, Total	2,763,851	2,578,619	2,816,963
Male	1,255,608	1,127,108	1,242,995
Female	1,508,243	1,451,511	1,573,968
Urban	318,730	343,564	327,796
Rural	2,445,121	2,235,055	2,489,167
Employment, Total	6,622,222	7,060,874	7,732,463
Male	3,339,063	3,612,264	3,892,588
Female	3,283,160	3,448,610	3,839,875
Urban	1,000,841	1,285,728	1,412,877
Rural	5,621,382	5,775,146	6,319,586
<i>Main economic activity only</i>			
Time-related underemployment rate, %	42.1	46.2	49.3
Male	38.0	42.0	46.2
Female	46.3	50.5	52.4
Urban	32.2	31.2	27.5
Rural	43.9	49.5	54.2
Underemployment, Total	2,790,036	3,258,710	3,810,313
Male	1,268,321	1,517,473	1,798,837
Female	1,521,716	1,741,237	2,011,477
Urban	322,190	401,733	388,103
Rural	2,467,847	2,856,977	3,422,211
Employment, Total	6,622,222	7,060,874	7,732,463
Male	3,339,063	3,612,264	3,892,588
Female	3,283,160	3,448,610	3,839,875

	2004	2007	2009
Urban	1,000,841	1,285,728	1,412,877
Rural	5,621,382	5,775,146	6,319,586

Source: NIS calculations from Cambodia Socio-economic Survey (various years).

⁽¹⁾ Note: Ages 15+. Time-related underemployment rate defined as the proportion of employed persons who during the reference period were: i) willing to work additional hours; (ii) available to work additional hours and (iii) worked below a threshold of working hours (40 hours).

Time-related underemployment (TRE), expressed as a proportion of total employment, is a measure of those workers who work less than a specified threshold of hours per week (in Cambodia's case, 40) and are willing and available to work more hours. It can thus provide indications of the extent of labour underutilization in an economy. For Cambodia, TRE data from 2004 to 2009 paint a mixed picture. Across all economic activities, TRE declined, falling by just over 5 percentage points to 36.4 per cent in 2009. Proportional shares, whilst declining for both men and women, remained consistently higher for women, indicating sustained disparities in the quality and productivity of women's employment. Similarly, the share of workers in TRE is both lower overall and falling faster in urban areas than the countryside. This is likely linked to the generally higher rates of labour utilization and productivity found in urban sectors as compared to rural ones.⁷

However, the time-related underemployment rate in the main economic activities increased from 42.1 per cent in 2004 to 49.3 per cent in 2009. This suggests that for half of workers, main jobs are providing insufficient hours of employment to provide an adequate standard of living, and that many thus engage in additional economic activities to bridge the shortfall in hours and income.

Summary assessment

Overall progress with regard to decent hours has been poor, and this is particularly evident in the growing shares of men and women working excessive hours in their main and secondary/additional jobs. This trend represents not only a departure from the Labour Law but also a threat to worker wellbeing and the achievement of a reasonable work-life balance. The growth in excessive hours may also be indicative of poor or declining employment quality, since some workers may be engaging in such activities – as a means to survive. Spiralling food, fuel and commodity prices during the period of observation may offer one explanation for this trend.

Trends in time-related underemployment also suggest that for many workers, their main job is providing insufficient hours of work to provide an adequate standard of living, and that this is compelling them to take up supplementary economic activities. Underemployment remains more prevalent among women and in rural areas, thus underscoring continued gender and geographical inequalities in terms of access to decent working hours, as well as the wider barriers women face in achieving decent work in the labour market.

⁷ For comparison, in 2008, average value added per person in agriculture was US\$1,030. For manufacturing it was US\$6,229, and for construction it was US\$3,332. See NIS: *Labour and Social Trends in Cambodia 2010*. (National Institute of Statistics, Ministry of Planning, Phnom Penh, 2010). However, whether or not subsistence agriculture should be included in official definitions of employment is an issue of ongoing debate.

5 Combining work, family and personal life

Achieving a suitable balance between work and family and personal life is an integral part of decent work. The term ‘work-life balance’ has come to characterize the range of policy debates that surround the distribution of time and effort between work and other aspects of life, and the tensions that often arise as a result.

One of the key international instruments relating to the intersection of work, family and personal life is the Workers with Family Responsibilities Convention, 1981 (No.156). This Convention requires governments to adopt national policy measures, which may include leave policies, social care services, and special working time/organization arrangements, to ensure that all men and women with families are able to engage in employment free of discrimination and, to the extent possible, free of conflict between work and family obligations. Although Cambodia has not ratified this Convention, it has implemented a number of legal and policy measures aimed at providing a solid basis for men and women to enjoy a balanced work, family and personal life.

The Cambodian Constitution contains several important provisions regarding the rights of women in particular, in consideration of their identified position as being the most vulnerable of gender-based work discrimination. Article 46, Chapter III, for example, provides that women shall not lose their job because of pregnancy and that they shall have the right to take maternity leave with full pay and with no loss of seniority or other social benefits. However, inconsistencies remain, since the Labour Law provides for only 50 per cent of a worker’s wage for 90 days of maternity leave (see LFI 7 below). Cambodia is also party to the UN Convention on the Elimination of Discrimination against Women (CEDAW),

which prohibits discrimination against women on the basis of their marital status or pregnancy.

The strongest provisions in the labour law regarding the work-life balance are those pertaining to maternity leave and child-care, although there remains scope for improvement. By law, women are entitled to 90 days paid maternity leave, provided they have worked at least one uninterrupted year beforehand (those who haven’t are still entitled to the same leave without pay).¹ Furthermore, for two months after returning from leave, women are only expected to perform light work, a measure intended to ease the transition of new mothers back into work after childbirth. Women are also afforded added protection by the stipulation that employers cannot lay off women during their maternity leave (or at a date when the end of the notice of lay-off period would occur during the leave). In theory, this is intended to prevent discriminatory retrenchment practices by employers based on women’s family choices; however, in practice such discrimination still occurs in more nuanced and subtle forms. Parental leave is not provided for in the law, but workers are entitled to take leave for special family occasions out of their annual leave allocations. The same applies for paternity leave for fathers.

The labour law also contains provisions aimed at helping women cope with the competing demands of work and motherhood. These include the right to additional breastfeeding breaks (beyond regular work breaks) for new mothers, and for those with pre-school infants, the requirement that larger enterprises establish child day care centres.

¹ This pertains to Articles 182 and 183 of the Labour Law, which also outlines the condition that maternity payment is calculated on the basis of half the employee’s average pay over the 12 month period prior to departing on leave (rather than on the minimum wage or basic wage).

Table 5.1 Factories complying with maternity pay (2005-2011)

Date	Oct 2005	Oct 2007	Oct 2008	Oct 2009	Apr 2011
% factories in compliance	63	86	82	69	73

Source: BFC

N.B. Partial compliance figures are typically higher (i.e. factories not paying half of benefits, only half of wage).

Legal Framework Indicator 7. Maternity leave

Law, policy or institutions: Collective agreements; Labour Law (LL): Art. 182. All women working in enterprises covered by the LL are entitled to maternity leave. Domestic workers are excluded (Art. 1). Employers are prohibited from laying off women who are on maternity leave.

Qualifying conditions: No qualifying conditions for leave. One year uninterrupted service in the enterprise to get paid leave (LL: Art. 182).

Benefits (level and duration): Half of wages during 90 days (LL: Arts. 182, 183).

Financing: Employer (LL: Art. 183). However, the NSSF, under the planned SHI branch, will provide for 70 per cent of the cash benefit (to be implemented in 2011/2012).

Evidence of implementation effectiveness: No information provided by ILO supervisory bodies.

Coverage of workers in law: According to the 2009 enterprise survey, 909,727 women were subject to the provisions of the Labour Law.

Coverage of workers in practice: N/A

Ratification of ILO Conventions: The Maternity Protection (revised), 1952 (No. 103), the Maternity Protection Convention, 2000 (No. 183) and the Social Security (Minimum Standards) Convention, 1952 (No. 102) have not been ratified by Cambodia.

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.basic?p_lang=en&p_country=KHM);
2. TRAVAIL legal databases (http://www.ilo.org/dyn/travail/travmain.sectionReport1?p_lang=en&p_countries=KH&p_sc_id=2000&p_year=2011&p_structure=3).

However, problems and gaps in the legal and policy framework remain, most of which stem from issues of coverage and enforcement. As discussed in earlier chapters, the labour law does not cover all types of employment in Cambodia and hence leaves a large proportion of working people without legislated protection, including the self-employed and family workers (see Chapter 1). This applies not only to maternity leave but also to many other provisions that concern decent work. In the case of maternity leave, the requirement that workers have one year of uninterrupted service before qualifying for payment may mean women hired under fixed-term contracts for less than a year do not qualify.² In addition, enforce-

ment of the law remains weak, which means that even in those enterprises it covers, workers continue to face difficulties in realizing their rights and entitlements in employment.

No national level data on the extent to which working men and women benefit from the work-life balance provisions of the labour law exist, however in the garment sector specifically it is possible to chart progress in terms of whether or not employers pay their staff for maternity leave.³ In this regard, monitoring reports from the *Better Factories Cambodia* programme show a gradu-

² Such contracts are widely used in the garment sector in particular, and hence may have implications thousands of young women.

³ The garment industry is the largest formal employer of women in Cambodia (it is also the largest formal employer), and as such is perhaps a good case to examine with regard to the conditions it provides for working women to balance employment and family responsibilities.

Legal Framework Indicator 8. Parental Leave

Law, policy or institutions: Labour Law (LL); Collective agreements. LL: No parental leave. However, the LL entitles all workers covered by the law to a maximum of seven days special leave for family events directly related to the workers' immediate family (LL: Art. 171). An employer may deduct family-related leave from annual leave if the worker still has days of annual leave to his/her credit. If the worker does not have any annual leave left, the employer may not deduct family-related leave days from the following year's credit.

Qualifying conditions: One year of service (LL: Art. 167).

Benefits (Levels and duration): Maximum of seven days (LL: Art. 171).

Financing: Employer.

Evidence of implementation effectiveness: No information provided by ILO supervisory bodies.

Coverage of workers in law: N/A.

Coverage of workers in practice: N/A.

Ratification of ILO Conventions: The Workers with Family Responsibilities Convention, 1981 (No. 156) has not been ratified by Cambodia.

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.basic?p_lang=en&p_country=KHM);
2. TRAVAIL legal databases (http://www.ilo.org/dyn/travail/travmain.sectionReport1?p_lang=en&p_countries=KH&p_sc_id=2000&p_year=2011&p_structure=3).

ally increasing trend of factory-level compliance from the mid-2000s until the immediate pre-crisis period, after which compliance rates dropped substantially, before recovering slightly in 2011.

For many working men and women, the ability to combine work, family and personal life is heavily dependent on their working hours. Excessive working hours in particular can be damaging since they not only infringe on the ability to balance work-family responsibilities, but they can also have a negative effect on individual and family health and wellbeing.⁴ As noted in Chapter 4, the number of workers in excessive hours has increased in recent years with nearly half working more than 48 hours per week, if one counts both main and additional jobs together. This would suggest that for affected workers, especially in urban areas where there is a concentration of excessive hours, striking a comfortable balance between work, family and personal life is becoming increasingly difficult.

⁴ At the same time, working insufficient hours generates a different set of problems, since in Cambodia it often also equates with an inability to earn enough to provide for one's family. This is a problem that is more widespread in employment in rural areas than elsewhere, and so is likely to be a significant problem for subsistence farming households in particular.

Time spent by workers commuting between home and the workplace is another aspect that can be considered when assessing the work-life balance. In Cambodia, while a question on commuting is included in the census, no additional information is sought on related distances and times involved. Generally speaking, there appears to have been very little change in commuting patterns in Cambodia since the late 1990s. In 1998, more than nine in every ten employed workers worked outside the home but in the district where they lived – something that remained virtually unchanged in 2008. Districts in Cambodia vary in size, but are generally far smaller around Phnom Penh and in the southeast which include mostly urban and semi-urban areas than in the rest of the country which is mostly rural. Coupled with the comparative scarcity of paid employment opportunities in much of rural Cambodia, this suggests that commuting is often a necessity for employed workers. It is also more likely to entail long distances and travel times for rural than for urban residents.⁵

⁵ There are 159 districts in Cambodia across 23 provinces. The average district size is 1,138 square kilometres, with an average population of 84,249. However, large discrepancies are evident between small, densely populated districts and larger more remote ones.

The share of employed persons working at home rose slightly between 1998 and 2008, from 2.41 per cent to 3.17 per cent, with women more likely to be in this type of work than men. At the same time, men are more likely than women to be found working in different districts of the same province and in other provinces, although the absolute numbers are small. This would also imply that for men more so than for women, commuting is part of the daily routine of employment.

Summary assessment

Indicators to measure progress on the work-life nexus are scarce in Cambodia and it is therefore impossible to make a conclusive assessment as to recent developments in this area. Trends in working hours offer some insight, and in this regard the growth of excessive working hours stands out

as a key obstacle to the achievement of a decent work-life balance.

Although the country has a reasonable legal and policy framework to safeguard the work-life balance, particularly on maternity leave and childcare, there remain gaps in terms of both the coverage of the law and its lack of enforcement at the enterprise level. There remains inconsistency, also, between the Cambodian Constitution and the Labour Law on the issue of maternity leave payments.

The garment sector provides some examples of good practice with regard to the implementation of measures provided in the law to protect women and help them better balance the responsibilities of motherhood with work.⁶ However, this represents just a sub-sector within a single sector of the economy; national data and data from other sectors remain unavailable.

⁶ For more information, see the work of ILO “Better Factories Cambodia” [www.betterfactories.org]

6 Work that should be abolished

International conventions stipulate the need to abolish two main forms of unacceptable employment, namely child labour and forced labour. Cambodia has ratified ILO Conventions relating to both types of employment, including C138 Minimum Age Convention, C182 Worst Forms of Child Labour Convention, C29 Forced Labour Convention, and C105 Abolition of Forced Labour Convention. These are also supported by a domestic legal framework which includes provisions both under the Labour Law (LL) and the more recent Law on the Suppression of Human Trafficking and Sexual Exploitation (LSHTSE). In the absence of official recent data on forced labour in Cambodia, this chapter will focus solely on assessing progress as concerns the elimination of child labour.

Child labour represents a key obstacle to achieving universal primary education and other Millennium Development Goals in Cambodia.¹ It not only harms individual child welfare and can stunt their physical, social and psychological development, but it also denies them the skills and knowledge needed for them to obtain gainful and productive future employment, and with it the chance to break free of intergenerational poverty. This undermines national development prospects by eroding the human capital base of future generations.

Education is compulsory for nine years in Cambodia, throughout which time it is ostensibly free but in reality often requires informal payments. The minimum legal admission age for general employment is 15 years, while for hazardous work (the definition of which is contained in the law) is 18 years. The LL also stipulates that children under the age of 18 cannot sign a work agreement without the consent of a parent or guard-

ian (Art.181). Exceptions are made for children of 12 years or more for light and non-hazardous work which does not interfere with their education. Responsibility for the enforcement of these provisions lies with labour inspectors, who require all employers to keep a record of the age of all employees (see Legal Framework Indicator 9).

The Law on the Suppression of Human Trafficking and Sexual Exploitation (LSHTSE) prohibits the procuring, purchasing and soliciting of prostitution of minors under 18 (Arts. 28, 34 and 35), with related offences leading to prison sentences of between two and 15 years. Child labour is also covered by national policies and plans, including the Education for All National Plan (2003–15) and the National Plan of Action (NPA) on the Elimination of the Worst Forms of Child Labour (2008–12). Cambodia's Millennium Development Goals targets the reduction of the number of working children aged 5–17 years at 8 per cent by 2015.

Despite these important legal and developmental commitments, the legislative framework for tackling child labour in Cambodia remains problematic. Of particular concern is the narrow coverage of the LL, which by focusing only on paid employees in formal enterprises, misses the workplaces where the bulk of child labour is found, most often in the informal economy. In addition, the law remains ambiguous in terms of how it defines child labour (i.e. the types and conditions of work covered, and the types of hazards that are involved), while resource and capacity constraints continue to undermine its practical enforcement at the enterprise level.

Although the LL specifies a minimum age for entry to employment of 15 years, at the time of ratification of Convention No. 138 (Minimum Age Convention), Cambodia specified 14 as the

¹ Compulsory education is a key mechanism to eliminate child labour.

Legal Framework Indicator 9. Child labour

Law, policy or institutions: Labour Law (LL); Law on Suppression of Human Trafficking and Sexual Exploitation (LSHTSE). Children of less than 18 cannot sign a work agreement without the consent of a guardian (LL: Art. 181).

General age for admission to employment: 15 (LL: Art. 177(1)); *Admission to hazardous work:* 18 (LL: Art. 177(2)); a Prakas on the Prohibition of Hazardous Child Labour, adopted on 28 April 2004, contains an extensive list of hazardous work (deep-sea and off-shore fishing, charcoal burning, fire fighting, maintenance of heavy machinery, work involving exposure to harmful chemical, physical, electromagnetic or ionizing agents, work as embalmers, etc.). An exception for light work is provided by the LL (from 12 years old), in certain circumstances (work not hazardous to health or mental and physical development and work that does not interfere with school, guidance programmes or vocational training (LL: Art. 177(4)). If an employer employs children of less than 18 years of age s/he may be liable to a fine of 31-60 days of the base daily wage of the employee in question. Labour inspectors verify compliance with provisions (the employer needs to keep a record of age of all employees) and have powers of enforcement (LL: Arts. 178-179). The LSHTSE prohibits the procuring, purchasing and soliciting of prostitution of minors under 18 (Arts. 28, 34 and 35) and any person from providing another with money or anything of value on the condition that a minor engage in prostitution, or from making a contract in which a minor is obliged to engage in prostitution. Article 41 of the LSHTSE provides that a person who distributes, sells, leases, displays, projects or presents child pornography in a public place, or produces child pornography for that purpose, commits an offence. The LSHTSE provides for imprisonment of two to 15 years. School is compulsory for nine years and primary and secondary schools are free.

Monitoring mechanisms include the Child Labour Inspection Office of the Department of Child Labour, the Department of Occupational Safety and Health, the National Sub-Committee on Child Labour of the Cambodian National Council for Children, the Municipal/Provincial Committees on Child Labour, the Community Monitoring of Child Labour and an inter-ministerial mechanism. A specialized Anti-Trafficking and Juvenile Protection Police Unit, created in 2002, is in charge of enforcing laws against child trafficking and prostitution. NPAs addressing child labour include the Education for All National Plan (2003–15) and the National Plan of Action on the Elimination of the Worst Forms of Child Labour (2008–12). The Cambodia Millennium Development Goals set out the reduction of the number of working children, aged 5–7 years, to 8 per cent by 2015.

Evidence of implementation effectiveness: The CEACR observed, *inter alia*, that national legislation does not appear to prohibit the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs. Furthermore, it observed that the LL appears to only apply to those with an employment relationship and excludes self-employed or domestic workers. The CEACR also raised the fact that despite the fact that the law sets the minimum age of employment at 15, Cambodia stated difficulties in applying this provision when ratifying Convention No. 138 and therefore specified the minimum age of 14 years for admission to employment while the age of completion of compulsory education is 15 years. The CEACR noted a 2008 UNESCO report indicating an increase in enrolment in primary and secondary education. No employer was prosecuted for violating child labour laws in 2007. According to an ILO/IPEC action programme, Cambodia has the largest proportion of economically active 10 to 14 year old children in East and South-east Asia. The CEACR noted with interest that 22,000 child labourers were withdrawn from the worst forms of child labour and that some of them (under 15 years of age) were provided basic education, while others were provided with vocational training (between 15 and 18 years of age). An ILO/IPEC project on the prevention and elimination of exploitative child domestic work was implemented from March 2004 to February 2006, and helped to withdraw 162 children from domestic work and to protect 425 children. According to the Government 8, 471 child workers were removed from the worst forms of child labour in 2010. Furthermore, the Government has expressed that it is cooperating with ILO/IPEC to conduct a survey on the situation of child labour, especially the worst forms of child labour, for 2012.

Ratification of ILO Conventions: The Minimum Age Convention, 1973 (No. 138) has been ratified by Cambodia on 23 August 1999 and the Worst Forms of Child Labour Convention, 1999 (No. 182) has been ratified by Cambodia on 14 March 2006.

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.basic?p_lang=en&p_country=KHM);
2. CEACR 2010 direct request on the application of Convention No. 138 (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displayAllComments.cfm?hdoff=1&ctry=1190&conv=C138&Lang=EN>);
3. CEACR 2010 direct request on the application of Convention No. 182 (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdoff=1&ctry=1190&year=2010&type=R&conv=C182&lang=EN>);
4. National Committee for Population and Development (http://www.ncpd.gov.kh/index.php?option=com_content&view=article&id=115:solutions-sought-for-child-labor-in-cambodia&catid=36:population&Itemid=58).

Legal Framework Indicator 10. Forced labour

Law, policy or institution: Penal Code (adopted in December 2009 and entered into force in December 2010); Labour Law (LL); Law on Suppression of Human Trafficking and Sexual Exploitation (LSHTSE), 2007. LL: Art. 15 states that forced or compulsory labour is forbidden; this provision applies to everyone, including domestic workers and all workers in agricultural enterprises or businesses. Those guilty of violating this are liable to a fine of sixty-one to ninety days of base daily wage or to imprisonment of six days to one month (Art. 369). LL: Art. 16 states that hiring people for work to pay off debts is forbidden. Art. 15 LSHTSE prohibits the act of selling, buying or exchanging a person for the purpose of profit, sexual aggression, production of pornography or any form of exploitation, while section 16 prohibits selling, buying or exchanging a person for cross-border trafficking. The Leading Task Force to Fight Human Trafficking, Smuggling, Exploitation and Sexual Exploitation of Women and Children and the National Task Force to Implement Agreements, Memoranda of Understanding between the Royal Government of Cambodia and Relevant Countries on the Elimination of Trafficking in Persons and Assisting Victims of Trafficking are involved in eliminating trafficking. A specialized Anti-Human Trafficking and Juvenile Protection Police Department was established, a Suppression Campaign to combat human trafficking in Cambodia was developed and specialist judges and prosecutors were trained to have a strong understanding of the issues and sensitivities involved in cases of human trafficking. Cambodia has adopted its Second National Plan of Action on Trafficking in Persons and Sexual Exploitation (NPA TIPSE 2006–2010). A Memorandum of Understanding between Thailand and Cambodia was signed to eliminate trafficking in children and women and to provide assistance to victims of trafficking.

Evidence of implementation effectiveness: The CEACR repeatedly noted that Cambodia failed to comply with its reporting obligation under Article 22 of the ILO Constitution in relation to Convention 105. However, in 2011, the Conference Committee on the Application of Standards noted that since the meeting of the Committee of Experts, the Government has sent replies to the majority of the Committee's comments. Cambodia was requested to provide information on several legislative provisions. The CEACR noted with satisfaction that the Sub-Decree No. 10 SDEC of 28 February 1994 which provided for up to 15 days a year of compulsory labour for irrigation works was repealed by Sub-Decree No. 40 SDE of 4 July 2000, which provides for one day of manual work on hydrology, to be held on 4 March every year, which all adult citizens can attend on a voluntary basis. A Government report of October 2008 indicates that no court has judged on a case under sections 15 and 369 LL relating to the prohibition of forced labour. It was noted in the ILO Decent Work Country Programme that women and children from poor and disadvantaged backgrounds remain vulnerable to trafficking, domestic violence and forced labour. Cambodia is affected by internal and cross-border human trafficking, and is a country of origin, transit and destination. Between 2006 and 2008, 58 cases of domestic trafficking were investigated involving 91 offenders, and 43 cases of cross-border trafficking were investigated involving 70 offenders. According to information of the CEACR, although the Government increased arrests and prosecutions of traffickers, efforts are hampered by reported corruption and a weak judicial system. The Committee on Economic, Social and Cultural Rights stated its concern in 2009 with regard to the lack of enforcement of legislation concerning forced or bonded child labour and commercial sexual exploitation of children. It was noted with concern that reports indicate that an estimated 400 to 800 Cambodian women and children per month are trafficked to foreign countries for sex. The low number of prosecutions and convictions of traffickers was identified as a particular concern.

Ratification of ILO Conventions: The Forced Labour Convention, 1930 (No. 29) has been ratified by Cambodia on 24 February 1969 and the Abolition of Forced Labour Convention, 1957 (No. 105) has been ratified by Cambodia on 23 August 1999.

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.basic?p_lang=en&p_country=KHM);
2. CEACR observation on the application of Convention No. 105 (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displayAllComments.cfm?conv=C105&ctry=1190&hdroff=1&lang=EN>) and observation concerning Convention No. 29 (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displayAllComments.cfm?conv=C029&ctry=1190&hdroff=1&lang=EN>);
3. United Nations Inter-Agency Project on Human Trafficking (<http://www.no-trafficking.org/cambodia.html>);
4. Decent Work Country Programme – Cambodia - 2008-2010 (http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_142516.pdf);
5. Concluding observations of the Committee on Economic, Social and Cultural Rights, CONSIDERATION OF REPORTS SUBMITTED BY STATES PARTIES UNDER ARTICLES 16 AND 17 OF THE COVENANT, E/C.12/KHM/CO/1, 12 June 2009 (available at: <http://www.unhcr.org/refworld/docid/4af181b20.html>).

minimum age. This was in response to the Government's concerns that it would not be able to meet the conditions of the Convention. However, as a result the country now has a contradictory legal framework in which children are simultaneously required to stay in school until 15 and allowed to take up employment a year earlier.

Official figures on child labour in Cambodia may lack full accuracy due to the fact there are a number of categories of child work that are difficult to statistically measure. For this reason, data presented in this chapter are likely to underestimate the true extent of the problem. In addition, due to the onset of the economic crisis data limi-

Table 6.1. Work that should be abolished

		2001	2004	2007	2009
ABOL-1	Child labour, %¹				
	Child labour, ages 5-11, %	34.4	na	18.6	18.8
	Male	34.8	na	20.0	19.0
	Female	34.0	na	17.1	18.7
	Urban	25.6	na	5.7	5.4
	Rural	36.3	na	21.1	21.3
	Child labour, ages 12-14, %	49.5	na	34.0	38.1
	Male	50.7	na	34.4	39.4
	Female	48.3	na	33.5	36.7
	Urban	34.7	na	13.6	13.3
	Rural	53.0	na	38.8	43.1
	Child labour, ages 15-17, %	24.9	na	27.8	34.7
	Male	22.9	na	26.0	36.1
	Female	27.1	na	29.4	33.1
	Urban	24.0	na	11.1	18.2
	Rural	25.2	na	31.6	38.5
	Child labour, ages 5-17, %	35.8	na	24.7	27.3
	Male	35.8	na	25.0	28.1
	Female	35.8	na	24.4	26.3
	Urban	27.3	na	9.3	10.8
	Rural	37.8	na	27.9	30.5
	Total child labour, ages 5-11	831,451	na	390,415	402,692
	Male	429,022	na	217,150	207,130
	Female	402,429	na	173,264	195,563
	Urban	112,161	na	18,863	17,899
	Rural	719,290	na	371,551	384,794
	Total child labour, ages 12-14	479,148	na	357,210	366,939
	Male	250,683	na	179,586	197,859
	Female	228,465	na	177,624	169,080
	Urban	64,190	na	27,630	21,210
	Rural	414,958	na	329,580	345,729
	Total child labour, ages 15-17	228,174	na	272,186	352,605
	Male	108,691	na	123,175	194,228
	Female	119,483	na	149,011	158,377
	Urban	47,266	na	20,207	34,818
	Rural	180,908	na	251,979	317,786
	Total child labour, ages 5-17	1,538,773	na	1,019,810	1,122,236
	Male	788,396	na	519,911	599,216
	Female	750,377	na	499,899	523,020
	Urban	223,617	na	66,700	73,927
	Rural	1,315,156	na	953,110	1,048,309
	Total child population, ages 5-11	2,419,009	na	2,097,321	2,137,898
	Male	1,234,296	na	1,085,520	1,091,584
	Female	1,184,713	na	1,011,801	1,046,315
	Urban	438,097	na	333,796	331,086

	2001	2004	2007	2009
Rural	1,980,912	na	1,763,525	1,806,812
Total child population, ages 12-14	967,735	na	1,051,947	962,499
Male	494,549	na	522,422	501,574
Female	473,186	na	529,526	460,926
Urban	184,809	na	203,011	159,442
Rural	782,926	na	848,936	803,057
Total child population, ages 15-17	916,005	na	980,641	1,016,596
Male	475,079	na	474,406	537,931
Female	440,927	na	506,235	478,665
Urban	196,750	na	182,281	190,970
Rural	719,255	na	798,360	825,626
Total child population, ages 5-17	4,302,749	na	4,129,909	4,116,994
Male	2,203,924	na	2,082,348	2,131,089
Female	2,098,825	na	2,047,561	1,985,905
Urban	819,656	na	719,088	681,499
Rural	3,483,093	na	3,410,821	3,435,495
ABOL-2 Hazardous child labour, %²				
Hazardous child labour, ages 5-11, %	2.5	na	2.3	4.6
Male	2.6	na	2.9	4.7
Female	2.4	na	1.7	4.5
Urban	2.6	na	0.6	1.0
Rural	2.5	na	2.7	5.2
Hazardous child labour, ages 12-14, %	9.8	na	12.3	20.6
Male	10.0	na	11.4	22.6
Female	9.7	na	13.2	18.5
Urban	9.6	na	3.4	5.4
Rural	9.9	na	14.4	23.7
Hazardous child labour, ages 15-17, %	28.0	na	32.0	45.1
Male	26.3	na	30.0	48.6
Female	29.9	na	33.8	41.2
Urban	28.3	na	12.8	23.1
Rural	27.9	na	36.4	50.2
Hazardous child labour, ages 5-17, %	9.6	na	11.9	18.3
Male	9.4	na	11.2	20.0
Female	9.8	na	12.6	16.6
Urban	10.4	na	4.5	8.2
Rural	9.4	na	13.5	20.3
Total hazardous child labour, ages 5-11	60,904	na	48,758	97,854
Male	31,917	na	31,940	50,861
Female	28,988	na	16,818	46,993
Urban	11,595	na	1,908	3,225
Rural	49,309	na	46,850	94,629
Total hazardous child labour, ages 12-14	95,148	na	129,424	198,658
Male	49,445	na	59,336	113,167

	2001	2004	2007	2009
Female	45,704	na	70,088	85,491
Urban	17,697	na	6,907	8,667
Rural	77,452	na	122,517	189,991
Total hazardous child labour, ages 15-17	256,625	na	313,568	458,460
Male	124,910	na	142,211	261,374
Female	131,715	na	171,357	197,087
Urban	55,696	na	23,289	44,159
Rural	200,930	na	290,279	414,302
Total hazardous child labour, ages 5-17	412,678	na	491,749	754,973
Male	206,271	na	233,486	425,401
Female	206,407	na	258,263	329,571
Urban	84,988	na	32,104	56,050
Rural	327,690	na	459,645	698,923
Total child population, ages 5-11	2,419,009	na	2,097,321	2,137,898
Male	1,234,296	na	1,085,520	1,091,584
Female	1,184,713	na	1,011,801	1,046,315
Urban	438,097	na	333,796	331,086
Rural	1,980,912	na	1,763,525	1,806,812
Total child population, ages 12-14	967,735	na	1,051,947	962,499
Male	494,549	na	522,422	501,574
Female	473,186	na	529,526	460,926
Urban	184,809	na	203,011	159,442
Rural	782,926	na	848,936	803,057
Total child population, ages 15-17	916,005	na	980,641	1,016,596
Male	475,079	na	474,406	537,931
Female	440,927	na	506,235	478,665
Urban	196,750	na	182,281	190,970
Rural	719,255	na	798,360	825,626
Total child population, ages 5-17	4,302,749	na	4,129,909	4,116,994
Male	2,203,924	na	2,082,348	2,131,089
Female	2,098,825	na	2,047,561	1,985,905
Urban	819,656	na	719,088	681,499
Rural	3,483,093	na	3,410,821	3,435,495

⁽¹⁾ Source: NIS calculations from Cambodia Socio-economic Survey (various years) and Child Labour Survey (2001).

Note: Child labour defined as: (1) children aged 5-11 years in economic activity; (2) children aged 12-14 in economic activity, excluding those in light economic activity (less than 15 hours per week); (3) children aged 15-17 who worked more than 42 hours per week; and (4) all children aged 5-17 engaged in hazardous work (see ABOL-2 for hazardous work).

⁽²⁾ Source: NIS calculations from Cambodia Socio-economic Survey (various years) and Child Labour Survey (2001).

Note: Hazardous child labour defined according to occupation and industries identified in the National Plan of Action (NPA) for the Elimination of Worst Forms of Child Labour. See: UCW, Towards eliminating the worst forms of child labour in Cambodia by 2016: An assessment of resource requirements (May 2009), Tables 2 and 3. Also includes children working more than 42 hours per week.

tations restrict comparability to just two reference years, 2007 and 2009 which may not be anomalous to longer term trends.

Child labour is a legal concept that reflects work that is injurious, negative or undesirable to children, including their health and ability to attend,

complete, or focus fully on school.² Despite the short observation period, child labour data in Cam-

² UCW: *Children's work in Cambodia: A challenge for growth and poverty reduction*, Understanding Children's Work (UCW) (ILO, UNICEF and World Bank, April 2006). For a full ILO definition and related discussion, see ILO: *Defining child labour: A review of the definitions of child labour in policy research*, (IPEC, Geneva, November 2008).

Table 6.2. Hazardous child labour (Total)

Hazardous child labour ¹												
	2001				2007				2009			
	Total	By occupational/ industry categories	Ages 5-14 working more than 42 hours per week	Ages 15-17 working more than 42 hours per week	Total	By occupational/ industry categories	Ages 5-14 working more than 42 hours per week	Ages 15-17 working more than 42 hours per week	Total	By occupational/ industry categories	Ages 5-14 working more than 42 hours per week	Ages 15-17 working more than 42 hours per week
Total hazardous child labour, ages 5-11	60,904	37,177	23,728	–	48,758	34,342	14,416	–	97,854	61,797	36,057	–
Male	31,917	19,490	12,427	–	31,940	22,414	9,526	–	50,861	31,741	19,120	–
Female	28,988	17,687	11,301	–	16,818	11,927	4,891	–	46,993	30,056	16,937	–
Urban	11,595	8,800	2,795	–	1,908	1,421	488	–	3,225	1,550	1,675	–
Rural	49,309	28,376	20,932	–	46,850	32,921	13,929	–	94,629	60,247	34,383	–
Total hazardous child labour, ages 12-14	95,148	43,428	51,720	–	129,424	64,528	64,896	–	198,658	104,751	93,908	–
Male	49,445	24,197	25,248	–	59,336	31,775	27,561	–	113,167	63,497	49,670	–
Female	45,704	19,231	26,472	–	70,088	32,753	37,335	–	85,491	41,254	44,238	–
Urban	17,697	10,366	7,331	–	6,907	3,440	3,467	–	8,667	4,546	4,121	–
Rural	77,452	33,063	44,389	–	122,517	61,088	61,428	–	189,991	100,205	89,787	–
Total hazardous child labour, ages 15-17	256,625	74,153	–	182,472	313,568	95,858	–	217,709	458,460	181,591	–	276,869
Male	124,910	43,934	–	80,977	142,211	56,521	–	85,690	261,374	117,663	–	143,711
Female	131,715	30,220	–	101,495	171,357	39,337	–	132,019	197,087	63,928	–	133,159
Urban	55,696	18,290	–	37,405	23,289	5,258	–	18,031	44,159	13,991	–	30,167
Rural	200,930	55,863	–	145,067	290,279	90,600	–	199,679	414,302	167,600	–	246,702
Total hazardous child labour, ages 5-17	412,678	154,758	75,448	182,472	491,749	194,727	79,312	217,709	754,973	348,139	129,965	276,869
Male	206,271	87,620	37,674	80,977	233,486	110,710	37,086	85,690	425,401	212,901	68,790	143,711
Female	206,407	67,138	37,774	101,495	258,263	84,018	42,226	132,019	329,571	135,238	61,175	133,159
Urban	84,988	37,456	10,126	37,405	32,104	10,118	3,955	18,031	56,050	20,088	5,795	30,167
Rural	327,690	117,302	65,321	145,067	459,645	184,609	75,357	199,679	698,923	328,051	124,169	246,702

⁽¹⁾ Source: NIS calculations from Cambodia Socio-economic Survey (various years) and Child Labour Survey (2001).

Note: Hazardous child labour defined according to National Plan of Action (NPA) for the Elimination of Worst Forms of Child Labour. See: UCW, *Towards eliminating the worst forms of child labour in Cambodia by 2016: An assessment of resource requirements* (May 2009).

bodia describe a deteriorating overall trend between 2007 and 2009, with incidence rates rising in all the major age categories.³ Child labour remained stable around 19 per cent among 5 to 11 year olds and increased by 6.9 per cent to reach 34.7 per cent among older children aged 15 to 17. The highest

absolute rates in both years were found among children aged 12 to 14, at 34 per cent in 2007 and 38.1 per cent in 2009. Overall, child labour for 5 to 17 year olds rose 2.6 percentage points over the period, from 24.7 per cent to 27.3 per cent.

Child labour in Cambodia may be influenced by a number of factors, most notably poverty and school accessibility, as well as enrolment levels. Multi-variate analysis conducted by a joint UN research project in 2006 revealed that household income/wealth was inversely related to child labour supply,

³ According to the Cambodia Socio-Economic Survey (CSES), from which the data in this chapter are drawn, child labour includes all economic activity among children aged 5 to 11 years, all economic activity except light work of less than 15 hours per week among children of 12 to 14 years, and long hours (42 hours or more per week) among children aged 15 to 17. It also includes *all* children (5 to 17 years) engaged in work that is considered hazardous.

as was exposure to early childhood education and the availability of schools – all of which are linked to rising enrolment rates.⁴ In Cambodia, however, neither falling poverty nor rising enrolment rates in recent years (see Chapter 1) appear to have been sufficient to reverse the rising trend in child labour.

According to the data, child labour affects boys and girls to a generally similar degree, although in most cases child labour is slightly more prevalent among boys than girls (the gender gap here ranges from 1 to 3 percentage points). Furthermore, it appears to be both more prevalent and increasing at a faster rate in rural areas, likely due to disparities between economic and educational opportunities in urban and rural areas and the higher levels of poverty in rural areas.⁵ In 2009, the child labour rate was four times higher among 5 to 11 year olds in rural than urban areas (21.3 per cent, compared with 5.4 per cent in urban areas), more than three times higher among 12 to 14 year olds (43.1 per cent versus 13.3 per cent), and more than two times higher among 15 to 17 year olds (18.2 per cent versus 38.5 per cent). Similar gaps were observed in 2007 but with lower overall rates.

Among lower secondary age children the urban-rural gap widened by 4.6 percentage points, while in other categories it remained broadly similar between 2007 and 2009. This is likely a reflection of both the more widespread nature of poverty in rural Cambodia and the relative scarcity of opportunities for post-primary schooling in these areas. Other indicators seem to confirm this trend: enrolment rates, for example, drop sharply between primary and lower secondary school levels (see Chapter 1: Social and economic context). Together, they are suggestive of major challenges ahead for education if Cambodia is to meet simultaneous MDG and national child labour targets by 2015.

Hazardous work is a subgroup of the worst forms of child labour that is of particular concern for policymakers in Cambodia. The NPA identifies 16 main types of hazardous work, including fishing, scavenging and rubbish picking, quar-

rying and mining, and restaurant work, and also includes children working in excess of 42 hours per week.⁶ There were an estimated 313,264 children aged 10 to 17 in these worst forms of child labour in 2004, according to research conducted by the ILO, World Bank and UNICEF.⁷

Recent data reveal a worrying recent increase in hazardous child labour among 5 to 17 year olds in Cambodia, the rate rising from 11.9 per cent in 2007 to 18.3 per cent in 2009. By gender, the increase appears to have been most pronounced among boys with a gain of 8.8 percentage points, as opposed to just 4 percentage points for girls. In geographical terms, the sharpest increases were in urban areas, albeit at overall lower levels than rural areas. Between 2007 and 2009, urban rates rose from 4.5 per cent to 8.2 per cent, while in rural areas the increase was 13.5 per cent to 20.3 per cent.

In line with movements in other indicators such as enrolment rates and general child labour, rates of hazardous child labour increased significantly among children of secondary school age. The difference between the 5 to 11 and 12 to 14 age categories is telling in this regard, for example in 2009, with a rate of 4.6 per cent for the former and 20.6 per cent for the latter. This pattern is replicated in the higher age grouping, 15 to 17 years, which extends beyond the age of compulsory schooling, where the highest overall rates of hazardous work are found: 32 per cent in 2007 and 45.1 per cent in 2009.

In all age groups, figures for hazardous child labour represent significant increases between 2007 and 2009. This may be indicative of the unfavourable recent socio-economic context and related labour market changes (see Chapter 1), as well as of improved official recording of child labour at the national and local levels.

⁴ UCW op.cit.

⁵ The gap in opportunities between rural and urban areas is particularly pronounced when it comes to secondary education.

⁶ The full list is as follows: (1) portering; (2) domestic worker (private home); (3) waste scavenging or rubbish picking; (4) fishing; (5) work in rubber plantations; (6) work in tobacco plantations; (7) work in (other) semi-industrial agriculture plantations; (8) brick-making; (9) salt production and related enterprises; (10) handicrafts and related enterprises; (11) processing sea products; (12) stone and granite breaking; (13) rock/sand quarrying, stone collection; (14) gem and coal mining; (15) restaurant work; and (16) begging.

⁷ UCW: *Towards eliminating the worst forms of child labour in Cambodia by 2016: An assessment of resource requirements*, Understanding Child Work Programme (ILO, UNICEF, World Bank, May 2009).

Table 6.3. Worst forms of child labour in Cambodia by occupation and industry codes

	CSES 2004			CSES 2007		CSES 2009	
	ISCO-88 Code*	Occupation Code	Industry Code	Occupation Code	Industry Code	Occupation Code	Industry Code
Hazardous forms							
1. Portering	933 Transport labourers and freight handlers			953 Loaders and unloaders 955 Other transport labourers	–	933 Transport and storage labourers	–
2. Domestic worker (private home)	913 Domestic and related helpers, cleaners and launderers			922 Domestic helpers and maids	–	911 Domestic cleaners and helpers	–
3. Waste scavenging or rubbish picking	916 Garbage collectors and related labourers			931 Other garbage collectors and related labourers	–	961 Refuse workers	–
4. Work in rubber plantations	–			–	–	–	–
5. Work in tobacco plantations	–			941 Agricultural, fishery and related labourers	115 Growing of tobacco	921 Agricultural, forestry and fishery labourers	115 Growing of tobacco
6. Fishing	615 Fishery workers, hunters and trappers			615 Fishery workers, hunters and trappers	310 Fishing	622 Fishery workers, hunters and trappers	310 Fishing
7. Work in semi-industrial agricultural plantations	–			–	–	–	–
8. Brick-making	–			–	–	–	–
9. Salt production and related enterprises	–			–	–	–	–
10. Handicrafts and related enterprises	733 Handicraft workers in wood, textile and related material			734 Handicraft workers in wood, textile, leather and related materials	–	738 Handloom weavers, handicraft workers in textile, leather and related materials	–
11. Processing sea products	–			–	320 Aquaculture	–	1020 Processing and preserving of fish, crustaceans and molluscs
12. Stone and granite breaking	–			–	–	–	–
13. Rock/sand quarrying, stone collection	–			–	800 Other mining and quarrying	–	810 Quarrying of stone, sand and clay
14. Gem and coal mining	711 Miners, shot firers, stone cutters and carvers 931 Mining and construction labourers			951 Mining and construction labourers	500 Mining of coal and lignite	931 Mining and construction workers	510 Mining of hard coal

	CSES 2004			CSES 2007		CSES 2009	
	ISCO-88 Code*	Occupation Code	Industry Code	Occupation Code	Industry Code	Occupation Code	Industry Code
15. Restaurant work	512 Housekeeping and restaurant services workers			512 Housekeeping and restaurant services workers	–	512 Cooks 513 Waiters and bartenders	–
16. Begging	–			–	–	–	–
Unconditional worst forms of child labour							
1. Child commercial sexual exploitation	–			928 Commercial sex workers	–	953 Commercial sex workers	–
2. Child trafficking	–			–	–	–	–
3. Children used in drug production, sales and trafficking	–			–	–	–	–

Notes: ** represent ISCO-88 codes as identified in UCW: *Measuring child labour: Discussion note for country consultations in Cambodia* (March 2007), p. 22.

Although the overall increase in hazardous child labour has affected both girls and boys, some differential trends and impacts are observable. While in 2009 proportional shares in this work were fairly equal among boys and girls (4.7 per cent and 4.5 per cent, respectively), this represents a particular deterioration for girls, whose share has more than doubled since 2007. At the same time, in the two other age categories (12 to 14 and 15 to 17), growth in hazardous work has been more pronounced among boys, to such an extent that unlike in 2007, they are now found in proportionally larger shares than girls (22.6 per cent versus 18.5 per cent). While comparative to boys this may represent progress for girls, the fact that shares are high and rising across the board means that over the short observation period at least, neither gender has benefited from a reduction in hazardous forms of child labour.

Summary assessment

Based on the available data for the observation period 2007 to 2009 (which is limited and not necessarily indicative of longer term trends), progress as regards the elimination of child labour has been poor. Substantial increases in child labour are evident across all major categories, including hazardous work. This is a trend which

may have serious implications for Cambodia's MDG goals and national reduction targets. While improved data collection may account for part of these movements, official data are also likely to underestimate the full extent of child labour in Cambodia.

Although it appears educational progress has reduced rates among children of primary school age, more than a third of 12 to 14 year olds remain in child labour, even despite recent gains in secondary school enrolment. Boys and girls are similarly affected by child labour over the period, although girls are on average less likely to be found in its hazardous forms than boys. Child labour is typically higher in rural areas, which is likely linked to poverty and scarcer educational opportunities, particularly at the secondary level. Whilst still lower than in rural areas, hazardous work is rising fastest in urban areas.

Confusion over the legal framework for the prevention of child labour represents another barrier to progress in this aspect of decent work. A key priority in this regard is the clarification of the law regarding the respective age for school completion and entry to employment (to ensure harmonization).

7 Stability and security of work

Job stability and security are important indicators of labour market stability and an integral part of the Decent Work Agenda. Statistically, they are best measured through indicators of ‘precarious work’ – namely, work that by contractual status is of casual, seasonal, temporary or short term nature.¹ Because these jobs provide no expectations of a long-lasting employment relationship, they represent a key source of vulnerability and risk for affected workers. Informal employment and vulnerable employment also share many characteristics of precarious work and can thus serve as complementary indicators of stability and security at work.

Stability and security in employment is dependent on a number of factors, including the country’s economic, social and demographic context, as well as the legal and policy framework governing the labour market. For paid employees, job security and stability is typically dependent on the length of their employment contract or relationship with their employer over time. For the self-employed, stability and security depends on the stability of their enterprises and the expectation of continued work over a given time-span.²

There are two main categories of employment contracts in the Cambodian Labour Law (LL)³:

(i) undetermined duration contracts (UDCs), which are open-ended and permanent; and (ii) fixed duration contracts (FDCs), which are valid for a specific period of time, usually three to six months, and after which they can be renewed up to a maximum duration of two years; any extension thereafter should result in the contract becoming a UDC.⁴ In recent years, trends have emerged to suggest Cambodia is experiencing casualization of labour, like much of developing Asia. This is taking place predominantly through the increasing use of short-term, temporary, casual and other types of flexible employment contracts, particularly in the garment sector. These contract conditions tend to weaken job security and limit the legal protections and entitlements available to workers, including remuneration, benefits and compensation.⁵

Precarious work refers to employment that is typically short in duration, lacks continuity, and has both low wages and poor access to benefits, social protection, and union representation.⁶ Precarious workers thus include *casual workers* with very short employment relationships, those with *temporary* or *short-term* contracts (longer than casual workers but still expected to last only for a short period), and *seasonal workers*, whose employment duration is limited by periodic demand for their work (agricultural harvest labour, for exam-

¹ For full definitions of these categories of workers, see ILO: “Resolution concerning the International Classification of Status in Employment (ICSE)”, Fifteenth International Conference of Labour Statisticians (Geneva, January 1993). Available at: http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/normativeinstrument/wcms_087562.pdf

² R. Anker et al: *Measuring Decent Work with Statistical Indicators* Working Paper No. 2 (Policy Integration Department, International Labour Office, Geneva, October 2002). Available at: http://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms_079089.pdf

³ The Labour Law defines an employment contract as an agreement in which one person (the employee) agrees to work for wages for another person or company (the employer). Employment contracts can be in writing or oral.

⁴ ILO: *Guide to the Cambodian Labour Law for the Garment Industry*, Better Factories Cambodia, (Phnom Penh, 2005)..

⁵ According to CCAWDU (2007), in the period 2001 to 2005, the majority of workers in registered textile and garment factories were on undetermined duration contracts, with associated benefits such as sick leave, maternity leave, and paid holidays. In recent years, however, it notes that use of fixed duration contracts – which offer less comprehensive benefits - has been on the rise.

⁶ See ILO: *Policies and Regulations to Combat Precarious Employment* (2011). Available at: http://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---actrav/documents/meetingdocument/wcms_164286.pdf

Legal Framework Indicator 11. Termination of employment

Law, policy or institutions: Labour Law (LL); collective agreements. Excluded workers: civil/public servants; domestic workers; police; army; judiciary; seafarers; flying personnel. Termination of apprenticeship contracts is regulated by specific provisions (Arts. 63-64 LL).

Substantive requirements for dismissals: Obligation to provide a valid reason relating to the worker's aptitude or behaviour, based on the requirement of the enterprise, establishments or group (Art. 74 LL). Workers may be dismissed for serious offenses (Art. 83 LL). Prohibited grounds: maternity leave; race; colour; sex; religion; political opinion; social origin; nationality; trade union membership and activities; participation in a lawful strike; birth (see LL: Arts. 12, 182, 279, 333).

Procedure for individual dismissals: Notice must be written. 1) For workers under a contract of unspecified duration: LL: Art. 75 – The minimum period of a prior notice is set as follows: seven days, if the worker's length of continuous service is less than six months; 15 days (six months to two years); one month (two to five years); two months (five to ten years); three months (more than ten years). 2) Specific rules apply to fixed term contracts: LL: Art 73 - If the contract has a duration of more than six months, the worker must be informed ten days before his/her contract expires or is not renewed. This notice period is extended to fifteen days for contracts that have a duration of more than one year. Pay in lieu of notice is provided by the LL (Art. 77). Notification of dismissals needs to be made to MoLVT (Art. 21).

Collective dismissals for economic reasons: The LL refers to mass lay-offs resulting from a reduction in an establishment's activity or an internal reorganization but does not specify the number of employees concerned (LL: Art. 95). Prior consultations with trade unions and workers' representatives, a notification to MoL and to workers' representatives is needed (LL: Arts. 12 and 95). The employer must solicit the workers' representatives for suggestions, primarily, on measures taken to minimize the effects of the reduction on the affected workers and the dismissed workers have priority to be re-hired during two years (LL: Art. 95).

Severance pay: Art. 89 LL: If the worker is dismissed for a reason other than serious misconduct, the employer must pay an indemnity for dismissal. The amount of the indemnity depends upon the employee's length of continuous service. For employment from six to 12 months: seven days wages and benefits; for employment over one year: 15 days wages and benefits for each year of employment, up to a maximum of six months' wages. This only applies to contracts of an unspecified duration. Note that art. 73 LL provides that at the expiration of a fixed-term contract, the employer must pay the employee severance pay which may be fixed by collective agreement but should not in any case be less than 5 per cent of the total wages paid during the length of the contract.

Evidence of implementation effectiveness: No information provided by ILO supervisory bodies.

Coverage of workers in law: N/A

Coverage of workers in practice: N/A

Ratification of ILO Conventions: The Termination of Employment Convention, 1982 (No. 158), has not been ratified by Cambodia.

Sources:

1. National legislation; NATLEX database http://www.ilo.org/dyn/natlex/country_profiles.basic?p_lang=en&p_country=KHM;
2. DIALOGUE, EpLex (http://www.ilo.org/dyn/terminate/termmain.showCountry?p_lang=en&p_country_id=146).

ple). There is no official data on the numbers of precarious workers in Cambodia today, however it is likely that given the large proportion of workers still tied to agriculture, this number remains high in particular as concerns the seasonal workers.

Cambodia's vulnerable employment rate can offer insights into the extent to which the employed population is enjoying conditions of stability and security at work. These workers, which comprise the sum of own-account workers and unpaid family workers, are typically less likely than others to

have formal work arrangements. As a result, they often lack the continuity of income and employment required both to provide a decent standard of living and a degree of insulation against unforeseen economic shocks.

As noted in Chapter 2, vulnerable employment still accounts for more than 70 per cent of employment in Cambodia, although it is declining. This is indicative not only of widespread poverty but also of persistent decent work deficits, including adequate job stability and security. Data also show

Table 7.1. Stability and security of work

		1998	2004	2008	2009
STAB-1	Precarious work, %	na	na	na	na
EMPL-4	Informal employment, %	na	na	na	na
STAB-2	Employment tenure	na	na	na	na
STAB-3	Number and wages of casual workers	na	na	na	na

a comparably greater prevalence of women in vulnerable work (particularly in unpaid family work), which may suggest they also face greater insecurity and instability in employment. In geographical terms, the greatest challenges in this regard are likely to be in rural areas, where vulnerable employment is most concentrated.

The relatively high share of non-wage workers in non-agricultural employment (i.e. service and industrial sector) also suggests that for many workers in Cambodia, stability and security in employment is far from guaranteed. Although wage employment does not necessarily correspond to stability and security in work, non-wage workers are nevertheless more likely to be in precarious employment situations. Moreover, while data in this regard show a positive recent trend, i.e. movement out of non-wage employment, it does not offer any further insight as to whether this has resulted in tangible gains in employment quality for the associated workers.

Table 7.2 Share of non-wage employment in non-agricultural employment

Non-wage employment in non-agricultural employment (% share)			
	2004	2007	2009
Total	56.0	50.8	53.4
Male	45.9	42.5	44.2
Female	66.2	60.0	62.7
Urban	52.5	49.3	52.0
Rural	57.3	51.6	54.3

Source: author's calculations based on NIS calculations from Cambodia Socio-economic Surveys

Recent sector level research points to further specific trends impacting on employment stability and security during the period of the recent global economic downturn. In particular, a tracking

study of 2000 employed and unemployed garment workers conducted in 2009 revealed a growing use of casual, short-term and more insecure contracts among rehired workers (i.e. those finding a new job in the sector after being retrenched earlier) in the latter stages of the crisis.⁷ Although this did not typically come at the expense of a lower salary, it usually meant workers were being hired on three month as opposed to six or 12 month contracts as was previously commonplace. In addition, the use of casual and probationary contracts also increased which is suggestive of the continued uncertainty surrounding order volumes in the sector and the greater desire of managers to ensure flexibility with regard to labour costs. However, for the workers concerned, the trends represent a potential deterioration in employment quality, since such contracts not only reduce job security but they also make workers easier to terminate and leave them with fewer legal protections and entitlements.⁸

Summary assessment

Cambodia has made slight progress on key aspects of stability and security at work in recent years; nonetheless with much work still to do and significant deficits outstanding. With more than 70 per cent of the employed still in vulnerable employment and a persistent high share of non-wage workers in non-agricultural employment, it is likely most workers still lack stability and secu-

⁷ ILO: *From Downturn to Recovery: Cambodia's Garment Sector in transition*, Better Factories Cambodia (Phnom Penh, November 2011, forthcoming).

⁸ Short term contracting has been identified by the ITUC and ILO as a major obstacle to the achievement of Decent Work. The ILO has been working to address this issue as it undermines the very basis of a range of international labour standards and workers' rights (WSM, 2009). In view of this, the Industrial Relations MOU of September 2010 in Cambodia calls for a joint study by workers and employers to analyse the impact of short-term contracting on the garment industry.

rity in employment and hence remain exposed to a range of risks and vulnerabilities in the labour market. Despite this, the recent but slow decline in the share of workers in both these types of employment suggests some progress, albeit qualified by the fact that wage employment does not necessarily equate to improving job quality.

Recent research from the garment industry suggests a growing use of short and temporary con-

tracts during and after the 2008–2009 global economic downturn. This may represent a setback for decent work in Cambodia, since these types of contracts both reduce job security and make workers easier and cheaper to terminate. Unfortunately, such trends cannot be verified across a longer time period or in other sectors of the economy.

8 Equal opportunity and treatment in employment

Cambodia has ratified both main ILO Conventions pertaining to equal opportunity and treatment in employment, namely, C100 Equal Remuneration Convention and C111 Discrimination (Employment and Occupation) Convention. It is yet to ratify C159 Vocational Rehabilitation and Employment (Disabled Persons) Convention, which outlines specific provisions for legal amendments and policies to ensure equality of treatment and opportunity for persons with disabilities.

In addition, both the Constitution and Labour Law contain provisions intended to protect citizens against all forms of discrimination and ensure no single group is disadvantaged vis-à-vis another in terms of his or her chances and treatment in employment (see Legal Framework Indicator 12 below). However, as regards the Labour Law, the exclusion of some groups of workers, such as civil servants, domestic workers, and the police, means that large numbers of the employed are still inadequately protected against discrimination. For groups facing specific acute disadvantages, strategic action plans have been developed to promote their better integration into society and the labour market, as well as equality of treatment in employment. Accordingly, plans exist for women, indigenous peoples and persons with disabilities, relating to a number of areas, including education and training, working conditions, and employment services. The country is also planning to develop a national employment policy, which when passed will also embrace principles of equal opportunity and treatment in employment.

Occupational segregation by sex is traditionally very high in Cambodia and according to data from the last decade, has shown little recent decline. Although distribution of employment data shows near-equal gender shares in employment in both 2004 and 2009, there were often large imbalances

between men and women within occupational groupings. These trends were observable in both rural and urban areas.

Between 2004 and 2009, the female share of ‘legislators, senior officials and managers’, the highest status occupational category in the dataset, remained virtually unchanged at around 18 per cent.¹ This may be illustrative of outstanding challenges for women as regards their access to the country’s top public and private sector leadership positions as more than eight in every ten persons in these occupations are still male. Equivalent data using ISCO-88 classifications appear to reinforce this trend: female shares of corporate managers and senior officials and legislators rose slightly between 2004 and 2009, but remained below 20 per cent overall and actually declined in absolute numbers.

Women are also consistently underrepresented among ‘professionals’ and ‘technicians and associated professionals’, respectively, and progress toward redressing this has been mixed. While the female share in the former category has risen 4.9 percentage points between 2004 and 2009, their share of the latter has fallen 5.4 percentage points. At the same time, female clerks faced a sharp reversal in fortunes with their employment share falling nearly 15 percentage points to 37.1 per cent in 2009.

The occupations in which women dominate employment have changed slightly over time. In 2004, women dominated employment in three out of ten occupational categories: ‘service workers

¹ As has already been mentioned in Chapter 2 on adequate earnings and productive work, “high-status” occupations do not always have the highest salaries (something that is proven in the earnings data in that chapter). At the same time, it is also important to note that persons employed in high-status occupations often also receive material and other non-pecuniary benefits alongside their regular salaries, which are not recorded in official earnings data.

Legal Framework Indicator 12. Equal opportunity and treatment

Law, policy or institutions: Art. 31 of the Constitution has a general provision protecting against discrimination of Khmer citizens. Art. 12 of the Labour Law (LL) prohibits discrimination based on race, colour, sex, creed, religion, political opinion, birth, social origin, membership of workers' union or the exercise of union activities in hiring, defining and assigning of work, vocational training, advancement, promotion, remuneration, granting of social benefits, and discipline and termination of employment. Employers must give preference to Cambodians when hiring (LL: Art. 263). Workers excluded from the LL are civil/public servants; domestic workers; police; army; judiciary; seafarers; flying personnel. The Common Statute of Civil Servants and the Military Conscription Law do not provide for protection against discrimination.

The MoLVT has developed a Gender Mainstreaming Action Plan in the Labour and Vocational Training Sectors (2008–10) to ensure that men and women benefit equally from labour policies. A Five-year Strategic Plan (2006–10) focusing on job creation and improving working conditions has also been adopted. The Education Strategic Plan (2006–10) aims to address the particular educational needs and circumstances of Cambodians whose first language is not Khmer; a National Policy on the Development of Indigenous Peoples aims at creating appropriate educational opportunities in particular for indigenous peoples.

Evidence of implementation effectiveness: In its 2010 observation, the CEACR asked information on how the categories of workers excluded by the legislation are protected against discrimination in employment. It encouraged the Government to include the issue of sexual harassment more specifically in the terms of reference of labour inspectors. The CEACR recalled that access to land and natural resources is essential for indigenous peoples to engage in their traditional occupations and noted that whereas progress is being made in recognizing indigenous peoples' rights in this domain, including through the adoption of legislation and efforts made to scale up the implementation of the Land Law, serious challenges persist. In this regard, the CEACR noted the concerns expressed by the CERD in its 2010 concluding observations about reports of "rapid granting of concessions on land traditionally occupied by indigenous peoples" (CERD/C/KHM/CO/8-13, 1 April 2010) which would prevent indigenous peoples from freely engaging in their traditional occupations, among other things. Finally, the CEACR noted from the Government's report that the inspection activities of the labour inspectorate did not reveal any discrimination cases and that there have been no judicial or administrative decisions dealing with equality of opportunity and treatment in employment and occupation. While noting the Government's willingness to continue to give attention to this issue and to conduct tripartite workshops on working conditions and non-discrimination, the CEACR recalled that the absence of discrimination cases could indicate the lack of effective procedures for bringing a claim, or lack of awareness of the principles of Convention No. 111.

Coverage of workers in law: N/A

Ratification of ILO Conventions: The Equal remuneration Convention, 1951 (No. 100) and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111) have been ratified by Cambodia on 23 August 1999.

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.basic?p_lang=en&p_country=KHM);
2. CEACR 2010 direct request on the application of Convention No. 100 (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdroff=1&ctry=1190&year=2010&type=R&conv=C100&lang=EN>) and 2010 direct request on the application of Convention No. 111 (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdroff=1&ctry=1190&year=2010&type=R&conv=C111&lang=EN>).

and shop and market sales workers'; 'craft and related trade workers'; and 'clerks'. By 2009 this was true only for the first two groups: 'service workers and shop and market sales workers' and 'craft and related trade workers'.

Looking at the broader trend across all occupational areas, it is clear that women increased their proportional share of employment in six out of ten groups. However, at the same time it is true that out of these cases, most changes have been fairly modest, whereas in the occupations where the female share has declined, the decline has been typically quite large.

The largest shift in favour of men, at the expense of women, was among plant and machine operators and assemblers. Here, the women's share of employment fell from almost half to just 8.9 per cent in the 2004 to 2009 period. This may be linked to the huge numbers of mostly female jobs lost in the garment industry during the global economic downturn which totalled more than 60,000 between 2008 and 2009.² The category of plant and machine opera-

² Dasgupta and Williams: *Poverty and Sustainable Development in Asia: Impacts and Responses to the Global Economic Crisis* (Asian Development Bank, Manila, 2010) pp.149-168.

Legal Framework Indicator 13. Equal remuneration of men and women for work of equal value

Law, policy or institutions: Constitution; Labour Law (LL). LL: Art. 106 provides that for work of equal conditions, professional skill and output, the wage shall be equal for all workers subject to this law, regardless of their origin, sex or age. Three Notifications (No. 06, No. 017 and No. 745) provide for an equal “starting wage” for workers in footwear and garment factories, even if the work is of a different nature. Neither the Common Statute of Civil Servants nor the Military Conscription Law contains a specific non-discrimination provision; civil servants are protected under the Constitution, Royal Decree No. 1201/450 and Sub-decree No. 34. A Gender Mainstreaming Action Plan in the Labour and Vocational Training Sectors 2008–10 has been adopted to promote equity in labour sectors, and in particular to address the problems of the salary gap between men and women.

Evidence of implementation effectiveness: Article 31 of the Constitution, which limits protection against discrimination to Khmer citizens, was identified by the CEACR to be insufficient to address specific cases of discrimination. While the CEACR noted that civil servants are covered by specific legislation, it requested the Government to provide information about how other workers excluded from the LL are ensured equal remuneration for work of equal value. The CEACR noted that the CESCR expressed concern at the persistent inequality in wages for work of equal value for men and women in practice (E/C.12/KHM/CO/1). Noting that Art. 106 LL provides for equal wages for work of equal conditions, professional skill and output, the CEACR asked the Government to ensure that work which might be of entirely different nature but of equal value also falls under equal remuneration provisions. The Government stated that it was considering adopting mechanisms for objective job evaluation which currently do not exist. The CEACR noted that the MoLVT conducted 8,864 inspections between 2006 and 2008, none of which identified any violations of the principle of equal remuneration for men and women for work of equal value. Additionally, no cases have been brought to court or to other dispute settlement bodies.

Coverage of workers in law:

Ratification of ILO Conventions: The Equal remuneration Convention, 1951 (No. 100) and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111) have been ratified by Cambodia on 23 August 1999.

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.basic?p_lang=en&p_country=KHM);
2. CEACR 2010 direct request on the application of Convention No. 100 (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdroff=1&ctry=1190&year=2010&type=R&conv=C100&lang=EN>) and 2010 direct request on the application of Convention No. 111 (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdroff=1&ctry=1190&year=2010&type=R&conv=C111&lang=EN>).

tors includes a number of jobs performed mostly by women in the garment industry, including sewing, weaving and knitting machine operators.³

Gender disparities were least evident among skilled agriculture and fishery workers, with near-equal shares in employment between both men and women. After converging since 2004, male and female shares were also relatively close to one another in elementary occupations in 2009.

The continuously high shares of women in service and sales-related occupations at least partially reflects the gender stereotypes and perceptions that dictate the type of employment considered

appropriate for women in Cambodia. Such ideas are also often upheld by women themselves, with many preferring to enter an occupation that is deemed acceptable for females than try to challenge social norms or discriminatory practices that they may face in other sectors.

The gender wage gap measures the extent to which the wages of women differ from those of men, and is expressed as a proportion of men's wages. In this regard, data from the period 2004 to 2009 show that the situation in Cambodia is poor and getting worse. At 27.4 per cent, the total gender wage gap remained high in 2009; in other words, women's earnings were only around three quarters of those of men's. Of concern however is the fact that this represents a significant deterioration since 2004, when the equivalent gap was estimated at 11.6 per cent. The most pronounced widening of this gap was seen in the rural areas,

³ Typically, around 90 per cent of production positions in the garment industry are held by females. Research has shown these workers to have been among the worst affected by retrenchments during the economic downturn (see CAMFEB/BDLink: *Understanding the Impact of the Global Economic Crisis on the Cambodian Garment Sector* (Phnom Penh, April 2010) pp.35-36.

Table 8.1. Female share of employment by occupation

		Socio-Economic Surveys						Census			
		2004		2007		2009		1998		2008	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
EQUA-1	Female share of employment by occupation (Occupational segregation by sex), %										
	Total	50.6	49.4	51.2	48.8	50.3	49.7	48.8	51.2	48.9	51.1
	1. Legislators, senior officials and managers	82.0	18.0	72.3	27.7	81.6	18.4	90.4	9.6	79.0	21.0
	2. Professionals	66.9	33.1	59.3	40.7	62.0	38.0	83.1	16.9	62.1	37.9
	3. Technicians and associate professionals	64.8	35.2	72.6	27.4	70.2	29.8	69.6	30.4	71.9	28.1
	4. Clerks	48.3	51.7	61.6	38.4	62.9	37.1	73.6	26.4	65.5	34.5
	5. Service workers and shop and market sales workers	32.5	67.5	31.0	69.0	33.7	66.3	43.2	56.8	38.1	61.9
	6. Skilled agricultural and fishery workers	51.3	48.7	50.3	49.7	50.7	49.3	44.9	55.1	46.7	53.3
	7. Craft and related trade workers	45.6	54.4	63.7	36.3	42.3	57.7	64.3	35.7	41.9	58.1
	8. Plant and machine operators and assemblers	51.5	48.5	56.8	43.2	91.1	8.9	72.8	27.2	93.4	6.6
	9. Elementary occupations	61.1	38.9	51.4	48.6	56.1	43.9	48.1	51.9	64.4	35.6
	10. Armed forces	94.9	5.1	94.7	5.3	93.8	6.2	96.2	3.8	93.5	6.5
	Urban	52.4	47.6	53.7	46.3	50.9	49.1	57.3	42.7	52.9	47.1
	1. Legislators, senior officials and managers	71.1	28.9	71.6	28.4	69.0	31.0	82.1	17.9	71.3	28.7
	2. Professionals	63.1	36.9	54.1	45.9	56.6	43.4	77.9	22.1	55.4	44.6
	3. Technicians and associate professionals	59.7	40.3	73.1	26.9	67.0	33.0	61.0	39.0	64.3	35.7
	4. Clerks	39.0	61.0	65.0	35.0	62.5	37.5	70.2	29.8	64.0	36.0
	5. Service workers and shop and market sales workers	35.6	64.4	32.8	67.2	35.7	64.3	42.8	57.2	39.1	60.9
	6. Skilled agricultural and fishery workers	52.3	47.7	50.9	49.1	52.3	47.7	49.3	50.7	50.3	49.7
	7. Craft and related trade workers	57.0	43.0	70.6	29.4	47.1	52.9	69.9	30.1	42.9	57.1
	8. Plant and machine operators and assemblers	69.1	30.9	72.8	27.2	92.7	7.3	66.2	33.8	94.3	5.7
	9. Elementary occupations	50.3	49.7	48.7	51.3	53.9	46.1	47.0	53.0	66.1	33.9
	10. Armed forces	93.2	6.8	89.8	10.2	92.6	7.4	94.8	5.2	92.9	7.1
	Rural	50.3	49.7	50.6	49.4	50.2	49.8	47.2	52.8	48.0	52.0
	1. Legislators, senior officials and managers	90.2	9.8	73.0	27.0	87.9	12.1	95.8	4.2	86.4	13.6
	2. Professionals	70.3	29.7	66.9	33.1	67.1	32.9	91.1	8.9	66.4	33.6
	3. Technicians and associate professionals	72.8	27.2	71.9	28.1	74.1	25.9	75.1	24.9	79.3	20.7
	4. Clerks	60.0	40.0	53.6	46.4	64.1	35.9	84.6	15.4	70.6	29.4
	5. Service workers and shop and market sales workers	31.3	68.7	29.7	70.3	32.1	67.9	43.9	56.1	36.7	63.3
	6. Skilled agricultural and fishery workers	51.2	48.8	50.3	49.7	50.6	49.4	44.7	55.3	46.6	53.4

	Socio-Economic Surveys						Census				
	2004		2007		2009		1998		2008		
	Male	Female	Male	Female	Male	Female	Male	Male	Male	Male	
7. Craft and related trade workers	43.0	57.0	61.7	38.3	40.6	59.4	56.1	43.9	40.7	59.3	
8. Plant and machine operators and assemblers	46.7	53.3	52.5	47.5	89.8	10.2	86.8	13.2	92.0	8.0	
9. Elementary occupations	64.1	35.9	52.0	48.0	56.4	43.6	49.1	50.9	63.4	36.6	
10. Armed forces	96.3	3.7	100.0	0.0	94.9	5.1	97.2	2.8	94.2	5.8	

Source: NIS calculations from Cambodia Socio-economic Survey (various years) and Population Census (1998, 2008).

Note: Ages 15+. Data not strictly comparable across years due to variances in survey and sample design.

where the wage gap rose more than three-fold to 21 per cent. This may be a consequence of several factors, including the still prevalent gender inequalities in education (particularly in rural areas and at the secondary level), which reduce women's possibilities to access skilled jobs and well-paid jobs; family traditions pressuring women to accept flexible jobs in rural areas because of family responsibilities (with wages often lower than comparable urban areas),⁴ and gender-based discrimination by employers. By contrast, urban women fared marginally better than their rural counterparts; although the change here was likewise negative, having declined since 2004.

Women's share in non-agricultural wage employment is an important measure of decent work and one that is also used to measure progress toward the achievement of MDG 3 on gender equality.⁵ A high or increasing share of women in these types of jobs is often indicative of declining labour market discrimination and improved opportunities for women in employment. Growth in women's wage employment also typically has a positive impact on poverty reduction and can improve women's economic security and well-being, including their empowerment vis-à-vis household decision making.

In this regard, Cambodia's progress has been generally good. The number of women in wage and salaried employment outside agriculture increased by

some 143,000 between 2004 and 2009, and this fed into a slight increase in their proportional share in this work, from 37.9 per cent to 39.7 per cent. This improving picture may be at least partially driven by the continued growth of the garment industry in Cambodia. In the decade to 2007 the garment sector expanded by an average of 28 per cent per annum which in employment terms has benefited mostly women who make up 90 per cent of the factory workforce.⁶ However, it must be noted that this indicator offers limited insight into the actual quality and economic benefits of women's employment, as well as of the overall situation of women in the labour market (see Chapter 7).

Recent progress in the acceleration of the growth of women's wage employment (non-agriculture) has been slow; a likely indication of the limitations Cambodia is now facing in diversifying its economy. Getting women not only out of non-wage employment, but also out of low paid and unproductive work and into higher quality employment, especially in non-agricultural sectors, is a critical challenge for poverty reduction and women's economic empowerment. However, such progress remains constrained by the lack of alternative employment opportunities being generated in the labour market and the weak educational and vocational/training system. With the exception of the garment sector and a few low wage occupations in the service sector (in bars, restaurants and beer gardens, for example),

⁴ The garment industry is, however, a major exception here, since it employs more than 300,000 mostly female migrants from the rural areas.

⁵ ILO: *Guide to the New Millennium Development Goals Employment Indicators* (Geneva, June 2009).

⁶ ILO: *From downturn to recovery: the Cambodian garment sector in transition*, Better Factories Cambodia (Phnom Penh, September 2011, forthcoming).

Table 8.2. Female share of employment in ISCO-88

	Socio-Economic Surveys			Census	
	2004	2007	2009	1998	2008
EQUA-2	Female share of employment in ISCO-88 (groups 11 and 12), %				
	16.7	27.4	18.9	6.9	18.2
	Female share of employment in ISCO-88 (groups 11 and 12), %				
	65,396	46,189	40,853	15,227	28,818
	Employment in ISCO-88 (groups 11 and 12), Total				
	10,930	12,641	7,735	1,058	5,251
	Employment in ISCO-88 (groups 11 and 12), Female				

Source: NIS calculations from Cambodia Socio-economic Survey (various years) and Population Census (1998, 2008).

Note: Ages 15+. Data not strictly comparable across years due to variances in survey and sample design.

Table 8.3. Gender wage gap

	2004	2007	2009
EQUA-3	Gender wage gap		
	From all economic activities		
Total	11.6	31.5	27.4
Urban	14.3	31.9	32.8
Rural	6.7	26.8	21.7
	From main economic activity		
Total	8.8	25.8	27.2
Urban	8.5	26.2	32.6
Rural	5.8	22.3	21.0

Source: NIS calculations from Cambodia Socio-economic Survey (various years).

Note: Ages 15+. Gender Wage Gap represents percentage gap between male and female monthly salary/wages.

opportunities for low skilled women to enter formal employment remain limited, even despite the rapid recent growth of the economy.

Realizing equal opportunity and treatment in employment is a particular challenge for Cambodia's disabled population. According to the 2008 census, persons with disabilities made up 1.44 per cent of the Cambodian population with a total of 192,538 persons, or 2.7 per cent of the economically active population, 56 per cent of whom were male and 44 per cent female.⁷ However, alternative estimates based on different calculation methods and coverage criteria suggest this figure is far higher.⁸

⁷ The 2008 census was the first time disability had been included in the census. The survey categorized disability according to five groups, pertaining to disabilities in seeing, in speech, in hearing, in movement, and in mental capacity. See NIS: *General Population Census of Cambodia 2008* (National Institute of Statistics, Ministry of Planning, Phnom Penh, August 2009).

⁸ See, for example, 2009 estimates by Handicap International, based on extrapolations from the 2004 CSES. http://dac.org/kh/cambodia_disability_resource_center/download/local-doc/HIF_Disability_Facts%5BEnglish%5D.pdf

Although many are engaged in an economic activity of some sort, persons with disabilities fare far worse in terms of labour market opportunities than the average Cambodian. Many of their problems stem from inequalities during childhood.⁹ General literacy rates among the disabled are lower than the average in the population, as are educational attainment levels. The literacy gap between men and women is more pronounced among the disabled too, meaning that as an already oft-disadvantaged group, women who are also disabled are likely to be highly vulnerable to poverty and have poor access to decent employment. Less than 2 per cent of persons with disabilities have completed a secondary school qualification, and when they do enter the labour market, their earnings are typically only 65 per cent of those without disabilities.¹⁰ Special efforts are thus required to improve literacy and educational levels among persons

⁹ According to the census, 71 per cent of Persons with disabilities are economically active – lower than the national average of nearly 80 per cent but nonetheless still high.

¹⁰ CSES (2004)

Table 8.4. Share of women in wage employment in the non-agricultural sector

	2004	2007	2009	1998	2008
MDG 3.2 Share of women in wage employment in the non-agricultural sector					
Share of women in wage employment in the non-agricultural sector, %	37.9	38.4	39.7	26.2	41.2
Number of female wage and salaried employees in the non-agricultural sector	463,732	561,498	606,514	146,929	444,442
Number of total wage and salaried employees in the non-agricultural sector	1,223,143	1,461,162	1,529,598	561,444	1,079,686

Source: NIS calculations from Cambodia Socio-economic Survey (various years) and Population Census (1998, 2008).

Note: Ages 15+. Data not strictly comparable across years due to variances in survey and sample design.

with disabilities, particularly females, with a view to expanding their future labour market prospects.

Although fundamental rights for the disabled are protected in the 1993 Constitution, persons with disabilities continue to face various forms of discrimination in the labour market. Arguably, the most important recent policy development aimed at tackling this is the 2009 Disability Law and concomitant quota system for recruitment of disabled persons. Under this system, employers of a certain size in both the public and private sector will be required to employ persons with disabilities amounting to 1 per cent and 2 per cent of their respective workforces. The intention is to reduce discrimination, expand opportunities and better integrate disabled persons into the national workforce.¹¹ Employers covered will have three years to comply with the law, and will face mandatory fines for non-compliance, in the form of a payment into a disability charity fund.

Summary assessment

Cambodia's recent performance with regard to equal opportunity and treatment in employment has been mixed. With regard to gender, the fact that women appear to have increased their employment shares in most occupational groups suggests marginal improvement in terms of opportunity and equal treatment of women in the labour market. Similarly, relative progress is also

evident in the rising female share in non-agricultural wage employment, which although not necessarily indicative of improving quality of work, is nonetheless a sign of widening opportunities for women in salaried employment.

At the same time, occupational segregation by gender is still very much evident, and women continue to be greatly outnumbered by men in the most prestigious occupational categories. Given the sheer extent of the pre-existing imbalances, it is likely that it will take several years before these occupations achieve a more equal gender balance. Decent work deficits are also evident when considering the worsening gender wage gap which is already high. This means that women's earnings are diverging away from men's rather than approaching equal pay. Labour market outcomes are still also influenced by traditional perceptions and stereotypes, which are likely to restrict women's options in employment.

There is little available data on the treatment of disabled persons in employment in Cambodia, hence little basis to make a comprehensive assessment of progress in this area. However, it is likely that they fare worse in the labour market than the average Cambodian. Low school completion rates contribute to low literacy rates among disabled persons, and these together with labour market discrimination conspire to weaken their opportunities in employment.

¹¹ The law applies to private enterprises of more than 100 employees and public bodies of more than 50 employees. Employers will also be able to use a scaling system, which will see severely disabled persons counted as two persons, and part-time employees with a moderate disability counted as half.

9 Safe work environment

The right to a safe and healthy working environment is at the heart of efforts to ensure full and productive employment, in conditions of security and human dignity. Attention is drawn to this right in the ILO Constitution, and has been reaffirmed both in the 1944 Declaration of Philadelphia and the more recent Declaration on Social Justice for a Fair Globalization (2008).

Although Cambodia is yet to ratify key ILO Conventions on the subject, protection of individual rights to occupational safety and health (OSH) are covered in the 1997 Labour Law (LL), which together with the general requirement for all workplaces to be safe, healthy and hygienic for workers, also sets out a number of special provisions relating to *inter alia*, workplace medical care, access to safe drinking water, noise levels, lighting, heat and ventilation. Many of these are supported by accompanying ministerial regulations, or *prakas*, which elaborate further on the responsibilities of the firm and the entitlements of the worker.¹ The LL also seeks to define workplace accidents, as well as the responsibilities of the employer with regard to accident response and injury-related compensation. Responsibility for OSH labour inspection lies with the Department of Occupational Health in the Ministry of Labour and Vocational Training (MoLVT).²

Cambodia is currently implementing its first OSH Master Plan, which came into force in April 2009 and covers the four-year period to 2013.³ This plan sets out a vision for the labour market in the

country under which it will seek to institutionalize a preventative health and safety culture in the workplace, as well as support enterprise-level initiatives and programmes both to raise awareness of OSH issues and develop practical systems for accident and injury prevention (in compliance with the labour law and OSH inspection requirements). The Master Plan defines six areas for priority action: (1) Strengthen national OSH systems; (2) improve safety and health inspection and compliance with Labour Law; (3) promote OSH activities by employers' and workers' organizations; (4) implement special programmes for hazardous occupations; (5) extend OSH protection to small enterprises, and rural and informal economy workplaces; and (6) promote collaborative actions with hazardous child labour and HIV/AIDS projects for stronger compliance. The Government is also looking to expand the role of OSH programmes in the workplace within the wider framework of ASEAN OSHNET, which encourages sharing of expertise and best practices from other countries in the region.

Although national level figures remain absent, official data from the capital city and seven provinces (out of a total of 24 nationwide) suggest that occupational injuries in Cambodia are on the rise, although better reporting may also account for a proportion of this increase.⁴ MoLVT records show such injuries have more than doubled each year since 2008, and that they reached a total of 7,611 in 2010. More than three-quarters of the victims (77 per cent) were men, although the proportion of injuries among women has also increased from 18.7 per cent in 2008 to 22.8 per cent in 2010. Sim-

¹ These are mostly issued under the MoLVT. A full list of these regulations is available at: <http://www.betterfactories.org/content/documents/1/Cambodian%20OSH%20Overview.pdf>

² Inspection is geared toward inspecting conditions in the manufacturing sector and is less well adapted to other types of workplaces.

³ The development and implementation of this plan is supported by the ILO.

⁴ These data refer only to those injuries reported to the National Social Security Fund (for claims under the Employment Injury Insurance scheme), which covers only registered, formal private sector workers in the capital and seven other provinces.

Table 9.1. Safe work environment

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
SAFE-1	Occupational injuries, fatal, reported total¹										
Total injuries, fatal	na	na	na	na	na	na	na	na	14	16	39
Male	na	na	na	na	na	na	na	na	na	6	19
Female	na	na	na	na	na	na	na	na	na	10	20
SAFE-2	Occupational injuries, non-fatal, reported total²										
Total injuries, non-fatal	na	na	na	na	na	na	na	na	1,704	3,553	7,611
Male	na	na	na	na	na	na	na	na	na	2,878	5,878
Female	na	na	na	na	na	na	na	na	na	675	1,733
SAFE-3	Time lost due to occupational injuries³										
	na	na	na	na	na	na	na	na	na	na	na
SAFE-4	Labour inspectors⁴										
Occupational safety and health inspectors, total number	14	14	17	16	18	18	18	18	18	18	18

(¹) Source: MOLVT Administrative Records, referencing National Social Security Fund data.

Note: Covers only Phnom Penh and 7 provinces (Kg Chnang, Kg Speu, Kandal, Siem Reap, Svay Rieng, Banteay MeanChey, Kg Som).

(²) Source: MOLVT Administrative Records, referencing National Social Security Fund data.

Note: Covers only Phnom Penh and 7 provinces (Kg Chnang, Kg Speu, Kandal, Siem Reap, Svay Rieng, Banteay MeanChey, Kg Som).

(³) Source: Not available.

(⁴) Source: MOLVT Administrative Records, referencing Department of Occupational Health.

Note: Covers Phnom Penh and all 23 provinces.

ilarly, the number of reported deaths also increased dramatically during this time, from 14 to 39.

Owing to the geographical limitations of this dataset, as well as the fact official records only pertain to enterprises covered by the LL, it is likely that the true number of occupational injuries and fatalities in the country is actually far higher. Indeed, the omission of unregistered and informal enterprises from such records is a significant factor in the likely under-representation of occupational injuries, since it is in these workplaces that are to be found the most vulnerable and hazardous types of employment. A degree of under-reporting by enterprises may also be expected, particularly in the case of fatalities.

Other less recent data provide an indication of the types of injuries most commonly reported in particular sectors of the Cambodian economy. Between 2001 and 2005, for example, the majority of cases reported to the Department of Social Security came from female workers in the garment

industry, most of them fainting instances related to hot and poorly ventilated work environments, long hours, and poor worker nutrition.⁵ Although there are no more recent data to corroborate this, the continued reporting of these types of cases in the Cambodian media would suggest that this remains a problem today.⁶ By contrast, reported injuries in the construction sector, which is both expanding and inherently accident-prone, were fairly small with 25 over the period in question, most victims being men. However, the Govern-

⁵ The majority of fatalities, however, occurred as a result of road accidents. If such accidents occur on the direct route between the worker's home and his or her place of work, they are defined in law as workplace accidents/injuries. See MOLVT: *The Overview of Occupational Safety and Health in Cambodia* (Department of Occupational Health and Safety, Ministry of Labour and Vocational Training, Cambodia, 2011). Available at: <http://www.betterfactories.org/content/documents/1/Cambodian%20OSH%20Overview.pdf>

⁶ The Government and employers have vowed to investigate and address this with the support of the ILO's Better Factories Cambodia programme. See ILO: *Actions have to be taken to prevent mass fainting* Better Factories Cambodia (Phnom Penh, 8th August, 2011). Available at: <http://www.betterfactories.org/newsdet.aspx?z=4&IdNews=639&c=1>

Table 9.2 Reported occupational injuries, 2001-2005 (MoLVT)

	2001		2002		2003		2004		2005	
	M	F	M	F	M	F	M	F	M	F
Garment	2(2)	242(7)	29	211 (1)	14	373(3)	1	269	1	208
Brick	0	0	0	0	0	0	1		2	0
Other manufacturing	1(1)	6(6)	1(1)	0	0	0	2 (1)	130	0	0
Construction	0	0	1(1)	0	0	0	0	0	0	0
Total	3(3)	248(13)	31(2)	211(1)	14	373(3)	4(1)	399	3	208

Source: Department of Social Security, MOLVT.

ment has also acknowledged that under-reporting is a significant problem in this sector.⁷

For workers covered by the LL, workplace injuries should be covered by a compulsory insurance scheme under the National Social Security Fund (NSSF) (see Legal Framework Indicator 14).⁸ However, given that the scheme was only launched in 2009 and currently covers only three provinces, it is unlikely its coverage has extended to all those workers recorded in the current data on occupational injuries.

After increasing in the first half of the decade, the total number of qualified OSH inspectors in Cambodia remained stable at 18 between 2004 and 2010, a number that is clearly very small in comparison to the more than 375,000 enterprises in the country (by recent records)⁹ and the rapidly growing labour force. However, in all observation years these figures cover only those inspectors based in Phnom Penh, and not those in other provinces and municipalities. For this reason it is likely that the true number of inspectors was higher, although other than for a single year there are no data to support this. In 2011, the Ministry reported 91 OSH labour inspectors nation-

wide, which include 19 based in the capital and 72 working outside.¹⁰

The work of OSH labour inspectors focuses exclusively on registered enterprises, since these are covered under the LL.¹¹ However, because the majority of employed Cambodians do not work in these enterprises, it is not possible to derive an accurate picture of the true situation regarding occupational safety and health from administrative records. The bulk of employment in Cambodia remains in the informal and unregistered sector which includes vulnerable workers, who are often not only least protected in terms of preventative OSH provisions in the workplace, but also engaged in some of the most hazardous types of work.¹² In recent years, the Government has sought to extend OSH protections to informal workplaces through a number of measures, including the development of appropriate OSH technology, training and information for microenterprises, and the integration of related workplace

⁷ The National Institute of Statistics, for example, notes in its 2010 *Labour and Social Trends* Report that available statistics cover a relatively small portion of the real magnitude of the accidents and diseases, and should therefore be used cautiously. See NIS: *Labour and Social Trends in Cambodia 2010* (Ministry of Planning, Phnom Penh, Sept 2010).

⁸ See also Chapter 10 on Social Security for more information on the NSSF and other forms of social security in Cambodia.

⁹ This figure is based on a 2009 establishment listing survey conducted by the NIS, which covered both informal and formal enterprises but which excluded agricultural, forestry, and fishery enterprises, household activities, and government, military and diplomatic offices. See http://www.nis.gov.kh/nis/el2009/est2009_final_result.pdf

¹⁰ ILO: *The Overview of Occupational Safety and Health in Cambodia* (Department of Occupational Safety and Health, Ministry of Labour and Vocational Training, supported by ILO/KOREA Partnership Programme, Phnom Penh, 2011).

¹¹ In Cambodia, enterprises covered by the labour law are commonly referred to as formal. However, some enterprises may be registered with a relevant government authority while remaining essentially "informal" in all other aspects of their nature and operations. For further discussion of these nuances, see R. Hussmans: *Statistical definition of informal employment: Guidelines endorsed by the Seventeenth International Conference of Labour Statisticians (2003)*, (2004). Available at: <http://ilo.org/public/english/bureau/stat/download/papers/def.pdf>

¹² It is important here to note that informal employment also exists outside of the informal sector, in registered and formal sector establishments. These workers include contributing family workers, casual and short term workers and outworkers working for registered enterprises, as well as domestic workers employed by households. For more, see ILO: *Decent Work Indicators for Asia and the Pacific: A Guidebook for Policy-makers and Researchers* (Regional Office for Asia and the Pacific, Bangkok (2008)).

Legal Framework Indicator 14. Employment injury benefits

Law, policy or institutions: Labour Law (LL); collective agreements; Law on Social Security Schemes for Persons Defined by the Provisions of the Labour Law (LSS); Sub-Decree Concerning the Establishment of National Social Security Fund (NSSF). Art. 248 LL defines work related accidents (accident or illness which happens due to work, during working hours, or, while travelling to or from work). MoSAVY and the Ministry of Health are obliged to issue a Joint Prakas listing occupational diseases relating to certain kinds of employment involving physical work or exposure to toxic substance (Art. 13 LSS). All workers are covered, regardless of their personal status (LL: Art. 249 - this includes for example domestic and agricultural workers). All employers are liable for all work-related injuries (LL: Art. 249); workers who usually work alone are not responsible for work-injuries if they just take one or more fellow labourers to occasionally work with them (LL: Art. 251). The LL provides for a compulsory insurance system for work-related accidents to be managed under the NSSF (LL: Art. 256). The corresponding branch on work accidents within the NSSF has been functioning since the beginning of 2009. Currently, the employment injury insurance scheme is being implemented in enterprises with at least eight workers in Phnom Penh, Kandal and Kampong Speu but will be steadily expanded to other provinces and smaller enterprises. If an employee has a work-related accident, their employer must: provide first aid; maintain the scene of the accident; provide the investigating committee with relevant papers; allow any witnesses to report to the authorities; pay for the technical investigative work for the accident; and take action to prevent similar accidents from happening in the future (PRAKAS 243/02). An employer must notify the MoLVT in writing of any work-related accident no later than 48 hours after the accident occurs (PRAKAS 243/02). Violation of the LSS may give rise to a fine and/or imprisonment (Art. 35 LSS). Cambodia has developed the National Social Protection Strategy 2011–2015 to develop a comprehensive, integrated and systematic social protection for the poor and vulnerable people.

Qualifying conditions: NSSF registered workers: Contributions for a minimum of six consecutive months (LSS: Art. 5).

Benefits (level and duration): LL: Employers must pay medication and health care costs of any employee who has a work-related accident (Art. 254 LL; Prakas 243/02) and must compensate any employee who is temporarily or permanently disabled or dies as a result of a work-related accident (Art. 252-255 LL; Prakas 243/02). Temporary disability entitles to regular salary for the days not worked if the disability lasts four days or less and to compensation, equal to daily wages, if the disability lasts for five days or more. Compensation is decreased or increased according to the fault of the worker/employer (LL: Art. 252). Daily wages are calculated on the basis of the average daily pay of the employee in the month before the injury (including overtime and bonuses). The above rules also apply to employees who suffer a permanent disability but whose incapacity is less than 20 per cent (Art. 252 LL; Prakas 243/02). Permanent disabilities leading to a level of incapacity which is more than 20 per cent entitle to a yearly payment (annuity) as compensation depending on the level of incapacity (Art. 253 LL; Prakas 243/02).

Financing: Employer. NSSF contributions: 0.8 per cent of the assumed wage based on the employee's monthly wage before taxation.

Evidence of implementation effectiveness: No information from ILO supervisory bodies. According to information provided on the NSSF website, 2155 enterprises are registered.

Coverage of workers in law: 1,469,712 employees were working under the LL provisions according to the establishment survey of 2009 (the scope of the Labour Law might not be fully considered in this survey). 480,446 workers were registered with the NSSF in 2009.

Coverage of workers in practice: N/A

Ratification of ILO Conventions: The Social Security (Minimum Standards) Convention, 1952 (No. 102) and the Employment Injury Benefits Convention, 1964 (No. 121) have not been ratified by Cambodia.

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.basic?p_lang=en&p_country=KHM);
2. Global Extension of Social of Social Security (<http://www.socialsecurityextension.org/gimi/gess/ShowCountryProfile.do?cid=376&aid=2>);
3. National Social Security Fund Cambodia website (<http://www.nssf.gov.kh/>).

improvement programmes into the aforementioned OSH Master Plan.¹³

¹³ These programmes target workers in specific types of informal workplace, including home workers, small construction site labourers, and farmers. See ILO/ASEAN: *Good Occupational Safety and Health Practices 2008/2009* (The ASEAN Occupational Safety and Health Network (ASEAN-OSHNET), Vientiane, Lao PDR, Dec 2009).

Data on OSH-specific inspections is typically absent from official MoLVT records. Information is available on generic labour inspections; however, these cover a number of areas and not necessarily occupational safety and health. By law, OSH inspectors are required to conduct tech-

Table 9.3 Occupational accident by type of industry, sex and severity of injuries (2001-2005)

Type of industry	Victims			Death	Severity of injuries		
	Total	Female	Male		Temporary disability	Permanent disability >20%	Permanent disability <20%
Garment	8 061	6 967	1 094	26	8 011	8	16
Bank	409	108	301	2	407	0	0
Hotel	272	111	161	4	268	0	0
Supermarket	43	17	26	0	43	0	0
Airport	21	4	17	0	21	0	0
Construction	25	4	21	0	25	0	0
Telecommunication	24	6	18	2	22	0	0
Security	57	7	50	1	56	0	0
Beer production	73	31	42	0	73	0	0
Publication	105	56	49	0	105	0	0
Transportation	36	6	30	0	36	0	0
Food production	13	8	5	0	13	0	0
Gasoline selling	21	3	18	0	21	0	0
Cable production	9	0	9	0	8	0	0
Roofing tile production	6	0	6	0	5	1	0
Hygiene	44	9	35	1	41	2	0
Animal feed production	3	0	3	0	3	0	0
Footwear production	621	501	120	8	602	4	7
Real estate	20	4	16	0	20	0	0
Laundry	9	5	4	0	9	0	0
Petrol and gas	5	1	4	0	5	0	0
Paper production	5	1	4	0	5	0	0
Textile	431	416	15	0	431	0	0
Computer sales	5	1	4	0	5	0	0
Iron production	19	0	19	1	18	0	0
Restaurant	43	27	16	1	42	0	0
Farming and husbandry	4	0	4	0	4	0	0
Snack production	2	0	2	0	2	0	0
Education	16	9	7	0	16	0	0
Production of wood materials	17	9	8	0	17	0	0
Sales and supply of machines and tools	3	2	1	0	3	0	0
Recruitment	1	0	1	0	1	0	0
Port activity	5	0	5	0	5	0	0
Plastic production	1	0	1	0	1	0	0
Motor production	41	19	22	0	41	0	0
Car Sales	1	0	1	0	1	0	0
Insurance	8	4	4	0	8	0	0
Electricity	28	3	25	0	28	0	0
Packaging	17	7	10	0	17	0	0
Toy production	3	3	0	0	3	0	0
Steel and galvanized products	9	1	8	0	9	0	0
Grocery sales	1	1	0	0	1	0	0
Other wholesaler	16	7	9	0	16	0	0

Type of industry	Victims			Death	Severity of injuries		
	Total	Female	Male		Temporary disability	Permanent disability >20%	Permanent disability <20%
Sport activity	3	1	2	0	3	0	0
Other services	6	3	3	0	6	0	0
NGO	3	1	2	0	3	0	0
Production packaging	2	0	2	0	2	0	0
Hospital	1	1	0	0	1	0	0
Message	2	0	2	0	2	0	0
Soy sauce production	1	0	1	0	1	0	0
Alcohol and tobacco sales	1	1	0	0	1	0	0
Bicycle prod.	13	9	4	0	13	0	0
Machine bolting prod.	4	1	3	0	4	0	0
Ice production	1	0	1	1	0	0	0
Drinking water production	1	0	1	0	1	0	0
Souvenir sales	5	5	0	0	5	0	0
Tourism company	1	0	1	0	1	0	0
Total	10 597	8 380	2 217	47	10 511	15	24

Source: National Social Security Fund Annual Report 2010.

nical inspections of industrial safety and hygiene (as specified in the law and other regulations), promote workplace committees and taskforces to improve OSH compliance, and provide advice to workers and employers on preventative measures.¹⁴

Summary assessment

Owing to inadequacies in the current data, it is not possible to make a comprehensive assessment of progress on the issue of safe work. However, based on the partial evidence available, it is evident that despite greater policy attention in the last few years, progress in making more workplaces safer and protecting the health of workers appears to have been minimal.

Data from selected provinces suggest that occupational injuries are rising sharply having more than doubled since 2008. Although better reporting may account for part of this increase, it is also likely that the true number of injuries and fatali-

ties is actually far higher. This is a major setback for the achievement of decent and safe workplaces in Cambodia.

At the same time, there are still very few OSH labour inspectors in the country relative to the number of enterprises, although the number has risen to nearly 100 working across the country. There remains a need to increase recruitment of labour inspectors as a means to improve enforcement of the law at the enterprise level. There is also a need to extend the OSH protections to informal workplaces through a number of measures reaching out to micro-enterprises in particular.

Anecdotal evidence from the garment sector suggests persistent health and safety concerns, in particular the ongoing incidences of fainting in garment factories. However, this sector also shows a number of good examples as regards the development of responsible practices for safer workplaces, many of which have been developed with the Better Factories Cambodia monitoring programme.

¹⁴ As an additional component of OSH inspection, ILO constituents have also expressed a desire to monitor and record infections and deaths caused by infectious diseases such as tuberculosis. Currently, ad hoc data are available on tuberculosis in the garment industry, for example. However as yet, regularly updated official records at the national level are not available.

Legal Framework Indicator 15. OSH Labour inspection

Law, policy or institutions: Labour Law (LL); The health and safety regulations of the labour code do not apply to workplaces which are run by family members if the work does not involve the use of a boiler, mechanical or electronic motors, or industry which is not classified as dangerous or unsanitary (Art. 228 LL). All establishments and workplaces must maintain standards of hygiene and sanitation necessary for the health of workers and must guarantee the safety of workers (Art. 230 LL).

The Department of Occupational Health, established under the MoLVT, is in charge of OSH. The MoLVT is obliged to prepare a Prakas (ministerial order) in order to ensure enforcement concerning OSH (Art. 229 LL) after consultation with the LAC (Art. 232 LL). Enforcement is monitored by 91 OSH inspectors (19 based in the Ministry and 72 based in municipality and provinces). Labour inspectors may enter any enterprise without prior notification; conduct examinations, inspections and investigations; question employers or staff; and demand access to documentation (Art. 346 LL). They may order immediate measures/fines for violations of the LL or draw official reports in cases of non-compliance. However, managers must be notified on counts of non-compliance (Art. 233 LL) before and are set a deadline to remedy violations (Art. 236 LL). Inspectors can derogate from this obligation if they have identified a serious or imminent danger to the health or safety of the workers (Art. 234 LL). Employers have the right to file complaints against the counts (Art. 237 LL).

Parties to individual disputes may request a conciliation hearing with the Labour Inspector (LL: Arts. 300 – 301). Inspectors should not be subjected to a conflict of interests and should keep sources of complaint confidential (Art. 348 LL).

Evidence of implementation effectiveness: No information provided by ILO supervisory bodies.

Coverage of workers in law: N/A

Coverage of workers in practice: N/A

Ratification of ILO Convention: The Labour Inspection Convention, 1947 (No. 81), its 1995 Protocol and the Labour Inspection (Agriculture) Convention, 1969 (No. 129) have not been ratified by Cambodia.

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.basic?p_lang=en&p_country=KHM);
2. ILO, Better Factories in Cambodia, Guide to the Cambodian Labour Law for the Garment Industry ([http://www.betterfactories.org/content/documents/1/Guide%20to%20the%20Cambodian%20Labour%20Law%20\(en\).pdf](http://www.betterfactories.org/content/documents/1/Guide%20to%20the%20Cambodian%20Labour%20Law%20(en).pdf));
3. BNG Legal, Guide to Cambodian Labour Law for NGOs (<http://www.bnglegal.com/uploads/reports/Labor%20Law%20Guide%20for%20NGOs.pdf>)

10 Social security

Social security plays an important and multi-dimensional role in the development of society and the economy. At its most basic level, it helps ensure that all men and women have access to the fundamental right of a basic level of social and economic security. At the same time, though, this security can serve as the foundation on which citizens can realize their full human potential, thus maximizing their contribution to socio-economic development. In the context of decent work, social security can be found at the intersection of efforts to promote standards, fundamental principles and rights at work, and social protection. It is recognized in the Declaration of Philadelphia, as well as in subsequent ILO declarations and a number of international labour standards, most notably the Social Security (Minimum Standards) Convention, 1952 (No. 102) and the Income Security Recommendation, 1944 (No. 67).¹ The right to social security for all is also enshrined in the Universal Declaration of Human Rights and the International Covenant on Economic Social and Cultural Rights.²

The Cambodian Constitution guarantees the rights of its citizens to social security and social benefits, and also outlines the state's responsibility in providing for workers and employers in particular.³ The latter is elaborated in the 2002 Law on Social Security, which guarantees formal workers in the

private sector access to benefits in the event of accidents, disability, old age and retirement. The National Social Security Fund (NSSF) was established in 2002 with the mandate to implement these provisions; however to date it has launched only an employment injury insurance scheme (see Legal Framework Indicator 14).⁴ In line with the overarching Rectangular Strategy, social protection is also well covered in the National Strategic Development Plan () which aims to ensure that the poorest households have access to health services and education. Social protection is one of five strategic priorities in Cambodia for the current UN Development Assistance Framework (UNDAF, 2011–2015).⁵

Government efforts to reduce poverty and vulnerability through social protection have gathered pace since the early 2000s, with a range of programmes aimed mostly at extending healthcare and income support to the poor. These have included social welfare payments for the elderly and disabled, food distribution schemes, public works programmes, health equity funds and community based health insurance. For the most part, however, programmes have been ad hoc, geographically limited, and reliant on unsustainable donor funds for their continuation. These problems have been further compounded by poor coordination between implementing parties, such as government ministries and related national bodies, as well as weak national implementation capacity.

¹ For a full list of ILO Conventions and Recommendations in the field of social security, see ILOLEX website. Available at: <http://www.ilo.org/ilolex/english/subjectE.htm#s13>

² Article 22 of the Universal Declaration of Human Rights (1948) states that “everyone, as a member of society, has the right to social security.” Article 9 of the 1966 International Covenant on Economic, Social and Cultural Rights also refers to “the right of everyone to social security, including social insurance.”

³ The Constitution stipulates that the state should organize social security and social benefits for workers and employers, and outlines the rights of the poor to receive free medical consultations in public hospitals, infirmaries and maternity wards (Art.72).

⁴ The Law stipulates that the NSSF shall implement social security in three stages, starting with an employment injury scheme, followed by a health insurance scheme and a pension insurance scheme.

⁵ The social protection outcome of the UNDAF states: “by 2015, more people, especially the poor and vulnerable, benefit from improved social safety net (SSN) and social security programmes, as an integral part of a sustainable national social protection system”. See <http://www.un.org.kh/undp/media/files/Cambodia%20UNDAF%202011-2015.pdf>

Table 10.1 Social security indicators

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
SECU-1	Share of population aged 65 and above benefiting from a pension¹														
	na	na	na	na	na	na	na	na	na	na	na	na	na	na	
SECU-2	Public social security expenditure²														
	na	na	na	na	na	na	na	na	na	na	na	na	na	na	
SECU-3	Health-care exp. not financed out of pocket by private households (%)³														
	39.2	34.3	24.5	22.6	24.7	32.0	34.6	40.3	40.7	39.6	37.3	39.9	35.6	38.5	
	Total health expenditure (million Riels)														
	691,213	675,205	721,118	758,319	810,792	952,225	1,048,840	1,262,003	1,399,866	1,642,335	1,762,360	2,080,664	2,526,120	2,574,037	
	General government expenditure on health														
	223,357	192,420	147,630	150,376	182,033	267,383	320,437	435,603	490,639	394,576	458,238	603,004	602,433	702,020	
	Private expenditure on health														
	467,856	482,785	573,487	607,943	628,759	684,843	728,402	826,400	909,227	1,247,759	1,304,122	1,477,660	1,923,687	1,872,017	
	Non-profit institutions serving households (e.g. NGOs)														
	47,881	39,093	29,161	21,352	18,214	37,411	42,644	73,448	79,617	255,890	199,607	226,187	295,678	287,736	
	Out of pocket expenditure														
	419,976	443,692	544,326	586,591	610,545	647,432	685,758	752,952	829,610	991,869	1,104,515	1,251,473	1,628,009	1,584,281	
SECU-4	Share of population covered by (basic) health care provision⁴														
	na	na	na	na	na	na	na	na	na	na	na	na	na	na	

⁽¹⁾ Source: Not available. Data disaggregated by *type* of pension has been requested by ILO constituents, but is currently unavailable.

⁽²⁾ Source: Not available.

⁽³⁾ Source: World Health Organization National Health Accounts database.

⁽⁴⁾ Source: Not available.

Broadly speaking, the current social protection landscape is made up of the following: (i) the National Social Security Fund for private sector employees (NSSF), which is financed out of employer contributions and which provides employment injury insurance; (ii) the National Social Security Fund for civil servants (NSSF-C), which is funded from government tax revenues and provides pension benefits to former civil servants; (iii) donor-funded social health protection programmes aimed at the poor and informal economy workers, such as health equity funds (HEF) and community-based health insurance schemes (CBHI); and (iv) social safety net programmes, including small scale public works programmes, typically funded by donor agencies. With the possible exception of the social health programmes, coverage under most of the above items is very low and planning for long term sustainability is questionable.

The recently launched National Social Protection Strategy for the Poor and Vulnerable, NSPS-PV now forms the pre-eminent national policy tool

for improving and expanding social protection in Cambodia. The main goal of this strategy is to ensure that the most disadvantaged citizens are progressively better protected against chronic poverty and hunger, economic shocks, destitution and social exclusion, and that they benefit from greater investments in their human capital. Accordingly, the NSPS has the following objectives, all of which apply especially to groups identified as poor and vulnerable: (i) provision of emergency support including food, sanitation, water and shelter, in times of crisis; (ii) improved social safety nets for mothers and their children, to be linked to health, nutritional and educational outcomes; (iii) public works programmes that provide jobs, food security, and new and improved local infrastructure assets; (iv) access to affordable quality health care and financial protection in case of illness; and (v) targeted income, in-kind and psycho-social support and adequate social care to special groups like orphans, the elderly, single women with children, people living with disabilities, people living with HIV and other chronic illness.

Legal Framework Indicator 16. Pension

Law, policy or institutions: The Constitution and the Law on Social Security Schemes (LSS). The Constitution stipulates that the state is obliged to organize social security schemes for every Khmer citizen (Arts. 36, 75). Chapter II of the LSS regulates pensions. However, the NSSF has not issued the required implementing decree so far (Art. 23 LSS). Hence, there is no pension scheme in operation at the moment. A compulsory pension scheme is planned for 2012. NSSF-C under the MoSAVY is implementing a pension scheme for civil servants.

Qualifying conditions: N/A

Benefits (level and duration): N/A

Financing: N/A

Evidence of implementation effectiveness: No information provided by ILO supervisory bodies.

Coverage of workers in law: N/A

Coverage of workers in practice: N/A

Ratification of ILO Conventions: The Social Security (Minimum Standards) Convention, 1952 (No. 102) has not been ratified by Cambodia.

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.basic?p_lang=en&p_country=KHM);
2. Global Extension of Social Security (<http://www.socialsecurityextension.org/gimi/gess/ShowCountryProfile.do?cid=376&aid=2>);
3. NSSF, Cambodia: Moving forward toward Better Social Security (http://www.betterfactories.org/content/documents/1/NSSF_Brochure%20%28Eng%29.pdf).

Achieving these objectives requires the scaling-up and harmonization of existing social protection programmes and the piloting of new interventions to fill identified gaps. Under the NSPS-PV the Government aims to roll out new Public Works Programmes to create jobs and build infrastructure in poor communities, as well as an eventual conditional cash transfer scheme that links financial benefits to children's education and nutritional outcomes. In addition, the strategy also aims to scale up and improve existing community-based health insurance schemes and support improved policies for both occupational safety and health at work and complementary health and social welfare services for those living with HIV/AIDS. To the extent possible, the Government is also keen to bring these disparate schemes under a coordinated delivery mechanism at the decentralized level known as a single window service.

The government budget structure in Cambodia makes it hard to determine the precise level of state spending on social security and social protection. The new budget structure, in use since 2007, has two chapters (64 and 65) containing items labelled as social interventions. Govern-

ment expenditure on these items amounted to a total of US\$181 million across all Government agencies in 2008, a 55 per cent increase since 2007. However, given the level of aggregation in the budget, it is not possible to determine the proportion of this amount specifically allocated to social security and social protection and to other types of social interventions. Furthermore, nearly all existing Government agencies report spending on these services, although not all are actually mandated with a social agenda.⁶

The lack of data on the share of the population aged 65 and above receiving a pension reflects the absence of a nationwide and universal pension scheme. Currently, the only scheme of this sort in operation is under the NSSF for civil servants, which covers around 180,000 former civil servants and their dependents; specifically, the retired, widows/widowers of deceased employees, and those disabled through work (invalidity). However, to date only a fraction of this number have actually received payments due to the still

⁶ CARD: *Towards a Social Protection Strategy for the Poor and Vulnerable: Outcomes of the Consultation Process* (Council for Agricultural and Rural Development, Phnom Penh, April 2010).

Table 10.2. Social spending as a percentage of GDP

	1994	1999	2001	2002	2003	2004	2005	2006	2007	2008
Social spending	.	.	2.9	3.5	3.3	3.1	2.8	2.9	3.0	3.2

Source: CARD (2010)

ongoing process of identifying eligible beneficiaries and payment levels. As per the social security law, the Government intends to introduce a broader pension scheme in 2012, although this will remain limited to workers covered by the labour law.

Total expenditure on health care in Cambodia is monitored by the World Health Organization.⁷ Data from these records show that both government and private spending on health have increased dramatically since the turn of the last decade, with per annum expenditure growth rates averaging 22 per cent and 31.7 per cent, respectively. This means that while absolute private expenditure continued to significantly outweigh state expenditure (in all observation years), the gap between the two has narrowed. This is reflected in the respective share of total spending not-financed out of pocket by private households, which rose from 24.7 per cent in 2000 to 38.5 per cent in 2009. Importantly, however, this share also includes the contributions of non-profit institutions like NGOs, which as will be discussed below, have become increasingly important actors in the provision of healthcare services to the poor and vulnerable.

As a low income country, Cambodia relies heavily on donors and development partners to supplement the national budget and fill resource, capacity and implementation gaps in the provision of basic services like health and education. In terms of health expenditure, data from the last decade suggest that these organizations have come to assume a greater share of the overall burden of increased (health) spending in the country. In 2000, 'non-profit institutions serving households' accounted for just 2.8 per cent of private expenditure on health; however by 2009 this had risen to

15.4 per cent. This is indicative of the increased prevalence of donor funded schemes in the health sector, particularly in rural Cambodia, where the rollout of HEFs and CBHI has helped widen access to and improve the affordability of basic health services for large swathes of the poor and vulnerable.

Despite this growth, out of pocket household spending continues to make up the bulk of total health expenditure in Cambodia, and this continues to be a major cause of indebtedness of the poor.⁸ In 2010, the Government reported total health expenditure per capita as US\$40, \$24 of which came from out of pocket expenditures of households, \$7.95 from the Government and \$8.27 from development partners.⁹

No data are available on the share of the population covered by basic health care provisions in Cambodia. However, data from the country's HEFs offer an alternative indication of the extent to which the poor in particular can access health care (see below). Since emerging on the scene in the early 2000s, HEFs, operate by reimbursing health service providers for treating patients considered too poor to pay out of their own pocket. They have become a major non-state actor in the provision of health services to disadvantaged groups in Cambodia. In 2011, they were found to be present in 58 of the country's 77 districts, covering more than three-quarters of the country's poor population (as defined by the national poverty line). In 2010, around 685,000 patients received subsidized medical services and reimbursement for transport and food costs, up from 227,000 in 2008.¹⁰

⁸ *ibid*

⁹ *ibid*

¹⁰ "ILO: *Social Protection Expenditure Performance Review EU/ ILO Project "Improving Social Protection and Promoting Employment"* (Geneva, 2011).

⁷ For the original data source, see http://apps.who.int/nha/database/StandardReport.aspx?ID=REP_WEB_MINI_TEMPLATE_WEB_VERSION&COUNTRYKEY=84687

Legal Framework Indicator 17. Incapacity for work due to sickness / sick leave

Law, policy or institutions: Labour Law (LL); Each employee has a right to sick leave. The employer should include paid sick leave in the internal regulations (Arts. 71, 72 LL; Notice 14/02; AC Award 26/03, 68/04).

Qualifying conditions: The absence must be certified by a qualified doctor (LL: Art. 71(3)).

Benefits (level and duration): Sick leave may be taken for six months; during this time the contract is suspended (LL: Art. 71(3)). There is no obligation to pay sick leave (LL: Art. 72(1)). Nevertheless, the MoLVT has issued a policy according which employers should consider providing paid sick leave as follows: 100 per cent of wages during the first month of sick leave; 60 per cent of wages during the second and third months; and unpaid leave from the fourth until the sixth month (Annex to Notice 14/02).

Financing: N/A.

Evidence of implementation effectiveness: Although the law does not provide for wages during sick leave, in practice most companies provide partial payments for their employees during sick leave through internal work rules (see Award 26/04).

Coverage of workers in law: N/A

Coverage of workers in practice: N/A

Ratification of ILO Conventions: The Social Security (Minimum Standards) Convention, 1952 (No. 102) and the Medical Care and Sickness Benefits Convention, 1969 (No. 130) have not been ratified by Cambodia.

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.basic?p_lang=en&p_country=KHM);
2. ILO, Guide to Cambodian Labour Law, p. 22 (<http://www.betterfactories.org/content/documents/1/Guide%20to%20the%20Cambodian%20Labour%20Law%20-%20en.pdf>).

Also in the field of social health protection, an estimated 123,000 persons are covered by CBHI schemes, which like HEFs are mostly donor funded and come under official operational guidelines. CBHI programmes mostly target the *near-poor* (as opposed to the absolute poorest), who can afford to pay a minimal premium in exchange for a pre-defined health care benefit package.

Table.10.3 Health equity funds in Cambodia

Total population (2011 projection)	14,177,790
Poor population (2011 projection)	4,267,515
% poor in total population	30.1
Pop under 58 ODs	11,119,182
Poor population covered by HEF within 58 ODs	3,346,874
Proportion of poor population covered by HEF	78%
Total ODs with HEF & subsidy	58
Total RHs with HEF & subsidy	59
Total HCs with HEF	311

Source: Ministry of Health (2011)

ODs = Operational (health) Districts

RHs = Referral Hospitals

HCs = Health Centres

Based on ID Poor categories 1 and 2

Poor1 = living below the food poverty line,

Poor2 = living between the food poverty and the poverty line.

Summary assessment

Despite an improving legal and policy context, Legal Framework Indicators outlined in this chapter point to limited and insufficient access to quality social protection in Cambodia, and underscore the limitations of existing schemes in terms of their coverage. Many Cambodians still do not benefit from a level of protection that allows them to realize their basic human right to social security.

Both government and private spending on health have increased sharply in the last decade, and although the latter remains the largest component, the gap between the two has been narrowing. This is positive in the sense that the share of the burden of healthcare spending that is falling on households is in decline. This is, an important measure of progress, particularly for the poor for whom health spending is a key source of indebtedness. In addition, the reach of non-discriminatory social health protection is also extending through the growth of HEFs and CBHI.

Pension coverage remains lacking in Cambodia, as illustrated by the single current scheme in operation for civil servants. A wider new pension scheme is proposed for 2012, but this too will

remain limited in coverage, meaning it will be some time before all groups receive basic pension provisions.

Legal Framework Indicator 18. Incapacity to work due to invalidity

Law, policy or institutions: The Constitution and the Law on Social Security Schemes (LSS). The Constitution stipulates that the state is obliged to organize social security schemes for every Khmer citizen (Arts. 36, 75). Chapter II of the LSS regulates pensions. The pension scheme under the LSS includes invalidity pensions for NSSF members who become disabled before the age of 55. However, the NSSF has not issued the required applicatory decree so far (Art. 23 LSS). Hence, there is no pension scheme in operation at the moment. A compulsory pension scheme is planned for 2012.

Qualifying conditions: N/A

Benefits (level and duration): N/A

Evidence of implementation effectiveness: N/A

Coverage of workers in law: no data

Coverage of workers in practice: no data

Ratification of ILO Conventions: The Social Security (Minimum Standards) Convention, 1952 (No. 102) and the Invalidity, Old-Age and Survivors' Benefits Convention, 1967 (No. 128) have not been ratified by Cambodia.

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.basic?p_lang=en&p_country=KHM);
2. Global Extension of Social Security (<http://www.socialsecurityextension.org/gimi/gess/ShowCountryProfile.do?cid=376&aid=2>).

11 Social dialogue, workers' and employers' representation

The right of workers and employers to form and join organizations of their own choosing is a fundamental labour right and an integral ingredient of a free and open society.¹ In Cambodia, the freedom to organize, associate and bargain collectively is enshrined in ILO Conventions No. 87 and No. 98 which have been ratified, and are explicitly protected in the country's Labour Law.

The number of trade unions² in Cambodia has recently expanded exponentially, led in large part by the rapidly expanding garment industry, but also more recently by the success of the construction, transport, hotel and tourism sectors which have pressured for union formation.³ Between 2001 and 2010, the number of unions registered with the Ministry of Labour and Vocational Training (MoLVT) expanded from 87 to 1,758, representing an average growth rate of around 213 per cent per year. These were represented by 41 union federations (which form the next highest level of administrative unit, behind union *confederations*), which also multiplied more than four-fold since 2001. Together, these trends, at least in terms of representation, paint an impressive picture of an emerging industrial relations environment, espe-

cially given the low base from which the country began in the mid-1990s. However, in terms of union strength and the breadth and quality of representation, measuring union numbers is not an accurate proxy, considering the large disparities that exist among unions in terms of organizational effectiveness and their wider penetration in the key sectors.

Caution must also be applied when interpreting union registration data. On the one hand, it must be noted that MoLVT figures cover only those unions registered in Phnom Penh, thus likely underestimating the true number of unions operating in the country. On the other, the number of registered unions may not reflect the actual number that is active as it is not uncommon for unions to cease operations due to resource and capacity constraints and still to remain on official records.⁴ On these grounds, there remains a clear need for a more effective nationwide system of recording and monitoring of active unions.⁵

Alongside union growth, official records also show membership of the country's main employers' organization, CAMFEBA, to have risen sharply, from ten in 2000 to 138 in 2010. The biggest growth period came after 2006, when CAM-

¹ They are identified as a fundamental right in the 1998 ILO Declaration on Fundamental Principles and Rights.

² The principal role of a trade union is threefold: (i) to protect, support, and educate its members; (ii) to represent its members and facilitate dialogue with third parties over worker concerns and welfare; and (iii) to facilitate social dialogue in the development of legal frameworks and national development policies relevant to workers.

³ The growth of unions has been partly an organic process, encouraged by NGOs and international organizations like the ILO. However, it also has political roots, which stem from the desire of political parties to mobilize supporters and build spheres of influence.

⁴ There are no official figures available for active unions, even though administrative records do exist for unions that are registering and re-registering every two years (as required). This is an example of the improvements needed to strengthen administrative data collection and reporting to monitor progress toward decent work in Cambodia.

⁵ This may also include reference, in official records, to the union's date of establishment and its rank within the union hierarchy (i.e. union, union federation, union confederation).

Table 11.1. Social dialogue, workers' and employers' representation

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
DIAL-1	Union density rate¹										
	na	na	na	na	na	na	na	na	na	na	na
Confederation of trade unions, total	0	0	0	0	1	3	4	5	6	8	8
Federation of trade unions, total	5	9	11	15	19	23	27	30	37	33	41
Registered trade unions, total	na	87	209	329	431	633	826	1,065	1,338	1,501	1,758
DIAL-2	Enterprises belonging to employer organization²										
Members of CAMFEBA ³	10	10	10	18	10	33	48	79	96	119	138
Ordinary	7	7	7	14	7	28	38	66	80	99	120
Association	3	3	3	4	3	5	7	8	9	10	6
Associate	0	0	0	0	0	0	3	5	7	10	12
DIAL-3	Collective bargaining coverage rate (%)³										
	na	na	na	na	na	na	na	na	na	na	na
	Collective bargaining agreements										
	na	na	na	5	19	44	59	19	11	131	55
DIAL-5	Strikes and lockouts / rates of days not worked⁴										
Strikes and lockouts, total incidences	76	97	61	102	118	67	103	83	82	41	32
Days lost, total number	na	na	66,730	239,496	60,470	96,000	180,000	89,350	7,013,367	3,719,622	1,070,820
Workers involved, total number	na	na	43,274	76,079	60,470	96,000	180,000	89,350	45,839	32,818	23,832

⁽¹⁾ Source: MOLVT Administrative Records, referencing Department of Labour Dispute data.

Note: Covers only Phnom Penh.

⁽²⁾ Source: MOLVT Administrative Records, referencing CAMFEBA data.

⁽³⁾ Source: Cambodian Federation of Employers and Business Associations.

⁽⁴⁾ Source: MOLVT Administrative Records, referencing Department of Labour Dispute data.

⁽⁵⁾ Source: MOLVT Administrative Records, referencing Department of Labour Dispute data.

FEBA added an average of 20 new members per year. This is likely due not only to the greater professionalization and maturing of the industrial relations landscape after this time, but also to the improving capacity, reputation and political influence of CAMFEBA itself.⁶

Like organized industrial relations, collective bargaining remains a relatively new practice in Cambodia, and one that has achieved only limited sectoral penetration to date. It is most widespread in the garment sector, although even here

levels of genuine bargaining and agreement remain low.⁷

Official data on collective bargaining describe a mixed overall situation, reflecting specific events in recent industrial relations history. From around 2003 onwards, collective bargaining agreements (CBA) began to emerge in the hotel and tourism, alongside the garments sector, which helped national figures rise from five in that year to 19 in 2004. This trend

⁶ See Chapter 1 for the socio-economic and legal context which may help explain the recent growth in worker and employer representation.

⁷ This may be explained by weak understanding among employers and workers of the bargaining process, union multiplicity and the challenge of determining most representative union status, and the refusal of some unions to engage in collective bargaining altogether.

Legal Framework Indicator 19. Freedom of association and the right to organize

Law, policy or institutions: Labour Law (LL). A Trade Union law is expected to be adopted soon; the provisions on freedom of association in the LL remain in force until then. Workers and employers covered by the LL, without distinction whatsoever and without prior authorization, have the right to form and join professional organizations (LL: Art.266). Domestic workers are entitled to apply the provisions on freedom of union in the LL: (Art. 1 (4) e)). Civil servants enjoy the right to organise and associate freely under the Civil Servant Statute (Art. 36), however this does not extend to collective bargaining. Judges, as well as other categories of civil servants, including teachers, are excluded from the scope of the LL, and they do not enjoy the right to form and join organizations under other legislation. Both the CEACR and the Conference Committee have emphasized the need to ensure that the current reform process brings the legislation into greater conformity with Convention No. 87. The CEACR has noted that several provisions of the LL are not aligned with the Convention. These provisions concern: disqualification of persons convicted of a crime from being responsible for the administration and management of an organization (Art. 269(3) LL); requirement to have been engaged in the profession or the job for at least one year before being elected to trade union office (Art.269 (4) LL); the possibility for the MoLVT to organize, in the event of a strike, minimum service in the enterprise if there is disagreement to that effect (Art. 326 (1) LL).

Evidence of implementation effectiveness: There are two active cases before the Committee on Freedom of Association. One concerns the murders of trade union leaders Chea Vichea, Ros Sovannareth and Hy Vuthy and the continuing repression of trade unionists (Case No. 2318); another case concerns the denial of the right to form trade unions of civil servants (Case No. 2222). The Committee asked to be kept informed of developments in two other cases. The situation in Cambodia was discussed in the Conference Committee in June 2010; like the CEACR, the Committee regretted in particular the lack of information relating to the long-awaited independent investigations into the above-mentioned murders. It urged the Government to ensure respect for this fundamental principle and bring an end to impunity by taking the necessary steps, as a matter of urgency, to ensure full and impartial investigations into the murders of these trade union leaders and to bring, not only the perpetrators, but also the instigators of these heinous crimes to justice. More generally, the CEACR urged the Government in 2010 to take all the necessary measures to ensure that trade unionists were able to engage in their activities in a climate free of intimidation and risk. In 2010, the CEACR, noting the conclusions of the ILO direct contacts mission of April 2008, has referred to serious problems of capacity and lack of independence of the judiciary and requested the Government to take concrete and tangible steps, as a matter of urgency, to ensure the independence and effectiveness of the judicial system, including capacity-building measures and the institution of safeguards against corruption. The CEACR noted the report of the UN Special Rapporteur on the situation of human rights in Cambodia of 16 September 2010 in this regard. The Committee requested the Government to provide information on the adoption of the Law on the Status of Judges and Prosecutors and the Law on the Organization and Functioning of the Courts.

Coverage of workers in law: N/A

Coverage of workers in practice: N/A

Ratification of ILO Conventions: The Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98) have been ratified by Cambodia on 23 August 1999.

Additional information: An award by the Arbitration council ordered the reinstatement of union leaders who had resigned following an agreement with the employer offering financial incentives; this agreement was made in violation of the right to establish a union which is protected by law (53/10 – Seeds Garment, 29 June 2010) - the Act constitutes interference by the employer in trade union affairs and an unfair labour practice. The CEACR has reminded the Government that, “if it so wishes, it may have recourse to the technical assistance of the Office” in this regard.

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.basic?p_lang=en&p_country=KHM);
2. ILCCR: Examination of individual case concerning Convention No. 87, 2010 (<http://www.ilo.org/ilolex/cgi/lex/pdconv.pl?host=status01&xtbase=iloeng&document=856&chapter=13&query=Cambodia%40ref&highlight=&querytype=bool>);
3. Committee on Freedom of Association, Cambodia (<http://webfusion.ilo.org/public/db/standards/normes/libsynd/index.cfm?hdroff=1>);
4. CEACR, Observation concerning Convention 87, 2010 (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdroff=1&ctry=1190&year=2010&type=O&conv=C087&lang=EN>); and CEACR, Direct Request concerning Convention 87, 2010 (<http://webfusion.ilo.org/public/db/standards/normes/appl/appldisplaycomment.cfm?hdroff=1&ctry=1190&year=2010&type=R&conv=C087&lang=EN>).

continued into 2006, when registered CBAs peaked at 59, before entering a sharp decline prior to the onset of the global economic downturn.

A turning point came in the 2008 to 2009 period, when the number of registered CBAs rose sharply from 11 to 131. This is likely due to the issuance by

Legal Framework Indicator 20. The right to collective bargaining

Law, policy or institutions: Labour Law (LL). Collective bargaining is currently regulated by the LL; relevant Prakas and arbitral awards. Negotiation, conciliation, arbitration, as well as a Labour Court are provided by the law. However, the labour court has not yet been established. The MoLVT is charged with the conciliation of collective labour disputes if the parties have not agreed on an alternative procedure (Arts. 302-308 LL; Prakas 317/01). Submitting the dispute to the Arbitration Council is compulsory when conciliation has failed (Art. 309 LL; Prakas 099/04). While the right to strike is guaranteed in the Constitution (Art.37) and in the LL (Art.319), employees can only invoke this right after exhausting other methods of dispute resolution such as negotiation, conciliation and arbitration (Art. 320 LL). It is illegal to strike with the objective to force an employer to revise a mutually agreed collective bargaining agreement (CBA) or arbitral award which is still in force (Art. 321 LL). The LL excludes judges, as well as other categories of civil servants, including teachers, from its scope; these workers do not enjoy the right to collective bargaining under other legislation.

Evidence of implementation effectiveness: The CEACR has emphasized the need to ensure that the current reform process brings the legislation into greater conformity with Convention No. 98: the LL does not provide adequate protection against all acts of anti-union discrimination (this was underlined as well by the Conference Committee in 2010 and by the CFA); the LL provides for minimum service during a strike to be determined, in the event that no agreement is reached, by the MoLVT; workers who are required to provide this minimum service who do not appear for such work shall be considered guilty of serious misconduct. Furthermore, the CEACR requested the Government to amend Section 1 of Prakas No. 13 which permits objection from third parties as grounds for refusing a union most representative status. Note should be taken that the Government has issued a Notification in 2008 which clarifies the grounds for refusal. The CEACR expressed its concern regarding the ITUC's 2010 comments according to which "collective bargaining is rare and difficult and only a few unions have managed to conclude collective agreements". The CFA has made recommendations regarding the deficient legislative framework for cases of anti-union discrimination and the non-recognition of collective bargaining rights for civil servants (*see* Cases Nos 2443, 2655 and 2222).

Coverage of workers in law: N/A

Coverage of workers in practice: Registration of MRS increased some 400 per cent after the new Notification of 2008 was issued.

Ratification of ILO Conventions: The Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98) have been ratified by Cambodia on 23 August 1999.

Additional information: CBAs cannot offer less favourable provisions than the law. A CBA can be for an indefinite (effective for a year after cancelled) or definite period (maximum period of three years). CBAs must specify their scope: enterprise, group of enterprise, industry or branch of industry, or one of several sectors of economic activities (LL: Art.96). The employer has an obligation to bargain in good faith (Prakas 305/01; AC Award 06/04). Employers have to register a CBA with the MoLVT (Prakas 287/01).

Sources:

1. National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.basic?p_lang=en&p_country=KHM);
2. Committee on Freedom of Association, Cambodia (<http://webfusion.ilo.org/public/db/standards/normes/libsynd/index.cfm?hdoff=1>);
3. CEACR, Observation concerning Convention 98, 2010 (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdoff=1&ctry=1190&year=2010&type=O&conv=C098&lang=EN>); and CEACR, Direct Request, 2010, (<http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displaycomment.cfm?hdoff=1&ctry=1190&year=2010&type=R&conv=C098&lang=EN>);
4. ILO, Guide to Cambodian Labour Law for the Garment Industry (<http://www.betterfactories.org/content/documents/1/Guide%20to%20the%20Cambodian%20Labour%20Law%20%28en%29.pdf>).

the MoLVT of a new regulation requiring garment sector wages to be paid twice-monthly rather than once a month as before.⁸ In response to this, many employers sought to circumvent the new rule by reaching (entirely legal) agreements with their workforces over the continuation of the old wage payment system. By 2010, there were consider-

ably fewer CBAs (55) in operation, however it is likely that a large proportion were genuine agreements; that is, agreements that were comprehensively negotiated between parties and that covered not just a single issue but multiple core concerns, such as wages, working hours, overtime, benefit entitlements, and union rights.⁹

⁸ This regulation was issued in an attempt to stem the rising tide of disputes over unpaid wages in the garment industry.

⁹ ILO Dispute Resolution Project, Phnom Penh, September 2011.

Legal Framework Indicator 21. Tripartite consultations

Law, policy or institutions: Labour Law (LL). The LL provides that the participation of Cambodia in activities of the ILO shall be in consultations with representatives of employers and workers who are members of the LAC (Art.358 LL). The LAC has the mission primarily to study problems related to labour, the employment of workers, wages, vocational training, the mobility of labour force in the country, migrations, the improvement of the material and moral conditions of workers and the matter of labour health and safety (Art.357 LL). The LAC must meet at least twice per year. However, it can be convoked at any time by the MoLVT at his own initiative or at the request of one of the vice-chairpersons (Art.353 LL).

Evidence of implementation effectiveness: No information provided by ILO supervisory bodies.

Coverage of workers in law: N/A

Coverage of workers in practice: N/A

Ratification of ILO Conventions: The Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144) has not been ratified by Cambodia.

Sources:

National legislation; NATLEX database (http://www.ilo.org/dyn/natlex/country_profiles.basic?p_lang=en&p_country=KHM).

Official MoLVT data do not reveal the distinction between genuine collective bargaining and less comprehensive and single issue agreements and hence its usefulness as a measure of Cambodia's wider progress toward decent work is limited. In the coming years, policymakers and development partners would benefit from new systems to define and record subcategories of collective bargaining. These would allow for more accurate information on the exact types of agreements being reached, as well as more comprehensive analysis of how these trends translate into tangible gains in terms of decent work.

The nature and volume of strikes and lockouts have changed over time in Cambodia.¹⁰ Between 2000 and 2010, considerable year to year variation is evident from the official data, but on average it can be observed that there were more strikes in the first half than the last half of the decade. This reflects the generally poorer quality of strike management by both the Government and employers in the earlier years, a problem that itself stemmed from the nascence of the industrial relations environment and the general lack of experience and capacity within the concerned bodies to effectively prevent industrial disputes.¹¹

Although the industrial relations environment in Cambodia remains chaotic and at times unpredictable, strikes and lockouts typically decrease in times of uncertainty. This is often in response to fears over job safety and security among participating unions, which compel leaders to adopt a more subdued approach to industrial disputes. Two such occasions are reflected in the official data, one in 2004–05, when the number fell from 118 to 67 and another in 2008–09, when strikes halved from 82 to 41. In the former case, the decline can be attributed largely to the impact of the phase-out of the Multifibre Arrangement which created much uncertainty in the industry about the loss of garment manufacturing to other developing world producers. In the latter, the decline can be attributed to similar concerns over mass retrenchment and the overall contraction of the industry due to the onset of the global economic downturn.¹²

Industrial action also spiked at certain periods, the most prominent being in 2006, when a 54 per cent rise in recorded strikes and lockouts was observed. This can be directly linked to emerging inflationary pressures during that year (which formed the precursor to the later food and fuel price crisis), as well as related concerns among garment sector unions that the minimum wage had not been revised since 2000. By 2009 and 2010,

¹⁰ Note on terminology. The term "strikes," as used in this chapter is by implication also referring to lockouts, since this follows the definition provided in the MoLVT dataset.

¹¹ See ¹⁰⁷

¹² *ibid.*

a general trend of declining strikes and lockouts had emerged, albeit with a slight upturn in unrest during the renegotiation of the minimum wage in September 2010.¹³

Although there were generally fewer strikes in the 2006 to 2010 period, MoLVT data also suggest that they were becoming more expensive in terms of days lost. Despite often huge year-to-year differences, the two most costly years in this regard were 2008 and 2009, when employers lost 7,013,367 and 3,719,622 work days from a total of 82 and 41 strikes, respectively. Conversely, in 2004, the year with the highest recorded number of strikes at 118, the number of days lost was just 60,470. Given that the data also reveal a gradual decline in the numbers of workers actually participating in strikes after 2006, a reasonable conclusion from this would be that strikes were also becoming typically longer in duration.¹⁴

Summary assessment

For the period 2000 to 2010, there is little available data from which to assess progress on social dialogue, although there has been some notable progress in terms of workers' and employers' representation, during that last decade. Membership of the main employers' organization has grown, with more enterprises having official representation and a voice for policymaking affecting their industries. Similarly, trade union numbers have

risen sharply, although the bulk of them are still found in the garment industry and a few other sectors where capacity and representativeness vary widely. In terms of their numbers, administrative records are subject to various inaccuracies, particularly due to the fact that unions outside the capital are not recorded and not all registered unions are likely to be active. In this regard, there remains a clear need for more effective nationwide system of recording unions in Cambodia.

Although enshrined in law, collective bargaining remains new to Cambodia and hence does not yet enjoy widespread application as a basis for negotiating wages, benefits and working conditions. Furthermore, it remains impossible to determine the actual quality of agreements from official data, which limits its usefulness as a gauge of progress toward decent work. Renewed efforts will be needed in the coming years to increase understanding of CBAs among workers and employers, and to promote genuine agreements on a multiple – rather than single – issue basis.

Cambodia's industrial relations environment appears to be maturing, as evidenced by the lower frequency of industrial action in the latter half of the 2000s, as compared to the first half. However, while strikes may have been declining, they were becoming more expensive in terms of days lost, thus signalling concerns regarding the effectiveness of social dialogue to date.

¹³ These strikes were, however, omitted in the MoLVT dataset, possibly due to differing interpretations of what constitutes a strike.

¹⁴ N.B. figures on the number and cost of strikes in Cambodia differ depending on the data source, and these differences often stem from differing definitions, computation methods and sample sizes (for example, GMAC data covers only formal garment factories operating for export).

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