



International
Labour
Organization



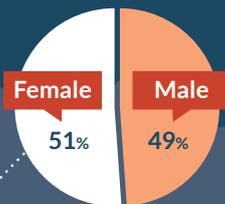
The ILO in Cambodia

KEY FACTS AND FIGURES



Population¹
(2016)

15 million



GDP per capita²
(2017)

US\$1,300

	Total	Male	Female
Labour force (2016) ³	8.7M	52%	48%
Labour force participation rate (2016) ⁴	84%	89%	79%

Strategically located in South-East Asia, the Kingdom of Cambodia's economy has been growing quickly over the last several years. Its economic growth for the past two decades has been impressive, with an average annual growth rate of 7.7% during the 1998-2017 period. This robust growth has helped the Kingdom maintain a lower middle income country status since 2015, with GNI per capita being estimated at USD 1,300 in 2017⁵, and a sharp reduction in poverty from 47.8% in 2007 to 13.5% in 2014. However, Cambodia's economy remains relatively narrowly-based, with low-productivity, low-technology and low added value. Growth drivers are largely dependent on its labour-intensive garment and footwear industries, and also on its construction, tourism and agriculture sectors where skilled labour force and wages remain low.

While the rate of poverty continues to decline in Cambodia, 28 percent of the population are 'near poor' and one third are multi-dimensionally poor⁶, and are vulnerable to falling back into poverty. Nearly 70 percent of the working population is active

in the informal economy, mostly in the agricultural, forestry, fishing and micro and small enterprises sectors, and subject to many decent work deficits.

Cambodia is the most youthful country in South East Asia with more than 70 percent of the total population below 34 years of age and 50 percent below 25 years of age and more than 20 percent between 15 and 24. Despite the low unemployment rate of 3.8 percent among persons aged 15-24⁷, young people are systematically more likely to be unemployed than adults – up to three times – while working poverty and informality persist: 81 percent of all jobs are considered vulnerable. As a result, internal and external migration in search for better paid jobs is increasing, particularly among young people. The challenges of improving educational attainment remains: 42 per cent of employed youth had only completed primary school, compared to 45 per cent for the employed population as a whole. About one in every ten children aged 5 to 17 years is involved in child labour.

To address the labour and developmental challenges, the Cambodian government has developed a series of socio-economic policy frameworks, including the National Strategic Development Plan 2019-2023, the Industrial Development Policy 2015-2025, the National Employment Policy 2015-2025, the National Social Protection Policy Framework 2016-2025, the TVET Policy 2017-2025, the Labour Migration Policy 2019-2023, and the National Plan of Action on Child Labour Reduction and Elimination of the Worst Form of Child Labour 2016-2025. These national development frameworks are being supported by development partners and the UN system, including the United Nations Development Assistance Framework 2019-2023 to help Cambodia achieve its national development goals and Cambodian Sustainable Development Goals while advancing Decent Work for all Cambodians.

1 Cambodia Social and Economic Survey 2016, National Institute of Statistics (NIS)

2 Cambodia Economy Update 2018, World Bank

3 ILO KILM Report 2016

4 Cambodia Social and Economic Survey 2016, NIS

5 Cambodia Economy Update 2018, World Bank

6 Oxford Poverty and Human Development Initiative (2017). "Cambodia Country Briefing", Multidimensional Poverty Index Data Bank. Available at: www.ophi.org.uk/multidimensional-poverty-index/mpi-country-briefings/.

7 Cambodia Labour Force Survey 2012, NIS

THE ILO - WHO WE ARE

The International Labour Organization (ILO) is the United Nations agency for the world of work. Devoted to advancing social justice, it promotes a Decent Work Agenda based on four strategic pillars: rights at work, decent employment opportunities, social protection and social dialogue.

It is the only public international organisation which is tripartite, where workers and employers enjoy equal rights with governments in representation and decision-making. Together they set labour standards, develop policies and devise programmes upholding decent and productive work, in conditions of freedom, equity, security and dignity for all.

Created in 1919 as part of the Treaty of Versailles that ended World War I, the ILO became the first specialized agency of the UN in 1946. It received the Nobel Peace Prize in 1969 and today is recognized as the world's authority on the world of work, offering over 100 years of knowledge, experience and achievements.

THE ILO IN CAMBODIA

Cambodia has been a member of the ILO since 1969 and has ratified 13 ILO conventions including all eight core conventions. The ILO has operated in Cambodia since 1992 following the end of nearly three decades of internal conflicts and has implemented five Decent Work Country Programmes (DWCPs) since 2005, all in close cooperation with its constituents.

The current DWCP 2019-2023 is designed to help the country achieve sustained job-rich growth and inclusive and sustainable development while advancing decent work for all Cambodian women and men. It focuses assistance in three specific areas:

- (1) *Employment and Enterprise Development* – More Cambodian women, men, youth and vulnerable groups have access to decent and productive work as a result of increased economic diversification, productivity, competitiveness and the development of the digital economy.
- (2) *Improving and Expanding Social Protection* – More Cambodian women, men, youth and vulnerable groups are in safe and healthy work and benefit from sustainable, transparent and equitable social protection coverage.
- (3) *Improving Industrial Relations and Rights at Work* – Industrial relations and rights at work improved in line with international labour standards, including for migrant workers.

Current areas of work

The ILO delivers its programme in Cambodia as one of the largest development cooperation portfolios in South-East Asia, covering various fields and addressing a wide range of decent work and development issues, including labour law reforms, employability and skills development, decent employment growth, entrepreneurship and enterprise development, productivity enhancement, improvement in working conditions and labour standards, social protection, wage setting, industrial relations and social dialogue, and labour market governance.

A core area of work is labour compliance in the garment sector through the Better Factories Cambodia programme (since 2001) which garners a very high profile both within and outside the country. This programme helps to sustain Cambodia's biggest export sector (US\$8 billion per annum) and the largest formal employer of 700,000 workers (80% women).

A critical area of support is to expand the coverage and quality of social protection to the most vulnerable, including informal workers. Support is also in place for the National Social Protection Policy Framework, this important work focuses on providing assistance to the National Social Security Fund (NSSF) to expand coverage, quality and equitable geographic access to work injury and health insurances and maternity protection, and to introduce pensions.

Another important area of work is providing support to strengthening industrial relations and rights at work. This includes ongoing support for social dialogue and collective bargaining and labour dispute resolutions, including through the Arbitration Council. Support is also extended to raising awareness of rights



and responsibilities at work and the development of effective applications of the legal and policy frameworks to promote and protect the rights of vulnerable workers, including entertainment workers, migrant workers, construction workers, young and women workers, people with disabilities and indigenous people.

Other initiatives include:

- Strengthening of the evidence-based minimum wage setting mechanism, including support for implementation of the minimum wage law;
- Promotion of youth employment, including implementation of the National Employment Policy;
- Skills and entrepreneurship development for sustainable enterprises, enhanced productivity and diversified economy in priority sectors, including support for the TVET policy implementation;
- Effective labour migration management, including implementation of the Labour Migration Policy;
- Improving occupational safety and health, especially in the construction sector.

Key partners

The ILO closely cooperates with the tripartite constituents: the Royal Government of Cambodia, principally the Ministry of Labour and Vocational Training, the Cambodian Federation of Employers and Business Associations (CAMFEBA) and various Workers Organisations. The constituents play a key role in the development and implementation of the DWCP, including development cooperation projects.

As a specialised agency of the UN system, the ILO contributes to the United Nations Development Assistance Framework 2019-2023 which coordinates the efforts of all UN Agencies in Cambodia in support of Cambodia's development goals and Cambodian Sustainable Development Goals (CSDGs).

Development cooperation partners include Australia, Canada, China, European Union, Germany, Japan, Republic of Korea, Netherlands, Sweden, Switzerland, and the United States of America.

Decent work: a key to achieving the Sustainable Development Goals



“Decent work is not just a goal – it is a driver of sustainable development”

Guy Ryder, ILO Director General

By embracing the three dimensions of sustainability – economic, social and environmental, the 2030 Agenda for Sustainable Development provides a once-in-a-generation chance to make a change and improve the lives of billions, leaving no one behind.

At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while working to preserve our planet.

The importance of decent work in achieving sustainable development is highlighted by Goal 8 which aims to “promote inclusive and sustainable economic growth, full and productive employment and decent work for all”.

Putting decent work at the heart of economic policy-making and development plans will not only generate jobs but also lead to more robust, inclusive and poverty-reducing growth. It is a virtuous circle that is as good for the economy as it is for people, and one that drives sustainable development.

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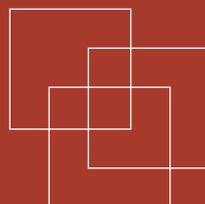
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