

**ILO Country Office for Thailand, Cambodia and the Lao People's Democratic
Republic (CO-Bangkok)**

**REPORT ON
“NATIONAL WORKSHOP ON EMPLOYMENT POLICY DEVELOPMENT FOR CAMBODIA
WITH A FOCUS ON YOUNG WOMEN AND MEN”**

**18-19 December 2012
Inter-Continental Hotel, Phnom Penh, Cambodia**

This workshop was organized jointly by the Ministry of Labour and Vocational Training (MOLVT), the International Labour Organization (ILO) and the Asian Development Bank (ADB)

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1. Workshop Introduction

The *National Workshop on “National Employment Policy Development for Cambodia with a Focus on Young Women and Men”* took place at Inter-Continental Hotel in Phnom Penh, Cambodia between 18 and 19 December 2012 and was co-organized by the Ministry of Labour and Vocational Training (MOLVT), the International Labour Organization (ILO) and the Asian Development Bank (ADB) and participated by approximately 80 participants from concerned government ministries, worker and employer organizations and other research agencies. The workshop aimed to build on the past and current work towards national employment policy development in Cambodia and was prepared to facilitate technical presentations and discussions among the tripartite constituents and other concerned agencies to realize the following objectives:

- Presenting and validating findings and recommendations from researches and studies aimed at supporting the policy development;
- Concluding the consultation phase and preparing the way forward, moving towards drafting of the policy and its endorsement; and
- Collecting ideas and recommendations and building partnership among relevant key stakeholders to contribute to the policy development.

The Workshop was organised in the following format:

- The workshop began with an opening session where representatives of the Cambodian government, social partners and supporting international organizations (ILO and ADB) gave their views, stance and commitments towards the development and implementation of the employment policy in Cambodia.
- The workshop proceeded with an introductory presentation where rationale, background and policy formulation model was shared with the participants.
- A series of panels were then organised, each followed by a discussion both in group and in plenary. The panels aimed to present and validate preliminary findings from the key studies designed to support the policy formulation.
- The last part of the workshop was focused on concluding and determining the way-forward and a formal closing session where concerned parties gave their impressions on the workshop and future plan.

2. Welcome and opening session

Moderator: Mr. Ouk Ravuth, Ministry of Labour and Vocational Training

2.1. Welcome address by the ILO representative

Ms. Azita Berar Awad, Director of Employment Policy Department, ILO

Ms. Berar expressed her pleasure to see this workshop organized and participated well by the key stakeholders. She took the opportunity to explain the participants about the functions of the employment policy regarding economic growth, poverty reduction and livelihood of people in the country especially the young. She noted

that this policy development was useful for Cambodia to pursue looking at the market growth, the need to reduce poverty and employment creation. The policy development would give the opportunity for Cambodia to examine, understand and determine opportunities, constraints and priorities. She then stressed the significance of active engagement and in-depth dialogue among stakeholders and policy coherence building.

Ms. Berar recognized that Cambodia had built a good ground for this policy development including identification of the need to have the policy, supporting data availability, surveys designed for that policy development purpose and collaboration, knowledge and commitment of the stakeholders here. In closing, Ms. Berar extended her appreciation to the stakeholders for their support and commitment to achieving decent and productive employment in Cambodia and looked forward to having the debate on challenges, opportunity and policy recommendations for quality job creation and labour market information system which were central to sustainable and inclusive development of Cambodia's economy.

2.2. Welcome address by the ADB representative

Mr. Eric Sidgwick, Country Director, Cambodia Resident Mission, ADB

Mr. Eric indicated his particular interest in this second national dialogue workshop focused on developing ideas for the national employment policy in Cambodia and the joint collaboration between ADB, ILO and the Ministry of Labour in this work. He highlighted the importance of employment in the country's economy and society as it played a significant role in poverty reduction, household income raising and inequality narrowing.

Mr. Eric shared his view on the functions of the policy which should be on the one hand helped create employment and on the other enhanced human capital. He also raised three concerns for the current Cambodian labour market. The first one was the minimum wage which was only set for garment and shoe sector and should be set further for other sectors. Migration was his other concern and it was important to create decent and well paid job opportunities in the country. The third one was the need to remain competitive to investors while satisfying wage demands of the workers. The final point he made was the need for the country to increase labour productivity through investment in human capital, more advanced technology and better work organization and diversify sectors into higher value sectors. He then reminded the participants of the need to align this policy development with other related national and sectoral policies and other coming new developments like the ASEAN one labour market from 2015. Finally, he thanked the Ministry of Labour, ILO and other stakeholders for their involvement and commitment to this policy development which the ADB had been and will continue to support.

2.3. Remarks by the Employers' Representative

Mr. Senaka Fernando, Deputy Secretary General of the Cambodian Federation of Employers and Business Associations (CAMFEBA)

Mr. Senaka began by appreciating the opportunity given to CAMFEBA to take the floor both in the opening and other technical discussion sessions. He considered the employment policy development which Cambodia had been committed to as doing the right thing in this current market development. He then emphasized the importance of collaboration of the tripartite parties to contribute to the development of the employment policy in Cambodia including through the policy dialogue and further work.

Mr. Senaka then drew attention to CAMFEBA's commitment and readiness to engage and support the efforts to the employment policy development. In concluding his remarks, he thanked the ILO for its broad technical support in this area, not only through supporting this workshop, but also provision of specific overseas training to the tripartite constituents. He looked forward to seeing the policy developed and effectively implemented in the interest of the country as a whole.

2.4. Remarks by the Workers' Representative

Mr. Ath Thorn, Representative of the Cambodian Trade Unions

Mr. Ath Thorn first recognized the opportunity given to the worker representative to participate meaningfully in this policy development process. He drew attention to the existing problems in the labour markets, noticeably lack of minimum wage for other sectors, limited labour law enforcement, poor working conditions, occupational risks, restriction on labour rights, forceful and long overtime work, lack of social protection, dominance of informal work which resulted in labour shortages, migration and hopelessness of the workers. Skill mismatch was a particular concern for young people in the country. He noted that all of these problems must be addressed in the employment policy we were going to develop and due regards must be given to job creation, freedom and social protection. Finally, he praised the ministry of labour for taking the initiative and efforts to do this work.

2.5. Opening remarks by the Representative of the Ministry of Labour and Vocational Training

H.E. Mr. Oum Mean, Secretary of State, Ministry of Labour and Vocational Training

After welcoming representatives of the ILO, the ADB employers and workers' organizations and other relevant government and development partners, H.E Mr. Oum Mean drew attention to the ministry of labour's commitment to addressing employment issues through implementation of the rectangular strategy labour priorities including job creation, good working condition, better social protection, skill development, gender mainstreaming into work and improved partnership and work effectiveness.

H.E Mr. Oum Mean told the participants that the ministry of labour has cooperated with its partners both at national and international levels to advance in this national employment policy development. Encouraging results had been achieved

from the past work especially completion of surveys and studies designed to support the policy development. The study results will be further presented in this workshop to provide knowledge, guidance and bases for the stakeholders to develop the policy well.

Finally, before officially opening the tripartite dialogue forum, H.E Mr. Oum Mean thanked the participants for their attendance in the forum and in particular the ILO and ADB for their financial and technical support to this work.

3. Presentation Session

3.1. Presentation Session 1: Toward Cambodia's National Employment Policy: Background and Main Technical Issues

Moderator: H.E Ros Seilava, Deputy Director General of Supreme National Economic Council (SNEC)

Presenter: H.E Seng Sakda, Director General for Labour, MOLVT

H.E Seng Sakda provided his inputs to the workshop by reminding the participants of the Cambodia's ratification of the ILO Convention 122 on employment policy and commitment to implement this policy since 2010 when ILO-EU project was started in Cambodia. With the support, Cambodian government had received technical study support and oversea special training crucial for the policy development and together with a series of workshops designed to inform and engage the stakeholders in the policy development, he stated that Cambodia had progressed well in their effort to develop this policy. Describing the employment policy as being broad, significant, multi-disciplined and technical, H.E Seng Sakda appealed to the stakeholders for closer collaboration and move active engagement in the process and this current workshop will not only serve that purpose, but also consolidate experiences and results from our studies to make another big step towards to the policy development.

Presenter: Ms. Sukti Dasgupta, Senior Employment Specialist, ILO

Ms. Dasgupta gave a background leading to the realized need to have the employment policy. She attributed the economic crisis in 2008 when Cambodian workers were hit the most, especially the unskilled ones as a starting point for this policy. She then picked up ILO funded studies' findings on the Cambodian labour market which indicated that interventions for youths and women in particular were desperate. She also considered the Cambodian ministry of labour's request in mid 2010 to the ILO for assistance to this policy development and importantly the start of the EU-funded project on employment and social protection in Cambodia through their background and policy studies and coordination of consultations among stakeholders based on the studies as the key motivations to have this policy development process undertaken.

She then described a series of capacity building and consultation workshops organized last year by the ILO with the aim of determining the development process and contents of the employment policy. Early this year, a workshop was organized discussing this issue and recommending further studies in four areas

including rural employment, macro policy and its impact on the labour market, migration and skill gaps. The studies have been commissioned and some main findings would be shared in this workshop. The workshop also agreed on establishment of a national inter-ministerial and tripartite committee to guide the employment policy development. Most recent forum on this subject was the two day employment diagnostic workshop organized with the Asian Development Bank (ADB) to understand the constraints and challenges the Cambodian labour market faced.

Ms. Dasgupta also highlighted the key objective of the workshop which was to share each other what had been done in this process, take comments and advice on the way forward and key issues for focused policy making and to discuss studies' findings and recommendations and right after then the drafting of the policy would begin. Ms. Dasgupta stressed the need for Cambodia to have a well functioning labour market that addressed both employment quantity and quality issues. Finally, Ms. Dasgupta reiterated the ILO's commitment to support the government in this development process and it was crucial that the government and the stakeholders owned the process and policy and determined how the policy should be.

Presenter: Ms. Azita Berar Awad, Director of Employment Policy Department, ILO

Ms. Berar provided her inputs on this policy development by addressing the two topics (youth employment and informal economy workers) which were crucial for employment policy consideration. She first invited the participants to attend to the school to work transition study to understand key obstacles for the youths in their access to the labour market. She then pointed out to some other key points for consideration. First, the need to address skill gaps especially the vulnerable groups who suffer from this gap. Second, youth employment increase which was according to her the trend in many countries. She shared the experience of bad and good practices from other countries to address this issue through wage subsidy, soft skill provision, public private partnership, apprentice, right promotion. Finally, addressing both supply and demand sides was needed in the employment policy, she noted.

On the issue of informality, she noted that as the market was predominantly characterized by informal economy, the policy needed to put emphasis on this sector particularly the small and medium enterprises. Consideration should be made on transforming it to the formal economy. Provision of vocational skill training, extension of social protection, organizational representation and formal job creation were all key to penetrate and help workers in this sector.

Discussion

ADB officer sought for elaboration of good job and productive employment. He also wanted to know the focus of the employment policy whether only on youth or the general people. Finally, he asked Ms. Berar to give her advice on whether the demand side needed to be addressed by involving employers more in provision of training.

Informal worker association leader after introducing his alliance of informal worker associations asked if the ILO would be helping his organization which was committed to helping informal workers.

In reply, Ms. Dasgupta explained that productive employment was part of decent work which the ILO had promoted actively and decent work included the rights side. Due to the Cambodian market context, the employment policy in her view should target the general people, but with due regard to young people. Ms. Berar then supported the view that both sides of the market should be addressed. ILO had worked both formal and informal sectors and more support would be given to the informal sector.

1.2 Presentation Session 2: Overarching Employment Diagnostic Analysis

Moderator: H.E Ros Seilava, Deputy Director General of Supreme National Economic Council (SNEC)

Presenter: Mr. Paul Vandenberg, Senior Researcher, ADB

Mr. Vandenberg summed up the results of the employment diagnostic analysis, a framework for analysis of the labor market and for creation of some ideas to find out the critical problems in the labor market. He noted that Cambodia has labor force, labor markets, employers, and people seeking employment and gaining employment, but if they didn't work well together, the national employment policy was needed as it guided the labor market and employment and things that were not working.

Mr. Vandenberg highlighted three important points. The first point was the supply side on which he said Cambodia had labor force, but people migrated to other countries due to higher wages there. Moreover, the quality of the labor and human capital was crucial while Cambodia still faced some problems relating to post-primary drop-out rates, skill mismatches and low appreciation for short-term vocational training, reliance on low wage and low skilled workforce which was not attractive to better investment. Second was the demand side on which he raised the issues of job creation though largely in informal sector and diversification of the economy. The last point was the institutional issue where he raised quality employment in which workplace compensation, health, and pensions were being addressed by social security.

Specifically contributing to the policy formulation, Mr. Vandenberg suggested that migrant workers be encouraged to return home with new skills to contribute to Cambodia and to work in the country for long-term economic development. Furthermore, young people must be encouraged to complete at least secondary school, acquire relevant skills training for job market, have a balanced course enrolment between business and technical subjects, and acquire alternative education. In addition, the employment policy should raise productivity and employment conditions for informal sector, create the labor force to support sector diversification and reduce vulnerability of the economy. Better social security needed to be improved in the future.

H.E Seng Sakda suggested having high level leadership for this policy as in China and South Korea where prime minister and deputy prime minister chaired this policy committee. He also addressed factors pulling migrant workers to work out of the country and services made available by the current social security scheme.

Mr. Om Visal representing unions raised four points for the employment policy to address. The points included the need for skill training, the required participation and inputs of sub-national authorities, the importance of job identification for the workforce, the desire for having more expanded social protection and improvement of informal workers. Mr. Fernando, private sector representative, pointed out to some of challenges in employment for the policy to address. Shortages of skilled labour, mismatch, weak high school education, little interest in vocational training among youths, the demand for tax investment incentive labour intensive business, the removal of legislative barrier for skill foreign workers and small and medium enterprises were the areas he tried to make the stakeholders attend to them in the policy formulation. An ILO expert also commended the study and asked for clarification and opinion on economy diversification, education preparation for regional market change, social security and priority areas identified by the study.

1.3 Presentation Session 3: Presentation and Working Group Themes

Theme 1: Macroeconomic Policies for employment-friendly growth

Moderator: H.E Mr. Heng Sour, Director General for Administration and Finance, MOLVT

Presenter: Ms Makiko Matsumoto, Employment Specialist, ILO

The speaker first presented macro-economic challenges mainly the need to create significant job opportunities, high and better growth without being affected by shocks and with better productivity and employment creation. She noted that for effective employment policy implementation, macro-economic framework needed to generate jobs for wider sectors and provided resources and services. She then explained whether the current situation is sufficient for the employment policy by showing the issues of money supply, foreign exchange fluctuation, fiscal deficiency, investment by concluding that there was a need for structural transformation across economic sectors for more public investment and source of finance, mechanism to support social and economic sector and growth. Finally, she argued for better monetary and fiscal policies for the employment policy to be effectively implemented.

Presenter: H.E Ung Luyna, Supreme National Economic Council (SNEC)

H.E Luyna began by underlining three main challenges including annual job creation, structural change of economy and working poor. H.E Luyna noted that despite an increase in annual job in Cambodia's economy, the annual employment growth was still lower compared to the rising working population. The participation of new working-age group in the labor force could increase the annual growth. The lack of workers in agriculture and construction was a matter of concern as industry and service sectors had been absorbing the labor force in recent years. Although many people were employed, they were still poor and the number of employed people living below poverty line was still high.

Specific to the employment policy, he suggested a focus on the current macroeconomic policy which needed to be employment-friendly through full employment, working

productivity, and social safety system and better status. He indicated that the current review of the macroeconomic policies, price stability and growth were essential. However, major problems in the economy included ineffective monetary policy due to dollarization, limited access to capital and high interest rates. A number of recommendations were set out for consideration including heavy investment for high growth, concentration on profitable and job rich industry, better social safety net system, and expansionary macro policy. He also suggested some elements of employment-friendly macroeconomic policies including low-interest rate and financial accessibility, public investment that attracted private investment, expansionary fiscal policy, and monetary policy instruments.

Mr. Leng Soklong, representing the national bank of Cambodia, appreciated the two presentation inputs and clarified some of the figures provided in the second presentation. Finally, he pointed out to the two side effects of dollarization which, in addition to the negative one, could also play a positive role for investment promotion. Union representative Mr. Mony viewed the presentations as useful for the policy and raised some of the challenges (low wage, working condition, absence of intervention and management of informal workers and migration) workers currently face which the policy needed to capture and address.

Inputs from the Group Discussion

The group considered the recommendations provided by the presenter and discussants reasonable. For example, it was important to have investment incentive and rural infrastructure development. In addition, the group advised the stakeholders to work out funding source to support work-plan in this area. The employment policy needs to address macro-economic policy for employment, as it set out the broader condition in which economic and employment growth took place. The group also encouraged inter-ministerial collaboration in this policy area. Three requests were also made by the group. First, priority issues of education, skill development and infrastructure should be addressed in the policy. Second, there was a need to determine and undertake proper administrative procedure to officialize collaboration and work under the policy. Finally implementing mechanism should be developed.

Theme 2: Labour migration

Moderator: H.E Mr. Heng Sour, Director General for Administration and Finance, MOLVT

Presenter: Mr. Khleang Rim, ILO

Mr. Rim provided an overview of international labour migration in Cambodia by explaining the migration destinations, state agreements, trend, push and pull factors and regulations and policy. He then identified key challenges in governing the labour migration which included limited implementation of labour migration policy due to institutional capacity at central and local levels, disincentive to legal migration both in Cambodia and destination countries, limited regulation of recruitment practices, gaps in labour migration information system, social costs of migration and limited investment of remittances and skills to develop alternatives to labour migration.

Mr. Rim then set out the following key recommendations for labour migration in Cambodia for the employment policy to address:

- *A review of policies and program for migrants;*
- *Creation of an institution with specific responsibility for the migrants;*
- *Availability of a support program in the form of welfare fund, facilitation at the passport or other documentation;*
- *More union actions and services for the migrants by cooperation with their counterparts in the receiving countries and other union services; and*
- *Having an labour attaché in each destination country to monitor conditions*

Mr. Vuthy representing the government acknowledged the importance of the presentation and recommendation on migration and gave his thought on a number of points. He agreed with the need to ratify new conventions and create labour attaché but this would take time and resource and efforts should be committed to improving our regulations, good governance, empowerment of the migrants, improvement of their skill and technology to regulate them. Mr. Nay representing unions reminded the workshop of the key contribution and involvement of trade unions in this by mentioning the Cambodian union's Memorandum of Understanding with their counterpart unions in the destination countries. As unions' recommendations, he stressed the need to provide pre-departure training, cross-border support mechanism, conflict resolution assistance. Mr. Som Chamnan representing CAMFEBA first supported the view that migration was not negative if the migrants could find the right work there. Economic opportunity and better pay were the pulling factors and the way to curb this trend was to improve our economy. Skills and access to labour market information were significant in his view to migration.

Inputs from the Group Discussion

The group mostly agreed with the recommendations set out by the presenter and discussants. The group however gave their observations on some points. First, it was important to find funding source to support the suggested welfare fund for migrants. Second, the guarantee deposit was not much as there many recruitment companies set up without any problem. Third, it was good to get the companies organized under one umbrella organization for management purpose, but it would go against freedom of association. Fourth, labour attaché set up and ratification of a specific convention would require time and resource. The floor also suggested support for migrants in the form of social protection, facilitation of remittance and free tax for personal equipments/materials.

Theme 3: Rural Employment

Moderator: H.E Dr. Hong Cheun, Head of National Employment Agency (NEA)

Presenter: Ms. Liv Dannet, Cambodian Institute for Development Studies (CIDS)

Ms. Dannet presented her study findings and key recommendations. She raised three points including present situation, challenges and what the employment policy could potentially address. Rural employment according to her study was significant to the country GDP and labour force although the job in this sector was mostly vulnerable.

Several challenges facing the sector were also reported in her presentation which included lack of unlimited supply of labor, the need for the capital to increase productivity and income, rural labor movement into non-agriculture sector which made shortage of labor supply in agriculture and pushed up wages, increase in agriculture wages causing high cost of labor overall, and rural households tying to their land which created instability and inflexibility in labor supply.

In order to address the identified challenges and make decent work in rural areas, the employment policy must focus on increasing stability of the subsistence farming and reducing the risks households were exposed to during the transition from subsistence to high value work. A number of key recommendations were made including an increase in stability and income of subsistence farming by improving agriculture productivity through intensification of existing land, increasing the number of crops per year, and producing high value strains of crops. Another one was to promote and strengthen linkages between agriculture and agro-industry while the last one was to promote decent living wages and social protection for workers in this and other sectors.

H.E Mr. Son Koun Thor, representing the Cambodian government, appreciated the study findings and the vital role of agriculture to rural employment. He also shared a concept of 4 p (having enough human resource with capability and techniques, having production land, producing to meet market demand and improving value added). He also pointed out to two specific programs to improve rural economy of the country which were (1) encouraging production and processing of agriculture products and handicrafts and promote rural tourism and economic growth and (2) rural credit services. These two according to him were interrelated and successfully helping target people to be in betterment. Mr. Mony, a union representative, supported the findings and recommendations made from the study and he sought for information on rural employment created by economic land concession. It was followed by interventions made by Mr. Chamnan from CAMFEBA who started with commending the government for providing skill training income creation and other support presented earlier by the government speaker and then commented on Danet's recommendation on living wage by advising that there should be a separation between living wages and minimum wages and wage increase must go in hand with productivity enhancement.

Dannet confirmed that there was a difference between living wage and minimum wage and this was taken into account in the study. The key problem she stressed was instability in labor supply which created risks not only for agricultural sector but also other sectors in which labor supply and wages fluctuated. It was in this context that a promotion of this decent minimum wage was a win-win strategy for both sides.

Inputs from the Group Discussion

The group appreciated the recommendations set out by both presenter and discussants, but would like to add further points to address rural employments. The group's recommendations included ensuring price stability, agricultural skill training, community organising, information access and social protection for farmers and helping them to move away from subsistence to agri-business work.

Theme 4: Linking Social Protection and Employment

Moderator: H.E Ngy Chanphal, Secretary of State of Ministry of Interior and Vice Chairman of CARD

Presenter: H.E. Heng Sour, Director General for Administration and Finance, Ministry of Labour and Vocational Training

He first gave an overview of social protection schemes available in Cambodia. Priority and objectives of the recently launched National Social Protection Strategy (NSPS) were presented. NSPS was focused currently on the poor and vulnerable, but the plan was also to move to cover formal sector workers and more services in the labour market. NSPS provides basic social protection (access to health, education, food security and income security) and employment services (skill assessment and training, job placement, business development services).

He then gave a general picture of Cambodian labour market including main challenges of informal workers, vulnerability, insecure income and low educational level at rural areas. Finally, he presented some strategies including increased public works programs, vocational training and skill development, completion of compulsory education, national qualification framework and additional labour market information.

Presenter: Mr. Sum Sophorn, Deputy Director of National Social Security Fund (NSSF), Ministry of Labour and Vocational Training

Mr. Sophorn first gave a general definition, scope and targets of social protection and security in general and in specific case of Cambodia. He then noted that NSSF was established under the 2002 law on social security which guaranteed formal workers in the private sector access to benefits in the event of accidents, disability, old age and retirement. NSSF was established in 2002, but it had only launched employment injury insurance scheme since 2008. In the future, the scheme will cover health care in 2013 and pension in 2015.

Mr. Ath Thorn, representing Cambodian trade unions, considered employment and social protection inter-related and important. He took issues with wage, working hours, social protection, skills, job security of informal workers in comparison with their counterparts in the formal sector and appealed for different interventions for them. Mr. Som Chamnan from CAMFEBA supported the statement made Mr. Ath Thorn. He then advised the stakeholders to promote vocational skills, labour dispute resolution, environment conducive for business including infrastructure and electricity and better law enforcement.

The presentations were followed by an exchange of opinions between the floor and speakers. The key results of the discussion included that informal work was poor due to lack of organizing, social protection, stability and attention. Low unemployment rate was due to the adopted unemployment definition which should be learnt from the Ministry of Planning. Informal workers could still join the current social security scheme by way of voluntary contribution.

Inputs from the Group Discussion

The group agreed with the challenges the presenters and discussants raised. The group was of the view that the employment policy needed to address social protection as it was useful for people's livelihood and work. The group provided some suggestions to be taken up by the employment policy. The suggestions included effective labour law enforcement on infantry building at working places, improvement of social protection covering better wage, unemployment, work accident, health and pension, extension of the support and rights to informal workers and the poor.

Theme 5: Skill gap analysis and human capital roadmap

Moderator: H.E Ngy Chanphal, Secretary of State of Ministry of Interior and Vice Chairman of CARD

Presenter: H.E. Hong Choeun, National Employment Agency (NEA)

He began with recognizing agreement among the stakeholders on what to address in the employment policy. He addressed the topic by giving an overview of supply side of the labour market including the number of school leavers without completing their basic education, survival rate, more gender positive aspects in education, more university enrolment and completion, significant vocational training in agriculture and low participation in vocational training in Cambodia. In the demand side, he noted that job creation was still limited and many school leavers came to work in agriculture then went to the city in search of more skilled job.

He noted that the key intervention to address the mismatch was training including to those who migrated to other countries with high demand for labour. Finally, he provided some policy solutions for both short and long term. The short term policy included job creation and mismatch fixing. Sector diversification, mismatch prevention and employment planning at commune level were in his view of the long term solutions.

Presenter: Mr. Mar Sophea, ADB

He first noted that the newly determined Cambodia's visions should be matched with human capital by moving to have knowledge and technology intensive. The employment policy should address the current challenges including skill gaps, labour shortage, mismatch, education. We were happy with more allocation of budget to support social sector, but attention needed to be paid on expenditure which tends to be lower than the committed allocation. Employment policy development process must involve linking to other existing policies and visions of the country, including a link between the NEP and the human capital advisory group. With regard to skill mismatch, he stressed that it was equally important to address the demand side of the market.

Representing teacher unions in Cambodia, Mr. Rong Chun stressed on the need to improve skill training, investment in education. He encouraged the ministry of education to consider including vocational training in high school. He also pointed out to the current challenges in employment in Cambodia which included low wage, poor health, labour shortages and finally he appealed to the employers to

carry out their duty to respect workers' rights. Sandra on behalf of CAMFEBA addressed the topic by emphasizing on the importance of self development of individual worker, education improvement to catch up with regional development, adaptability and flexibility of the labour market, labour force improvement and the consideration of making Cambodia as a regional vocational training skill provider. H.E Heng Sour synthesized the panel's presentations by noting that the presentations reinforced and supplemented one another. Areas of agreements included the need to address both sides of the market and review other related policies in the country and consultation and inputs from all involved parties.

Inputs from the Group Discussion

The group representative first reiterated the need for better skilled workers in Cambodia which needed to be addressed. The group made some recommendations to address in the policy including provision of clear guidance to students prior to their studies, on-the-job training, human resource skill improvement by employers and contributions from concerned government ministries.

Theme 6: Employment in Micro, Small and Medium Enterprises

Moderator: Ms. Tep Mona, Director of Cambodia Garment Industry Productivity Center (GIPC)

Presenter: Mr. Paul Vandenberg, Senior Researcher, ADB

Mr. Vandenberg first provided an overview of small and medium enterprises (SME) in Cambodia using 2009 and 2011 data of the ministry of planning, covering the size, employment, service, definition, dynamics, trend, gender in this sector. He drew attention to significant employment provided by this sector and it was therefore important for the employment policy to consider and address it in the policy as it was also dealt with in the rectangular strategy. He noted that productivity, wage, social security, right and representation specific for this sector may be something the stakeholders should consider in their policy development.

Representatives of two associations (FASMEC and WEAC) working in the SME sector quickly introduced their organisations and appealed to the government and stakeholders to address in their policy by giving assistance to women entrepreneurs in the form of training and other support, tax incentive and active facilitation for registration and other document process. A representative from the Ministry of Planning raised the need to improve productivity in this sector and other actual help for people in the sector through low interest, legal and policy support, technical skills.

Inputs from the Group Discussion

The group stressed the need to address SME in the policy as SME helped create jobs, reduce migration, increase national revenue and provide working practice and entrepreneurship opportunity for youths. SME needed to improve their skills. The group advised the government to provide soft loans and to help SME by reducing disturbances.

2. Roadmap on the Way-Forward for NEP Formulation

H.E Seng Sakda outlined the MOLVT's plan to develop an inter-ministerial steering committee to lead and direct this policy development. A technical working group would also be established to draft and finalize the policy. Provincial and lower level working groups could be set up to participate and support the implementation of this policy too. As a request, the MOLVT wished to have technical consultants (one local and one international) to assist this development process. It was of the ministry's view that lessons can be learned from such policy in other countries to properly determine our policy. The policy was tentatively scheduled to be complete by end of 2015.

Ms. Dasgupta highly commended the workshop for its excellent coordination, participation and results. She went on to praise the MOLVT for having a good plan for the policy development. She assured the MOLVT of the ILO's continued support to this process, for example, through provision of technical support as requested by the ministry. Finally, she gave two pieces of advice. First, the plan should be attached with timeline for each item for better planning and process acceleration. Secondly, before commencing drafting of the policy, it would be useful to do a quick policy review to examine the existing policies and the ones in the pipeline to mainstream the employment policy properly.

H.E Toch Choeun, Director General for Youth of the Ministry of Education, Youth and Sport, congratulated the MOLVT on their advancement in the employment policy development. He briefed the participants of the youth policy of his ministry where youth employment was one component of the policy too. H.E Toch Choeun suggested that the employment component of the youth policy be incorporated in the MOLVT's employment policy. He took the opportunity to respond to questions and suggestions about attaching vocational training into our school curriculum by stressing that it was what the ministry had been studying. Finally, he assured the participants of his commitment to participate and support this policy development process.

5. Closing session

Ms. Azita Berar Awad, Director, Employment Policy Department of the ILO, began by appreciating the workshop's high participation, serious consultation/debate and good knowledge and experience of the parties involved in Cambodia. She stressed the fact that this policy was useful, comprehensive, multi-disciplined requiring full participation, attention, analysis and proper mechanism to develop and implement it successfully. She saw great progress and inputs from the stakeholders in this policy development process and it was on the right tract to the policy development. She then noted her appreciation to the integration of employment section under the youth policy of the ministry of education into this employment policy. Mentioning the ILO's four year assistance in this policy development, she assured the ILO's readiness and commitment to provide further support as required. Finally, she thanked the MOLVT, the ADB and other social partners for their efforts and cooperation to organize this workshop successfully and in particular the ILO colleagues for their key inputs and excellent preparation and assistance to this workshop organization.

Mr. Paul Vandenberg, representative of the ADB, expressed his satisfaction to the MOLVT's progress and plan to develop the policy. Reiterating the ADB's inclusive growth commitment, he indicated ADB's particular interest and commitment to decent job. He continued by noting the key job and challenge of the up-coming technical and political working groups in incorporation of different issues and priorities to address in the policy. He echoed the ILO's employment specialist's emphasis on the need to have national ownership, management and confidence while receiving support from the ILO and the ADB. Finally, he indicated the ADB's continued cooperation both with the ILO and other stakeholders in this work and wished the development and implementation of the policy successful.

Mr. Som Chamnan on behalf of CAMFEBA after appreciating this workshop's excellent organization, participation and usefulness recommended the ILO and MOLVT to address in the employment policy a number of key issues mainly productivity improvement, vocational training with a focus on both hard and soft skills and skill mismatch. He raised examples of other countries to support this demand. He thanked the ILO and the ADB for their technical and financial support to this process.

Mr. Chuon Momthol, representing the trade unions, expressed his pleasure that the trade unions were given the opportunity to take part in this workshop. He noted that Cambodian unions had appreciated the government's commitment and progress in the field of labour including enforcement of ILO conventions, development of different mechanisms to improve the Cambodian labour market, creation of job, increasing wages and benefits and provision of skill training. Finally, he made a number of requests for MOLVT to address including intervention for migration, short term contract, sub-contract factories, employment discrimination, union law development, more collective bargaining agreements and mass fainting.

H.E Seng Sakda, Director General of the Ministry of Labour and Vocational Training, first thanked the ILO and the ADB for their financial and technical support to organize this consultation. He gave assurance to the participants that the inputs from today forum would be utilized in furthering the policy development process. H.E Sakda noted that the MOLVT had advanced in the process of setting up the tripartite Steering Committee to lead this work and importantly the ministry would be working collaboratively with the ILO, the ADB and other concerned parties to develop this policy. Before closing the consultation, he encouraged all the concerned parties and agencies to continue their participation and contribution to this work.
