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## CAMBODIAN FEDERATION OF EMPLOYERS AND BUSINESS ASSOCIATIONS

### Improving Social Protection and Promoting Employment Experience and Lessons Learnt an ILO-EU Project

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## CAMFEBA's Background

- The Cambodian Federation of Employers and Business Associations (CAMFEBA), established on 13 June 2000, is an autonomous and independent sole federation of employers and Business Associations recognized and registered with the Ministry of Labor and Vocational Training of Cambodia.
- CAMFEBA provides a forum for consultation and discussion among members on matters of common interest, and seeks for the adoption of sound principles and practices of human resource and industrial relations through information, legal advice, research, training and other activities.



## CAMFEBA's Background

- 6 Business Associations as Association members,
- 180 individual companies as individual members
- 19 non-profit organizations as the Associate members.



## CAMFEBA's Background

- **CAMFEBA's Vision** : “Successful Business, Prosperous Cambodia”
- **CAMFEBA's Mission**: “We are the federation of employers and Business Associations. We promote the environment for successful business growth and support employers to achieve excellence in business practices.”



## Social Protection

- The Labour Law, adopted in October 1997, provides the legal framework for the protection of workers and employees.
- Minimum of social security benefits to be granted to all employees by their employer; and a minimum wage for different economic sectors to be set by MOLVT via a Prakas (ministerial regulation) through recommendation from the **tripartite Labour Advisory Committee (LAC)**



## Social Protection

- The social security benefits mandated by the Labour Law include the following:
  - a. Employment injury benefits:
  - b. Maternity leave:
  - c. Sick leave:
  - d. Severance pay:



## Social Protection

- Law on Social Security Scheme for workers covered under the Labour Law was enacted in 2002: National Social Security Fund (**NSSF**)
- law stipulates the introduction of the following social security benefit:
  - a. a compensation fund for victims of employment injuries and occupational diseases;
  - b. a pension insurance fund (not yet set as it is under the process regarding the pension for private sector employees); and
  - c. other benefit branches as relevant





## NSSF

- **Coverage:** It can be observed that the total number of employees insured in 2010 was about 480,000, among whom were about 373,000 workers (78 per cent) in the garment and footwear industry.

Economic sector	No. of workers insured <sup>1</sup>	
	2009	2010
Garment and footwear industries	274 911	373 445
Manufacturing (other)	5 808	13 031
Mining and construction	1 171	2 188
Transport and telecommunications	5 501	9 344
Wholesale and retail trade	3 369	7 108
Services	31 148	75 330
<b>Total (all sectors)</b>	<b>321 908</b>	<b>480 446</b>

Source: National Social Security Fund of Cambodia, IT Division.



## NSSF

- **Benefits:** besides the workplace accidents and work-related diseases, including road accidents during commutes between home and work, it is also included:
  - Medical care (in-kind)
  - Nursing cash allowance
  - Temporary disability allowance (income replacement benefit)
  - Funeral (death) benefit
  - Permanent disability benefit (pension) and caretaker benefit
  - Survivor benefit (pension)
  - Rehabilitation benefit (in-kind)



# NSSF

- **Financing:** Employers contribute to NSSF to cover the risk of employee injuries. (4,000 R = 1\$)

Monthly Wage (Riel)	Assumed Wage (Riel)	Contribution (Riel)
Below 200,000	200,000	1,600
200,001-250,000	225,000	1,800
250,001-300,000	275,000	2,200
300,001-350,000	325,000	2,600
350,001-400,000	375,000	3,000
400,001-450,000	425,000	3,400
459,001-500,000	475,000	3,800
500,001-550,000	525,000	4,200
550,001-600,000	575,000	4,600
600,001-650,000	625,000	5,000
650,001-700,000	675,000	5,400
700,001-750,000	725,000	5,800
750,001-800,000	775,000	6,200
800,001-850,000	825,000	6,600
850,001-900,000	875,000	7,000
900,001-950,000	925,000	7,400
950,001-1,000,000	975,000	7,800
1,000,001 up	1,000,000	8,000



# Promoting Employment

## Overview :

- ❖ High rates of illiteracy and low levels of education mean that many of them lack core work skills.
- ❖ Global trade and technological change, including the spread of information technology, have transformed the modern workplace and created a demand for new skills among workers. (Cambodian Workers lack those skills = skill mismatch)



# Promoting Employment

## Approaches and Experience:

Government	Employers	Workers
<ul style="list-style-type: none"> <li>• Develop a national training policy for all Cambodians</li> <li>• Set up a national training system, including a qualifications frame work</li> <li>• Strengthen systems for improving the quality of skills training</li> <li>• Establish partnerships to improve skill development</li> </ul>	<ul style="list-style-type: none"> <li>• Improve basic education and vocation training, including core work skills</li> <li>• Establish a training committee within the CAMFEBA and organize a survey of present and future skills needs</li> <li>• Establish links between the companies and the National Training Board</li> </ul>	<ul style="list-style-type: none"> <li>• Eliminating illiteracy and improve skills development at all levels that are in line with basic rights outlined in the Constitution</li> <li>• Recognize locally acquired qualifications in Cambodia and abroad</li> <li>• Improve the quality of training and the skills of the workforce so that workers are not considered “cheap labour”</li> </ul>



## Promoting Employment

The experiences to cope with this employment matter resulted as follows:

- ❖ National Training Board (NTB) has been vested with the bunches of significant responsibilities.
- ❖ National Employment Agency (NEA) has been created and is studying on the skill mismatch issues.
- ❖ National Employment Policy has been put at the top priority to be developed.
- ❖ Technical & Vocational Education and Training (TVET) has been strengthened to respond to the global demand for a skilled workforce.



**Thank for Your  
Attention!!!**