



**The Royal Government of Cambodia**

# National Employment Policy 2015-2025

(Unofficial Translation)

*Approved by the Council of Ministers  
at the Plenary Meeting on 04 September 2015*



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## Foreword

The Royal Government of Cambodia (RGC) has been pursuing an appropriate policy direction in leading the country across different political and socio-economic challenges. This has allowed Cambodia to achieve a gradual development and to transform from the least developed economy with a high poverty rate to one of the most dynamic and highly potential economies in the region and the world.

These socio-economic achievements, reflected by an annual economic growth rate of 7.7 per cent on average during the last two decades, have positioned Cambodia in the top sixth fast growing economy in the world. Its gross domestic product (GDP) – a measurement of national income or economic size – has increased at least sixfold, from US\$2,480 million in 1993 to US\$16,709 million in 2014. Cambodian per-capita GDP in turns reached US\$1,123 in 2014, from just US\$229 in 1993 while current revenues of the national budget grew by almost 29 times, from US\$103 million in 1993 to around US\$2,779 million in 2014.

Cambodian economy has now entered another development stage, approaching a lower-middle income country and in the process of structural changes from being an agriculture-based country to be the industrial one. Under this circumstance, Cambodia needs to ensure an achievement of inclusive and sustainable economic growth which is fundamental to productive and decent employment opportunities as well as to speeding up poverty alleviation and livelihood improvement of Cambodian people.

Rapid urbanisation along with fast growing trading and investment activities in urban areas have bolstered labour migration from countryside, especially in a demographic situation where abundant young labour force exists. Technical and vocational training would hence play a crucial role in this context to contribute high benefits to economic growth.

Realising that labour sector and vocational training provide important support for economic, trade and investment activities, the RGC has developed and implemented the National Employment Policy 2015-2025 envisioned to improve livelihood and dignity of Cambodian people and social harmony by providing them with equal opportunities of decent and productive employment. This Policy is also consistent with the Cambodia Industrial Development Policy 2015-2025 and composed of three pillars including (1) to increase decent and productive employment opportunities, (2) to enhance skills and human resource development and (3) to enhance labour market governance. In order to ensure an effective implementation of this Policy, the RGC mandates the Ministry of Labour and Vocational Training (MoLVT) as the lead

institution responsible for coordination with other relevant ministries and institutions in designing action plan to achieve the set targets.

On behalf of the RGC, I would like to express my sincere appreciation to the MoLVT for their efforts in developing this important policy document and my high appreciation to all other ministries, institutions, as well as employers, unions and development partners, especially the International Labour Organisation (ILO), the European Union, Swedish International Development Cooperation Agency (SIDA), and the Asian Development Bank (ADB) for their support and cooperation with the government to make this Policy materialise.

I strongly believe that all relevant ministries, institutions and other stakeholders as well as development partners will continue to cooperate in a concerted effort to translate this Policy into actions in order to achieve the set goals and to contribute to the transformation of Cambodia to a higher income country with inclusiveness and sustainability.

Phnom Penh, 5 October 2015

Prime Minister

*(Signed and sealed)*

***Samdach Akka Moha Sena Padei Decho HUN Sen***

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## 1. Introduction

With the accomplishment of peace, national unity and political stability, the Cambodian economy has prospered in all sectors and has experienced structural changes, as reflected by a shift from an agriculture-dependent country to the one depending on the industrial sector. Cambodia is also becoming a middle-income country in the near future. Meanwhile, increased urbanisation along with fast growing trade and investment activities in urban areas have bolstered labour migration from the countryside. Especially, as the demography of the country is characterised by an abundant young labour force, providing this young labour force with vocational trainings would thus considerably contribute to economic growth by ensuring decent jobs that would improve livelihood, dignity and social harmony. Failure in such provision, however, would have social and political consequences that could hinder poverty reduction processes of the government.

Responding to the changing socio-economic context aforementioned, the Royal Government of Cambodia in its fifth legislature of the National Assembly has launched the **Rectangular Strategy Phase III** for “**growth, employment, equity and efficiency in Cambodia**” in which more employment generation for Cambodian people is a priority among the four key strategic objectives. In the meantime, the government has also launched the **Cambodia Industrial Development Policy 2015-2025** with a vision to promote changes and to upgrade industrial structures in Cambodia from labour-intensive to high-skilled industries by 2025. It aims to shift from a low-value added industries to the high-value added ones and to improve competitiveness and labour productivity. The achievement of this vision would contribute to the development of the national economy with high growth, sustainability and inclusiveness; employment generation for Cambodian people; value addition for the economy; and an increase in decent income for Cambodian people.

In spite of these impressive successes, Cambodia has faced some challenges, particularly in improving people’s incomes and productive job opportunities in rural areas, addressing the shortage of high quality and capable human resources to meet the needs of socio-economic development, and improving the national competitiveness. Moreover, socio-economic progress also brings about a new set of challenges in the labour market.

To contribute to a successful implementation of the policy framework and strategies and to cope with the challenges above, the government has set out the **National Employment Policy 2015-2025** (henceforth referred as the Policy) aiming to increase decent employment opportunities for Cambodian people, to increase labour productivity, to promote skills and human resource development, and to enhance labour market governance so that the needs arising from socio-economic development and changes in the national and regional economic architecture can be met.

This Policy aims to overcome key challenges currently faced by the Cambodian labour market which include:

**First**, the majority of Cambodian people of both sexes are employed. In 2008, the employment-to-population ratio of people aged 15 years and above stood at 80 per cent for men and 75 per cent for women, equivalent to more than three-quarters of the working-age Cambodians. In 2012, this ratio was 67 per cent (based on the Labour Force Survey 2012) and 84 per cent (based on Cambodia Socio-Economic Survey 2012), considering the population aged 15-64. Regardless of this achievement, it is crucial that the types of work people undertake need to be improved to secure incomes across seasons. Past growth in employment had largely occurred in the agricultural sector and in informal types of work. And past economic growth had been narrowly driven by construction, crops, garment and footwear, and tourism. Such limited sources of growth suggest that the work experiences and job-related skills that the labour force had been accumulating are also likely to be limited. As stipulated in the Rectangular Strategy Phase III, there is a recognized need to diversify the country's economic base, both within agriculture and beyond. Such diversification needs to be accompanied by active and promotional strategy to further develop and diversify the profiles of the country's labour force, in terms of skills and work experience.

**Second**, much of the population is also young, with a consequence that the employed population is also young. Between 1998 and 2008, it has been estimated that around 230,000 joined the labour force every year. A slightly bigger magnitude of labour force entries has been estimated for the period up to 2015. And of those who joined the labour force, most became employed, with almost two-thirds of young people finding work in agriculture. Generally, most of the labour force starts work in the agricultural sector, then moves to industry and services sectors upon reaching a legal working age. In 2008, 68 per cent of the employed in industry were less than 30 years old, while the corresponding figures in agriculture and services were around 39 per cent. Some proportion of new labour force entrants are composed of youth who dropped out of compulsory education. Hence, on the one hand, preparing the future entrants to the dynamic and diversifying economy becomes critical; and on the other hand, there is a need to ensure that youth who are already in the labour force also have chances of developing and diversifying their skills and work experience.

**Third**, low population density can seasonally make labour supply relatively short and necessitates investment to raise land productivity and increase in capital supply. Most ASEAN member states, other than Brunei Darussalam, Lao PDR, and Myanmar, have more people per square kilometre than in Cambodia. And much of this 'scarce' labour in Cambodia has been concentrated in the agricultural sector, although some proportion of rural Cambodians have been increasingly migrating to urban areas (particularly in Phnom Penh) in recent periods and the coming decades. Hence, to diversify the economy and achieve a high growth in the future, Cambodia needs to invest more in health, education, and work-related skills. It also makes spatial and sectoral policy coordination all the more critical to ensure that people who already have some skills and labour market experiences have better income or career prospects from work in the prioritized economic sectors. This situation poses considerable challenges in terms of regularly updating, analysing and disseminating labour market information and improving working conditions in sectors which are in need of more workers.

**Fourth**, continued and accelerating economic integration among ASEAN member states will bring new labour market challenges. While also bringing benefits, such economic integration process is very often accompanied by considerable uncertainty and adjustment costs in the labour market. Moreover, ASEAN Economic Community (AEC) 2015 envisages free movement of skilled labour in a limited number of occupations and some specific sectors; and it also requires anticipation whether more labour mobility would occur, especially semi-skilled and low-skilled labour forces, due to demographic imbalance and different levels of socio-economic development of the ASEAN Member States. Adequate preparations are needed to manage potential negative impacts of freer trade and labour mobility on the domestic labour market and to grasp any new emerging economic opportunities. Along with labour market measures, social protection measures need to be in place to safeguard migrant workers and other labour force who would suffer unemployment or underemployment.

**Fifth**, industrial development in labour-intensive sectors along with labour migration out of the country have put increasing pressure on domestic wages, which may quickly reduce national competitiveness. Investment is required in order to maintain the balance between wage increase and productivity growth. This in turn requires investments at the macro, enterprise and individual levels. The challenge is to constantly raise labour productivity at the individual level, which includes investment in education and vocational training and on-the-job trainings.

**Sixth**, industrial relations remains a big challenge in the labour market. Cambodia has made considerable progress in industrial relations in that a comprehensive labour law in compliance with international standards has been put in effect and freedom of association has been promoted. Development of institutional arrangement for labour conflict resolution has taken place, such as tripartite mechanism and off-court labour Arbitration Council. Nevertheless, challenges remain for effective nationwide mechanism for social dialogue. While Cambodia is trying to diversify its industrial base toward light manufacturing sectors, there is a need for robust and harmonious industrial relations that supports structural change and distributes benefits of economic growth between the workers and the employers.

The challenges are numerous and not all of them can be addressed by the government policy alone. Effective delivery of the **National Employment Policy 2015-2025** requires active participation and inputs from the social partners and the subnational administration. The Policy outlines the proposed actions and mode of implementation and monitoring the decent employment outcomes, as presented below.

This Policy represents a concerted effort of all stakeholders toward decent and equal employment opportunity for all Cambodian people, so as to enhance national productive capacity and to be competitive and dynamic within the regional context and to effectively contribute to the economy in obtaining a sustainable and inclusive growth. This in turn calls for concerted efforts to ensure that people:

- are offered jobs that are motivating and attractive;
- can afford education, skills and work experiences that they aspire to;
- feel that they are equally treated in the labour market; and

- can look forward to getting better jobs and earning opportunities in the future.

## 2. Vision

The vision of this Policy is to improve livelihood and dignity of the people and social harmony by providing them with equal opportunities of decent and productive employment.

## 3. Goals and objectives

The goals of the **National Employment Policy** are to provide a vision, a policy framework, strategies and policy measures, a coordinating framework, implementation, and arrangement of institutional mechanism promoting the development of employment sector, which eventually contribute to the achievement of the vision stated above.

### 3.1. Goals

*Goal 1:* To increase decent and productive employment opportunities;

*Goal 2:* To enhance skills and human resource development;

*Goal 3:* To enhance labour market governance.

### 3.2. Objectives

To achieve Goal 1 “**To increase decent and productive employment opportunities**”, this policy sets out the following objectives:

- 1.1 To promote decent and productive employment opportunities in macroeconomic policy framework;
- 1.2 To promote decent and productive employment opportunities in the sectoral development policies; and
- 1.3 To promote decent and productive employment by enabling the transition of workers and economic unit from the informal to the formal economy, by ensuring the preservation and improvement of the existing livelihood during the transition.

To achieve Goal 2 “**To enhance skills and human resource development**”, this policy sets out the following objectives:

- 2.1 To enhance and expand the development of soft skills;
- 2.2 To improve the quality of, in compliance with national, international and ASEAN standards, and access to education and technical and vocational education and training (TVET);
- 2.3 To improve relevance of education and TVET to labour market needs.

To achieve Goal 3 “**To enhance labour market governance**”, this policy sets out the following objectives:

- 3.1 To strengthen information system and database of labour market;
- 3.2 To strengthen employment service effectiveness and expand outreach;
- 3.3 To improve conditions of work and protection of workers;
- 3.4 To harmonize industrial relations and strengthen wage-setting mechanisms;
- 3.5 To conduct a feasibility study to establish unemployment scheme;
- 3.6 To oversee and protect migrant workers in obtaining decent employment and skill recognition.

## **4. Strategies**

The underlying strategy of this Policy is to fill in gaps related to employment needs and increasing decent work opportunities so that objectives and actions can be implemented and achieved, and to promote decent work in specific sectors and localities within the broader national economic development policies.

### **4.1. Goal 1: To increase decent and productive employment opportunities**

In order to increase new opportunities for decent and productive employment, the government has to create an economic development environment which is conducive toward generation of such gainful activities. Hence, the implications of macroeconomic and sectoral development policies on labour market structure shall be assessed from decent and productive employment perspectives. The government will conduct a concrete study on macroeconomic, sectoral and enterprise policies by considering decent work perspective in order to ensure that those policies promote decent and productive employment creation. This National Employment Policy 2015-2025 is also in line with the goals and priorities of the Cambodia Industrial Development Policy 2015-2025.

#### **4.1.1. Objective 1.1: To promote decent and productive employment opportunities in macroeconomic policy framework**

Macroeconomic policy framework refers to a set of fiscal and monetary policy interventions and targets. It determines the overall economic growth path and aggregate demand in the economy. This in turn influences the overall number of employment opportunities available and scope for improving labour market outcomes, including earnings and level of affordable protection.

As it is clearly stated in the Rectangular Strategy Phase III, more attention will be paid to increasing the fiscal space, while keeping public debt at a manageable level. It calls for a proactive macroeconomic policy to support growth by enhancing development of the private sector and the labour market. To ensure that macroeconomic policy delivers to the working

population at large, the government will regularly monitor and analyse its impact on the economy and decent employment opportunities.

*Measures:*

1. Annually monitor and assess macroeconomic performance with regards to decent and productive employment opportunities.
2. Engage in policy dialogue through an inter-ministerial forum on the progress made to increase decent and productive employment in the country.
3. Set and monitor employment targets, including a separate target for men and women, which reflect quantity and quality of employment.
4. Build capacity and technical expertise of the inter-ministerial committee to set and regularly monitor employment targets.

#### **4.1.2. Objective 1.2: To promote decent and productive employment opportunities in the sectoral development policies**

Development of sectors and diversification into new sub-sectors with high employment potentials generate large productivity gains. The sectoral development and diversification strategies produce very important role that this Policy needs to play: to ensure prioritization of sectors that have high employment potentials and the availability of adequately skilled workforce to support sectoral development.

Implementation of strategies proposed under Rectangle II (“**The Development of Physical Infrastructure**”) of the Rectangular Strategy Phase III heavily influences development of agriculture, industry, and services, including strengthening of the inter-linkages across sectors. Development and diversification of agriculture sector pursued under Rectangle I (“**Promotion of Agriculture Sector**”) along with development of industrial and service sectors proposed under Rectangle II and III highly influence the creation of decent employment opportunities for Cambodian people. In particular, Industrial Development Policy (IDP), Agricultural Strategic Development Plan, and Small and Medium Enterprise Promotion Policy Framework have important implications for employment in the sub-sectors.

*Measures:*

1. Assess the employment needs for both males and females at the sectoral and sub-sectoral levels.
2. Identify priority sub-sectors with high employment potentials.
3. Promote employment in the priority sub-sector(s) through enterprise development and support to SMEs in both urban and rural areas.
4. Encourage domestic investment and FDI in priority sub-sectors which have high employment potentials.
5. Coordinate with proposed activities under Goal 2 and 3, to fill the potential employment needs.

#### **4.1.3. Objective 1.3: To promote decent and productive employment by enabling the transition of workers and economic unit from the informal to the formal economy, by ensuring the preservation and improvement of the existing livelihood during the transition**

The businesses in the informal sector are defined as those without formal registration with the relevant competent authorities. The result of the Cambodia Economic Census 2011 shows that only 3.4 per cent (of total establishments of 505,134) registered with Ministry of Commerce; the rate is even lower, mostly at less than one per cent, for registrations with other ministries or agencies. The labour force in informal-sector businesses are mostly the vulnerable groups and in need of better conditions of employment. Transforming the informal sector businesses into formal ones can lead to more decent and productive employment opportunities, if appropriate measures are in place for business expansion.

This objective is to be implemented in coordination with the relevant competent authorities. It also needs to coordinate with Goal 3 of this Policy.

*Measures:*

1. Promote formal business registration by simplifying the registration process.
2. Raise awareness among the informal sector businesses on the benefits of registration.
3. Orientate informal and formal sector workers and employers on Labour Law and other related regulations.
4. Study, assess and disseminate employment, incomes and productivity implications of formalizing the informal sector businesses.
5. Provide incentives for those transforming their informal businesses into formal sector, with intention to encourage participation in decent employment creation.
6. Promote entrepreneurship.

#### **4.2. Goal 2: To enhance skills and human resource development**

To diversify the economic base and produce high-value added outputs, the government needs to invest in skill development of Cambodia's current and future labour force. Skill shortages have been identified as one important factor that inhibits some enterprises to develop a new product line or increase outputs. Skills development of young women and men and of workers, who currently engage in low-productivity and low-income jobs, is clearly the way forward. In this regard, education and training institutions need to provide relevant training, including soft skills, of good quality.

Education and technical and vocational education and training (TVET) plays very important roles in both providing social protection to vulnerable workers and promoting employment and economic development. The skills and sectoral focus that will be placed in strategies in this section should be closely informed by assessments undertaken under **Goal 1** of this Policy. It also needs to connect with, or be an integral part of, strategies proposed under Rectangle IV

on “Capacity Building and Human Resource Development”, particularly with side 1 “Strengthening and Enhancing Education, Science and Technology, and Technical Training”.

#### **4.2.1. Objective 2.1: To enhance and expand the development of soft skills**

To achieve economic development and diversification, Cambodian people should be equipped with technical and soft skills so that they will have enough capability to find jobs in both wage and self-employment and live in good living standards. Measures below are proposed to achieve this particular objective:

*Measures:*

1. Ensure that trainees, students and workers are equipped with soft skills for their life-long employment through education and TVET programmes.
2. Ensure that soft skills are mainstreamed in secondary school study curriculum, TVET programmes and entrepreneurship trainings.
3. Increase and spread short-course training programmes on soft skills for trainees, students and workers.
4. Promote and encourage the participation of public and private sectors in soft skill development programmes.

#### **4.2.2. Objective 2.2: To improve the quality of, in compliance with national, international and ASEAN standards, and access to education and technical and vocational education and training (TVET)**

To ensure that Cambodian people are equipped with skills that are relevant and respond to market needs, it requires an enforcement of quality of education and TVET.

*Measures:*

1. Improve national competency standards, testing and certification, and accreditation system in line with industry/private sector standards by benchmarking with the ASEAN standards.
2. Strengthen connections and coherence between education and TVET policies as well as the Cambodia Industrial Development Policy 2015-2025.
3. Develop TVET Centres of Excellence and Competency Testing Centres in support of priority skills and occupations.
4. Provide bridging programme to allow students to re-enter education and TVET.
5. Increase accessibility of education and TVET schemes for disadvantaged groups (drop outs, poor people, orphans, people with disabilities, etc.).
6. Enhance second chance education schemes to adult population.
7. Increase the supply and enhance quality of teachers who have adequate knowledge and experience.
8. Strengthen the institutional quality and increase the number of education and TVET institutions.

9. Monitor and evaluate the effectiveness and efficiency of education and TVET.
10. Develop the National TVET Policy.

#### **4.2.3. Objective 2.3: To improve relevance of education and TVET to labour market needs**

In order to respond to skills needs in the current and future sectors with large-scale investments, it requires establishment of mechanisms by which the labour force can obtain job-related skills, through participation and support from the employers.

*Measures:*

1. Develop sector-based approaches in education and TVET for higher-level skills in priority sectors (linked to Goal 1, objective 1.2 of this Policy).
2. Strengthen and promote connections between education and TVET providers with the private sector to reduce skill gaps.
3. To encourage work-based learning, promote internship and apprenticeship.
4. Strengthen and further develop existing institutional mechanism and create new mechanism to allow for better and regular dialogue among the stakeholders of education and training.
5. Promote and encourage the private sector to play an active role in providing inputs to policy formulation, skills development, training delivery, and financing training.
6. Develop mutual recognition of skills programme within ASEAN.
7. Conduct research and development (R&D) on new technologies.
8. Monitor and evaluate the relevance to the labour market of education and TVET.

#### **4.3. Goal 3: To enhance labour market governance**

The governance of the labour market occurs through development of labour market institutions and services, and this Policy is intended to strengthen these institutions and services.

##### **4.3.1. Objective 3.1: To strengthen information system and database of labour market**

Labour market information is the most basic piece of input necessary to overcome skills and spatial mismatch. A good labour market information system requires collection, analyses and dissemination of nationally representative statistics and other types of relevant data. This objective aims to strengthen implementation processes and measures as follows:

*Measures:*

1. Conduct annual labour force survey regularly.
2. Broaden and enrich labour market information database.
3. Enforce existing regulations on data collection and compilation of labour market information with relevant stakeholders.

4. Regularly conduct annual analyses of the labour market information obtained from national and supplementary data sources.
5. Disseminate the results of the analyses to different target audiences (including policy makers, job seekers, employers, and youth).
6. Strengthen capacity of responsible institutions on data collection, management and analyses.

#### **4.3.2. Objective 3.2: To strengthen employment service effectiveness and expand outreach**

An important means of improving the functioning of the labour markets is through effective delivery of employment services. The services include assistance to job search and placement, counselling, and implementation of other labour market programmes. These services can contribute to meeting the employment needs in the priority sub-sectors. The present network of job centres in the country will be strengthened through the following measures.

*Measures:*

1. Strengthen the delivery of employment services.
2. Strengthen guidance for different target groups on career, vocational and employment, in coordination with relevant stakeholders.
3. Facilitate matching of job seekers and employers' needs in the priority sub-sector(s).
4. Regularly conduct national and local employment fora to bring together job seekers and employers.
5. Strengthen networks among education and TVET institutions, employers, and job seekers.
6. Establish additional job centres.
7. Raise awareness among job seekers and employers on the services provided by the job centres.
8. Allow private companies to provide domestic recruiting services.

#### **4.3.3. Objective 3.3: To improve conditions of work and protection of workers**

Improving conditions of work and protection of workers leads to better well-being of the workers and increases in the productivity of enterprises. It requires strengthening of the mechanisms to monitor and regulate conditions of work. It also needs to be accompanied by an extension of social protection.

*Measures:*

1. Strengthen labour inspection mechanism.
2. Develop database of enterprises for monitoring conditions of work (and employees).
3. Study the possibility of ratifying relevant conventions that are applicable to the Cambodian context.
4. Amend the Labour Law.
5. Strengthen coordination with relevant stakeholders.
6. Expand coverage of social protection, in line with the **Social Protection Strategy within the Framework of Social Protection Development Strategy**; and improve occupational safety and health at workplaces.

**4.3.4. Objective 3.4: To harmonize industrial relations and strengthen wage-setting mechanisms**

Organization, representation and social dialogue lie at the core of decent work and good labour market governance. Harmonious industrial relations through constructive social dialogue and collective bargaining contribute to further development of both formal and informal sectors of the economy and the labour force. Efforts should be made to improve the representativeness of trade unions through, inter alia, addressing unfair labour practices by both unions and employers, including anti-union discrimination. Greater efforts need to be made to promote the effective recognition of the right to collective bargaining. Continued support for the Arbitration Council and Labour Advisory Committee will be vital for the emergence of harmonious industrial relations in the future.

*Measures:*

1. Review and assess legal and regulatory framework, including the Labour Law 1997, with a view to ensuring a harmonious and representative industrial relations, in line with ratified ILO conventions.
2. Strengthen the Arbitration Council and the Labour Advisory Committee to be more effective in its consultation process, in line with international standards.
3. Build a more robust and evidence-based wage-setting system, including through an annual review of minimum wages.
4. Strengthen labour dispute settlement mechanism and create the Labour Court.
5. Develop capacity on the system of representation and collective bargaining at different levels (national, sectoral, enterprise).

**4.3.5. Objective 3.5: To conduct a feasibility study to establish unemployment scheme**

Unemployment scheme plays an important role in protecting workers in times of downturns and acts as an automatic stabilizer for the economy. The government will conduct a comprehensive assessment and adequate preparation, prior to designing such scheme that is applicable to the Cambodian context and in line with the Framework of Social Protection Development Strategy.

*Measures:*

1. Conduct feasibility assessment on establishing an unemployment scheme in line with the Framework of Social Protection Development Strategy.
2. Increase awareness among stakeholders on the cost and benefits of unemployment scheme.
3. Conduct initial stakeholder consultations on unemployment scheme.

#### **4.3.6. Objective 3.6: To oversee and protect migrant workers in obtaining decent employment and skill recognition**

In line with the strategic priorities of the Policy on Labour Migration for Cambodia 2014, provide support to Objective 3 “**reviewing and harnessing benefits obtained from labour migration for development**”, in particular upon return of the migrant workers to the country and their re-integration processes.

*Measures:*

1. Governance of labour migration.
2. Protect and empower migrant workers.
3. Strengthen service provision for social and economic reintegration for returned migrants, as proposed in strategy 3 (harnessing labour migration for development) of the Labour Migration Policy launched in 2014.
4. Improve information management system on migrant workers sent abroad and those who have returned.
5. Enforce and promote the implementation of the Labour Law, Immigration Law and other regulations related to the management of foreign manpower who come to work in Cambodia.

## **5. Monitoring and Evaluation of the Implementation**

In order to ensure constant progress, effectiveness and consistency of policy implementation, the Royal Government of Cambodia (RGC) mandates the **Ministry of Labour and Vocational Training (MoLVT)** as its secretariat responsible for coordination, monitoring and evaluation of the implementation of the **National Employment Policy 2015-2025**.

The MoLVT is responsible for coordinating the preparation of semestrial and annual reports for the government on the progress and challenges encountered during the implementation of this Policy, based on objectives and indicators defined above, to be used as a basis for making decision on immediate and necessary measures needed to cope with the identified challenges.

An inter-ministerial committee leading the monitoring and evaluation of the **National Employment Policy 2015-2025** will be established by a sub-decree.

For each proposed measure, time-bound implementation plan shall be developed to accompany this Policy. The implementation plan shall contain feasible and measurable

outcomes and outputs, as well as a budget required to attain them. Budget sources for implementing this Policy can be from the government, the International Labour Organisation (ILO), development partners, and employers.

## 6. Conclusions

The **National Employment Policy 2015-2025** is a government's roadmap to develop labour market institution and to ensure decent and productive employment opportunities for all Cambodian people. This Policy is an appropriate and timely measure to reap benefits of the current demographic situation in Cambodia where there are abundant young and dynamic labour forces in the context of highly diversified economy; and to equip Cambodian youth with high quality work experience and proper workplace organization that transform them into capable workforce that support sustainable and inclusive economic development.

The Policy contains comprehensive measures that embrace three broad goals of labour market system (1) to **increase decent and productive employment opportunities**, (2) to **enhance skills and human resource development** and (3) to **enhance labour market governance**.

With this Policy, the government is determined to move Cambodia to a higher level of development through providing better education and skills for better employment opportunity with ultimate outcome that Cambodian people enjoy shared prosperity, have high income and good living in a harmonious society.

## Annex 1. Glossary

No.	Key Word	Explanation
1.	Productive employment	A job which provides a good opportunity in self-development and generates income that permits the worker and his/her family a level of consumption above the poverty line.
2.	Productivity	Ratio of output for a given set of inputs (labour, capital, land, input materials) in a specific period.
3.	Labour productivity	Ratio of output per labour in a specific period (e.g. per hour).
4.	Inclusiveness	Inclusion of all stakeholders or equitable distribution of economic gains.
5.	Diversification	Increasing the types of economic activities or sectors.
6.	Informal economy	Economic activities which are mostly family-based and have no official registration.
7.	Dynamism	Full of energy (both at present and future) or having strength over time.
8.	Unemployment	Having no jobs, actively seeking for a job and/or available if offered one.
9.	Industrial relation	Collective relations between employers and employees, between employers and trade unions, or between employers, unions and the government.
10.	Goal	A statement showing the overall intended achievement at the aggregate level. There can be many objectives under one goal.
11.	Objective	A statement showing the intended achievement at the more disaggregated level, which is an integral part of the goal. Under one objective, there can be many implementing strategies or measures.
12.	Migration	Moving from one location or a country to another.
13.	Migrant worker	Person who moves from one location or a country to another for employment reasons.
14.	Decent employment outcomes	Benefits obtained from working, including decent income level, opportunities for self-development (in the career path), in good working conditions, etc.
15.	Unemployment scheme	Public services to provide benefits during spells of unemployment. Benefits may be based on unemployment insurance system.
16.	Soft skills	Competencies/skills other than technical (including ethic, communication, teamwork, etc.)

## Annex 2. Policy Matrix

Goals and Objectives	Measures	Target Year	Responsible Institution
<b>Goal 1: To increase decent and productive employment opportunities</b>			
Objective 1.1: To promote decent and productive employment opportunities in macroeconomic policy framework	1. Annually monitor and assess macroeconomic performance with regards to decent and productive employment opportunities.	2016 – 2025	- MEF - NBC - SNEC - ECOSOCC - CDC - MoP
	2. Engage in policy dialogue through an inter-ministerial forum on the progress made to increase decent and productive employment in the country.	2016 – 2025	- MoLVT - NEA - SNEC - ECOSOC - CDC
	3. Set and monitor employment targets, including a separate target for men and women, which reflect quantity and quality of employment.	2016 – 2025	- MoLVT - NEA - CDC - MEF
	4. Build capacity and technical expertise of the inter-ministerial committee on NEP to set and regularly monitor employment targets.	2016 – 2025	- MoLVT - MEF
Objective 1.2: To promote decent and productive employment opportunities in	1. Assess the employment needs for both males and females at the sectoral and sub-sectoral levels	2016 – 2025	- MoP - MoLVT - NEA - MoWA - CDC

Goals and Objectives	Measures	Target Year	Responsible Institution
the sectoral development policies	2. Identify priority sub-sectors with high employment potentials.	2016 – 2025	<ul style="list-style-type: none"> <li>- MoP</li> <li>- MoC</li> <li>- MAFF</li> <li>- MoT</li> <li>- MIH</li> <li>- CDC</li> </ul>
	3. Promote employment in the priority sub-sector(s) through enterprise development and support to SMEs in both urban and rural areas.	2016 – 2025	<ul style="list-style-type: none"> <li>- MoLVT</li> <li>- NEA</li> <li>- MIH</li> <li>- CDC</li> <li>- MRD</li> <li>- MAFF</li> </ul>
	4. Encourage domestic investment and FDI in priority sub-sectors which have high employment potentials.	2016 – 2025	<ul style="list-style-type: none"> <li>- MoC</li> <li>- MEF</li> <li>- CDC</li> <li>- MAFF</li> </ul>
	5. Coordinate with proposed activities under Goal 2 and 3, to fill the potential employment needs.	2016 – 2025	<ul style="list-style-type: none"> <li>- MoLVT</li> </ul>
Objective 1.3: To promote decent and productive employment by enabling the transition of workers and economic unit from the informal to the formal economy, by ensuring the preservation	1. Promote formal business registration by simplifying the registration process.	2016 – 2025	<ul style="list-style-type: none"> <li>- MoC</li> <li>- MIH</li> </ul>
	2. Raise awareness among the informal sector businesses on the benefits of registration.	2016 – 2025	<ul style="list-style-type: none"> <li>- MoC</li> <li>- MIH</li> </ul>
	3. Orientate informal and formal sector workers and employers on Labour Law and other related regulations.	2016 – 2025	<ul style="list-style-type: none"> <li>- MoLVT</li> </ul>

Goals and Objectives	Measures	Target Year	Responsible Institution
and improvement of the existing livelihood during the transition	4. Study, assess and disseminate employment, incomes and productivity implications of formalizing the informal sector businesses.	2016 - 2025	- MIH
	5. Provide incentives for those transforming their informal businesses into formal sector, with intention to encourage participation in decent employment creation.	2016 - 2025	- MIH
	6. Promote entrepreneurship.	2016 - 2025	- MoLVT - MIH - MoEYS - MoC
<b>Goal 2: To enhance skills and human resource development</b>			
Objective 2.1: To enhance and expand the development of soft skills	1. Ensure that trainees, students and workers are equipped with soft skills for their life-long employment through education and TVET programmes.	2016 - 2025	- MoLVT - MoT
	2. Ensure that soft skills are mainstreamed in secondary school study curriculum, TVET programmes and entrepreneurship trainings.	2016 - 2025	- MoEYS
	3. Increase and spread short-course training programmes on soft skills for trainees, students and workers.	2016 - 2025	- MoLVT - MoEYS - MoT
	4. Promote and encourage the participation of public and private sectors in soft skill development programmes.	2016 - 2025	- MoLVT - MoEYS

Goals and Objectives	Measures	Target Year	Responsible Institution
Objective 2.2: To improve the quality of, in compliance with national, international and ASEAN standards, and access to education and technical and vocational education and training (TVET)	1. Improve national competency standards, testing and certification, and accreditation system in line with industry/private sector standards by benchmarking with the ASEAN standards.	2016 – 2025	- MoLVT - MoT
	2. Strengthen connections and coherence between education and TVET policies as well as the Cambodia Industrial Development Policy 2015-2025.	2016 – 2025	- MoLVT - MoEYS
	3. Develop TVET Centres of Excellence and Competency Testing Centres in support of priority skills and occupations.	2016 – 2025	- MoLVT - MoT
	4. Provide bridging programme to allow students to re-enter education and TVET.	2016 – 2025	- MoLVT - MoEYS
	5. Increase accessibility of education and TVET schemes for disadvantaged groups (drop outs, poor people, orphans, people with disabilities, etc.).	2016 – 2025	- MoLVT - MoEYS
	6. Enhance second chance education schemes to adult population.	2016 – 2025	- MoEYS
	7. Increase the supply and enhance quality of teachers who have adequate knowledge and experience.	2016 – 2025	- MoLVT - MoEYS - MoT
	8. Strengthen the institutional quality and increase the number of education and TVET institutions.	2016 – 2025	- MoLVT - MoEYS - MoT

Goals and Objectives	Measures	Target Year	Responsible Institution
	9. Monitor and evaluate the effectiveness and efficiency of education and TVET.	2016 – 2025	<ul style="list-style-type: none"> <li>- MoLVT</li> <li>- MoEYS</li> <li>- MoT</li> <li>- Other related ministries and institutions</li> </ul>
	10. Develop the National TVET Policy.	2016 – 2025	<ul style="list-style-type: none"> <li>- MoLVT</li> <li>- MoEYS</li> <li>- Other related ministries and institutions</li> </ul>
Objective 2.3: To improve relevance of education and TVET to labour market needs	1. Develop sector-based approaches in education and TVET for higher-level skills in priority sectors (linked to Goal 1, objective 1.2 of this Policy).	2016 – 2025	<ul style="list-style-type: none"> <li>- MoLVT</li> <li>- MoEYS</li> </ul>
	2. Strengthen and promote connections between education and TVET providers, with the private sector to reduce skill gaps.	2016 – 2025	<ul style="list-style-type: none"> <li>- MoLVT</li> <li>- MoEYS</li> </ul>
	3. To encourage work-based learning, promote internship and apprenticeship.	2016 – 2025	<ul style="list-style-type: none"> <li>- MoLVT</li> <li>- MoEYS</li> </ul>
	4. Strengthen and further develop existing institutional mechanism and create new mechanism to allow for better and regular dialogue among the stakeholders of education and training.	2016 – 2025	<ul style="list-style-type: none"> <li>- MoLVT</li> <li>- NEA</li> <li>- MoEYS</li> </ul>

Goals and Objectives	Measures	Target Year	Responsible Institution
	5. Promote and encourage the private sector to play an active role in providing inputs to policy formulation, skills development, training delivery, and financing training.	2016 - 2025	- MoLVT - NEA - MoEYS
	6. Develop mutual recognition of skills programme within ASEAN.	2016 - 2025	- MoLVT - Other related ministries and institutions
	7. Conduct research and development (R&D) on new technologies.	2016 - 2025	- MoEYS - MoLVT - MIH - MoP
	8. Monitor and evaluate the relevance to the labour market of education and TVET.	2016 - 2025	- MoLVT - NEA - MoEYS
<b>Goal 3: To enhance labour market governance</b>			
Objective 3.1: To strengthen information system and database of labour market	1. Conduct annual labour force survey regularly.	2016 - 2025	- MoP
	2. Broaden and enrich labour market information database.	2016 - 2025	- MoLVT - NEA - CDC - MoP
	3. Enforce existing regulations on data collection and compilation of labour market information with relevant stakeholders.	2016 - 2025	- MoLVT - NEA

Goals and Objectives	Measures	Target Year	Responsible Institution
	4. Regularly conduct annual analyses of the labour market information obtained from national and supplementary data sources.	2016 – 2025	- MoLVT - NEA
	5. Disseminate the results of the analyses to different target audiences, including policymakers, jobseekers, employers, and youth.	2016 – 2025	- MoLVT
	6. Strengthen capacity of responsible institutions on data collection, management and analyses.	2016 – 2025	- MoP - MoLVT
Objective 3.2: To strengthen employment service effectiveness and expand outreach	1. Strengthen the delivery of employment services.	2016 – 2025	- MoLVT - Other related ministries
	2. Strengthen guidance for different target groups on career, vocational and employment, in coordination with relevant stakeholders.	2016 – 2025	- MoLVT - Other related ministries and institutions
	3. Facilitate matching of jobseekers and employers' needs in the priority sub-sector(s).	2016 – 2025	- MoLVT - NEA
	4. Regularly conduct national and local employment fora to bring together jobseekers and employers.	2016 – 2025	- NEA
	5. Strengthen networks among education and TVET institutions, employers, and jobseekers.	2016 – 2025	- MoLVT - MoEYS - NEA

Goals and Objectives	Measures	Target Year	Responsible Institution
	6. Establish additional job centres.	2016 – 2025	- NEA
	7. Raise awareness among jobseekers and employers on the services provided by the job centres.	2016 – 2025	- NEA
	8. Allow private companies to provide domestic recruiting services.	2016 – 2025	- MoLVT
Objective 3.3: To improve conditions of work and protection of workers	1. Strengthen labour inspection mechanism.	2016 – 2025	- MoLVT
	2. Develop database of enterprises for monitoring conditions of work (and employees).	2016 – 2025	- MoLVT
	3. Study the possibility on ratifying relevant conventions that are applicable to the Cambodian context.	2016 – 2025	- MoLVT
	4. Amend the Labour Law.	2016 – 2025	- MoLVT
	5. Strengthen coordination with relevant stakeholders.	2016 – 2025	- MoLVT
	6. Expand coverage of social protection, in line with the Social Protection Strategy within the Framework of Social Protection Development Strategy; and improve occupational safety and health at workplaces.	2016 – 2025	- CARD - MoLVT - MIH - Other related ministries and institutions

Goals and Objectives	Measures	Target Year	Responsible Institution
Objective 3.4: To harmonize industrial relations and strengthen wage-setting mechanisms	1. Review and assess legal and regulatory framework, including the Labour Law 1997, with a view to ensuring a harmonious and representative industrial relations, in line with ratified ILO conventions.	2016 - 2025	- MoLVT
	2. Strengthen the Arbitration Council and the Labour Advisory Committee to be more effective in its consultation process, in line with international standards.	2016 - 2025	- MoLVT
	3. Build a more robust and evidence-based wage-setting system, including through an annual review of minimum wages.	2016 - 2025	- MoLVT
	4. Strengthen labour dispute settlement mechanism and create the Labour Court.	2016 - 2025	- MoLVT - MoJ
	5. Develop capacity on the system of representation and collective bargaining at different levels (national, sectoral, enterprise).	2016 - 2025	- MoLVT
Objective 3.5: To conduct a feasibility study to establish unemployment scheme	1. Conduct feasibility assessment on establishing an unemployment scheme in line with the Framework of Social Protection Development Strategy.	2016 - 2025	- MoLVT
	2. Increase awareness among stakeholders on the cost and benefits of unemployment scheme.	2016 - 2025	- MoLVT

Goals and Objectives	Measures	Target Year	Responsible Institution
	3. Conduct initial stakeholder consultations on unemployment scheme.	2016 - 2025	- MoLVT
Objective 3.6: To oversee and protect migrant workers in obtaining decent employment and skill recognition	1. Governance of labour migration.	2016 - 2025	- MoLVT - MoI - MFAIC
	2. Protect and empower migrant workers.	2016 - 2025	- MoLVT - MoI - MFAIC
	3. Strengthen service provision for social and economic reintegration for returned migrants, as proposed in strategy 3 (harnessing labour migration for development) of the Labour Migration Policy launched in 2014.	2016 - 2025	- MoLVT - MoWA - MoSVY
	4. Improve information management system on migrant workers sent abroad and those who have returned.	2016 - 2025	- MoLVT
	5. Enforce and promote the implementation of the Labour Law, Immigration Law and other regulations related to the management of foreign manpower who come to work in Cambodia.	2016 - 2025	- MoLVT - MoI - MFAIC

**Note:**

CARD Council for Agricultural and Rural Development  
ECOSOCC Economic, Social and Cultural Council  
MEF Ministry of Economy and Finance  
MIH Ministry of Industry and Handicraft  
MoEYS Ministry of Education, Youth and Sports  
MoJ Ministry of Justice  
MoP Ministry of Planning  
MoT Ministry of Tourism  
MRD Ministry of Rural Development  
NEA National Employment Agency

CDC Council for the Development of Cambodia  
MAFF Ministry of Agriculture, Forestry and Fisheries  
MFAIC Ministry of Foreign Affairs and International Cooperation  
MoC Ministry of Commerce  
MoI Ministry of Interior  
MoLVT Ministry of Labour and Vocational Training  
MoSAVY Ministry of Social Affairs, Veterans and Youth Rehabilitation  
MoWA Ministry of Women Affairs  
NBC National Bank of Cambodia  
SNEC Supreme National Economic Council