



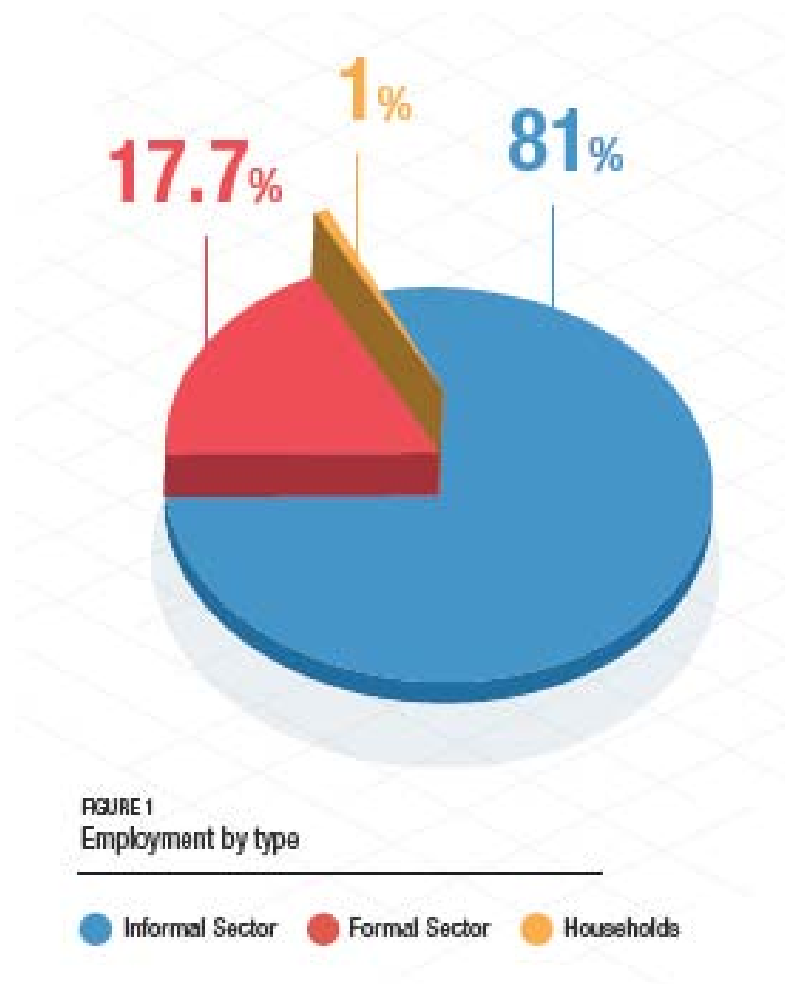
Practical Options and Policy Recommendations:

Extension of Social Protection to workers in the informal Economy in Cambodia

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The Cambodian Labour Force 2012



	% in informal employment	Share of all informally employed
Industry	97.3%	0.6%
Mining & Quarrying	97.7%	
Manufacturing	97.7%	13.8%
Wearing Apparel	97.7%	13.8%
Other	97.7%	14.4%
Electricity, gas, steam, etc	74.7%	0.4%
Water supply, sewerage	80.0%	0.4%
Construction	99.1%	11.1%
Services	85.9%	59.2%
Wholesale & retail trade	96.8%	28.1%
Transportation & storage	98.9%	8.8%
Accommodation & food	98.9%	7.4%
Information & communications	95.8%	0.5%
Financial & insurance	91.5%	1.0%
Real estate activities	87.3%	0.4%
Professional & scientific	70.5%	0.4%
Administrative & support	97.5%	2.1%
Public administration	34.4%	2.3%
Education	32.1%	1.3%
Health & social work	56.2%	0.9%
Arts & entertainment	96.9%	2.6%
Other service activities	96.9%	2.6%
Households as employers	96.2%	1.0%
International agencies	83.0%	0.5%

Source: original data and authors' calculations from ILO-IPEC and NIS, 2013 Tables 7.4 & 7.5

Diversity of the informal workforce



The high heterogeneity in the characteristics and needs of informal workers shapes the ability of any expansion strategy to achieve both **legal and effective coverage**.

CHALLENGES TO EXTEND SOCIAL PROTECTION TO

INFORMAL WAGE WORKERS



Challenges to extension of Coverage



- Eligibility
- Communications and outreach
- Identification
- Registration
- Entitlement
- Contributions
- Incentives/enforcement

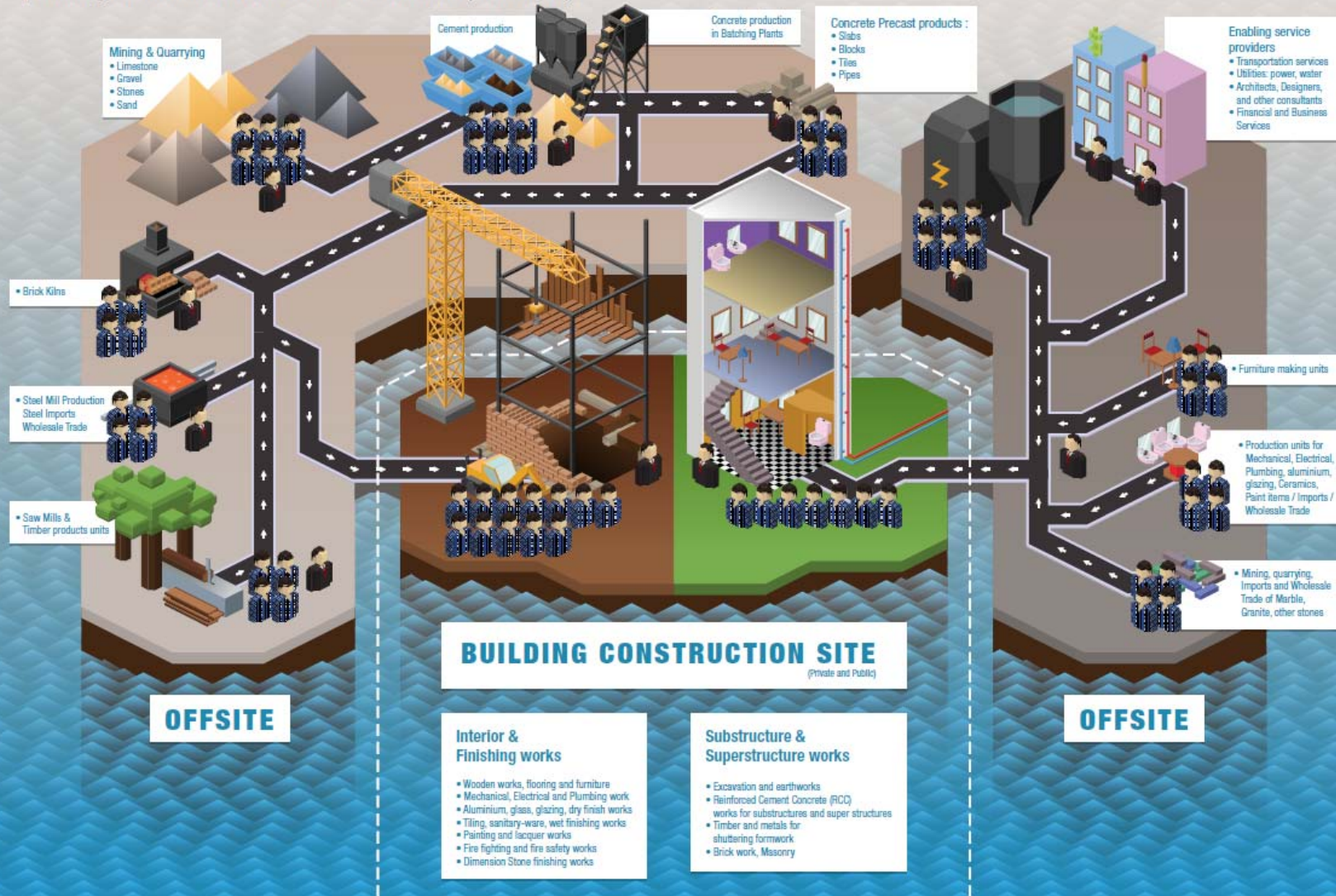
Challenges to extending coverage to workers in the **construction sector**

- 200,000 – 250,000 workers
- 89% are men



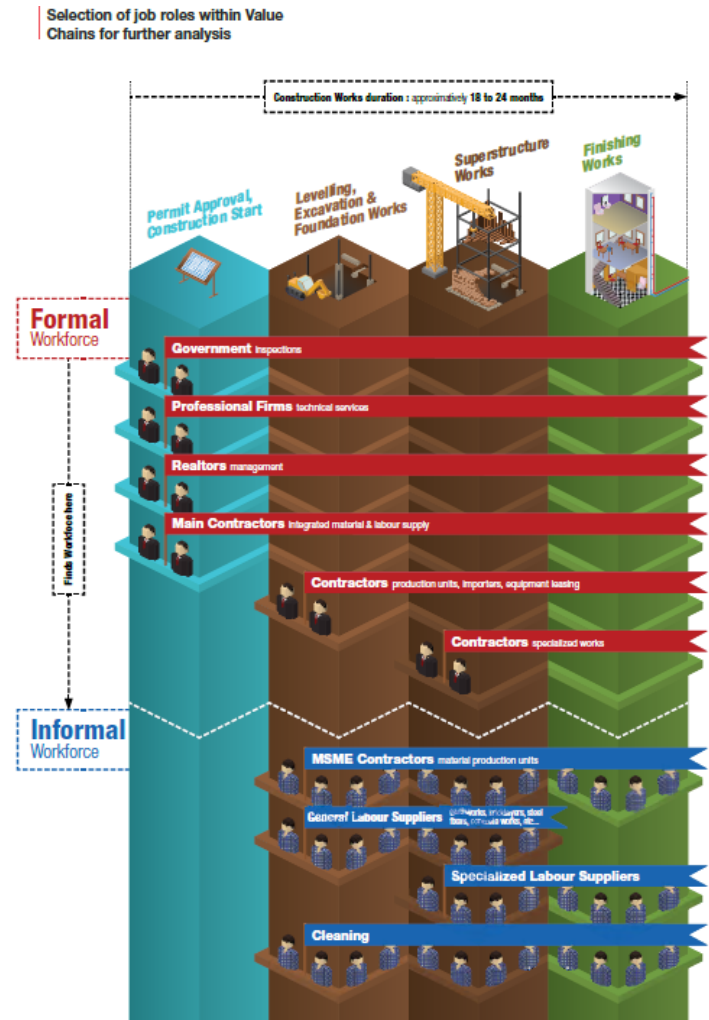
Supply Value Chain

FIGURE 3
Building Construction Value Chains in Cambodia (Schematic)



Challenges to extending coverage to workers in the construction sector

- Significant range of occupations and wage levels = low and irregular incomes
- Average income: KHR607,000
- Seasonal employment: 30% year-round employed.



Strengthen Communication

- Establish a Communication Unit within the NSSF, Policy Division
- Adopt targeted communication Strategies for Employers and Workers focusing on SME
 - Coordinating with Worker and Employer's Organizations
 - Launching a National Social Security Day
 - Testimonial Marketing

Review Registration Procedures

- Adopt a proactive registration approach
(ex. mobile units; different role for labour inspections)
- Establish joint registration procedures with the Ministry of Commerce and the Dep. Of General Taxation

Review Contribution Arrangements

- Establish:
 - shared contribution
 - contribution phasing
- Introduce contribution credits

Strengthen Enforcement and incentives to improve compliance



- Establish an anonymized complaints mechanism
- Make NSSF registration a requirement for the renewal of business licenses
- Improve quality of health care provided to NSSF card holders



Thank you

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