

Chapter 11

Social Protection in Cambodia: Toward Effective and Affordable Social Protection for the Poor and Vulnerable

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CHAPTER 11

Social Protection in Cambodia: Toward Effective and Affordable Social Protection for the Poor and Vulnerable

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Cambodians today still face many serious forms of vulnerability, notably regarding weather-dependent agriculture, idiosyncratic shocks and unemployment. Traditional social safety nets existed in the forms of sharing, mutual assistances, extended families and neighbor networks. However, these arrangements cannot be a substitute for a functioning government-provided safety net. Existing safety net interventions in Cambodia face several challenges related to implementation, institutional and financing issues. The coverage of existing social protection programs for the poor and vulnerable is very limited and the presence of important sources of vulnerability that remain poorly addressed leads poor households into further destitution.

Several poverty-reduction related-strategies have been developed. Several organic laws have been passed to codify some of the social protection related tenets of the Constitution. During the Cambodian Development Cooperation Forum in December 2008, aimed at promoting equitable growth in the near-to-medium term, an effective and affordable social protection system was put forward to help develop support for the poor and vulnerable in coping with major sources of vulnerability, while at the same time promoting human development. To prepare the strategy, in 2009 and 2010 the Council for Agricultural and Rural Development has convened meetings and held technical consultations with a broad set of stakeholders.

Using the lens of the lifecycle, a juxtaposition of risks and vulnerable groups against current program coverage highlights some key areas in which future support is needed. The strategy of social protection for Cambodia, therefore, has a vision to develop an integrated and sustainable system for the entire population, with particular focus on the poor and vulnerable. As the immediate objectives, three priorities have been designed including ensuring food security and basic needs, generating employment and income, and sustaining human capital and social welfare.

The programs to sustain human capital and social welfare through cash transfer would aim specifically to increase utilization of a pre- and post-natal care package that conforms to existing national policies and guidelines and international evidence-based best practices. Another important social protection instrument that has the potential to address the risk of seasonal unemployment during normal times, and the ability to respond to natural and economic crises, is a nationwide public works program.

1. Introduction

1.1. Overview

After emerging from three decades of instability, Cambodia has been remarked upon as having an impressive record of sustained growth and poverty reduction. Yet, Cambodians still face many serious forms of vulnerability, notably in regard to weather-dependent agriculture, idiosyncratic shocks, and unemployment. With the majority of the population engaged in single crop subsistence agriculture which is heavily dependent upon the weather, poor harvests and food insecurity are major sources of vulnerability, as are natural disasters. Illness and injury, and the high costs of treatment, are also critical factors in pushing households into poverty. For many of Cambodia's young and generally under-educated population now entering the workforce, unemployment or underemployment is equally an endemic risk and the recent crisis has shown that even those who have obtained jobs in export-oriented sectors of the economy (such as garment manufacture or tourism) remain vulnerable to job loss or drastically reduced earnings.

To promote equitable growth in the near-to-medium term, an effective and affordable social protection system should be developed that supports the poor and vulnerable in coping with major sources of vulnerability, while at the same time promoting human development. The coverage of existing social protection programs for the poor and vulnerable is very limited, and the presence of important sources of vulnerability (such as malnutrition, health shocks and poor quality of education) that remain poorly addressed leads poor households into further destitution. In the near future, priority should therefore be given to the development of effective and affordable social protection programs for the poor and vulnerable that supports them in coping with major sources of vulnerability, while at the same time promoting human development.

An effective social protection system also promotes equitable growth and the government's ability to reform. To the extent that it encourages prudent risk-taking and enhances opportunities for the poor, social protection can be beneficial for economic growth. Social protection can also help governments embark on reforms that have long-

term benefits in economic efficiency, but high short-term social and political costs, by providing effective compensation to those negatively affected by the reform.

1.2. Goal and Objective of the Proposed Research

The goal of this paper is to contribute to the integrated and systematic approach of social safety net policy and strategy development for Asia by addressing in particular on an analytical description of the current social safety net arrangements including key legislations and social security institutions in Cambodia and identifying the main challenges in progressing towards more robust and sustainable safety nets.

Subsidiary objectives are to:

- describe Social Protection activities in Cambodia and variations in perceptions and definitions of social protection;
- provide quantitative and qualitative information on existing social protection initiatives especially the traditional and informal social safety nets;
- assess the current state of social security system within the framework of voluntarily contributory system for civil servants and those under labor law;
- reassess the challenges and gaps in vulnerability and policy in social safety nets;
- identify institutional organization in place to implement programs and facilitate coordination among government agencies and donors.

2. Cambodia at a Glance

2.1. Brief History of Cambodia

Within the last 3 decades, Cambodia has changed its political regime more frequently than any of its neighboring countries. The societies, in particularly the formal and traditional systems have been reformed alongside the political regime. Emerging from a civil war of almost three decades, Cambodia was challenged with devastated physical and social infrastructure and human capital. The government did manage to stabilize the famine situation prevailing in 1979 and made slow but steady gains in reconstructing schooling and basic healthcare. The population was organized into “solidarity groups”. This collectivization ensured equal access to the scarce male

labor and draft animals available in 1979-80, but as the economy recovered it came to be seen as a hindrance to growth. Spontaneous de-collectivization, formalized through liberalization and land distribution in 1989, improved output and was welcomed by most, although vulnerable groups lost important forms of social security (Frings, 1993).

The great achievements in terms of infrastructure, human rehabilitation and development are tremendously significant. Cambodia embarked on a transition from war to peace, especially from one ruling party to multi-parties politics, and from an isolated and planned economy to a free market economy and principals, and being integrated into international trade. Since the Paris Peace Accord in 1991, free and fair elections have been conducted. Since 1993 Cambodia has transformed from a post-conflict society to a normal developing country.

2.2. Demography

The population structure of Cambodia reflects the impact of the Khmer Rouge regime between 1975 and 1979, during which mortality levels were high, particularly for men, and fertility levels decreased. In post-conflict times, a baby boom occurred which created a large proportion of people aged 20 years or less. Cambodia had a total population of 11.4 million according to the 1998 Census (NIS, 1998). It is projected to increase by two times to 20.3 million by 2021. The country had an average annual growth rate of 2.49 percent although a revision of the projection conducted after the census suggests a more moderate growth. Still, population growth in Cambodia is the highest among ASEAN nations, except for Laos.

Table 1. Cambodian Population Index and the Projection

Demographic Indicators	1970	1980	1990	2000	2010	2020	2030
Midyear population (*1000)	7,396	6,888	9,345	12,396	14,753	17,601	20,183
Growth rate (%)	-0.7	2.5	3.6	1.8	1.8	1.6	1.1
Total fertility rate (births/woman)	6.5	7.4	6	3.7	3	2.7	2.4
Crude birth rate/1000 population)	43	58	47	27	26	23	18
Life expectancy at birth (years)	38	37	52	59	63	66	69
Infant mortality rate/1,000 births	199	228	144	82	53	38	27
Under 5 mortality rate/1,000 births	274	327	185	104	67	47	33
Crude death rate/1,000 population	24	28	15	9	8	7	7

Source: DESA-UN (2008).

In 2008, from the total population of 13,395,682 people, only 4.39 % were employed by the government, and another 0.25, 0.07 and 0.24 % were employed respectively in state-owned enterprises, non-profit institutions and embassies or international institutions which later in this paper will be discussed within the framework of the social security system (NIS, 2008). Agriculture sector (including forestry and fishery) employed 72.29 % of the population where the proportion of employed women in this sector (75.11 %) is slightly higher than men (69.38 %).

3. Current State of, and Challenges Facing, Social Protection in Cambodia

3.1. Poverty and Vulnerability Profile of Cambodia

The last decade of development has been characterized by high rates of sustained economic growth at 7% GDP growth per year between 1997 and 2007. Per capita income doubled from US\$285 to US\$593. Such a growth pattern has raised living standards and resulted in reducing the rate of poverty, which fell from an estimated 45-50 percent in 1994 to 35 percent in 2004 and 30 percent in 2007. However, poverty incidence largely remains a rural phenomenon (Tab. 2, 3, 4 and 5). Despite impressive poverty reduction, one out of three individuals continues to live below the poverty line. While poverty rates decreased in both urban and rural areas, inequality and the urban-rural divide increased between 1993-94 and 2007.

Less than one percent of the population in Phnom Penh was deemed to be poor in 2007, compared to more than twenty percent in other urban areas and almost 35 percent in rural areas, where approximately 80 percent of the population lives. While inequality in Phnom Penh has decreased, it has increased in other urban and rural areas – leading to an overall increase in inequality from a Gini coefficient of 0.39 to 0.43 in only three years (Tab. 3). A large proportion of the population also remains near-poor and vulnerable to shocks that could push them into poverty.

Table 2. Profile of the Poor

	Quintile				
	Poorest	Next Poorest	Middle	Next Richest	Richest
Owned agricultural land is secured by a title (%)	15.6	21.6	24.5	25.3	28.6
Distance to nearest all-weather road (km)	5.2	3.7	3.3	3.1	1.9
Distance to permanent market (km)	10.8	9.6	8.1	7.1	4.2
Households with water pump (%)	3	8	9	12	13
Plots with access to irrigation in dry season (%)	6	10	12	13	12
Dependency burden (elderly and children in 100 economically active adults)	96.9	84.5	76.6	64.9	54.3
Literacy adults, age 15+ (%)	29.3	38.3	43.2	51.1	60.8
Education (average school grades completed by adults)	2.8	3.5	3.9	4.6	6.3

Source: NIS (2005).

Table 3. Poverty and Inequality Trends

	% Population	Poverty Headcount (%)			Gini Coefficient	
		1993/94	2004	2007	2004	2007
Phnom Penh	9.9	11.4	4.6	0.83	0.37	0.34
Other urban	10.2	-	24.7	21.8	0.44	0.47
Rural	79.8	-	39.2	34.7	0.34	0.36
Cambodia	100	47	34.7	30.1	0.40	0.43

Source: World Bank Cambodia Poverty Assessment (2006) for 1993/94 data.

Due to limited coverage of the 1993/94 survey, poverty data for Cambodia in 1993/94 have been extrapolated.

Table 4. Poverty Levels of Selected Population Groups

Group	% Population	% Poor	Poverty Gap
Elderly (65 years old or above)	4.3	25.9	5.5
Employed	53.3	28.3	6.6
Members of female-headed households	18.2	27.9	7.2
Members of male-headed households	81.8	31.2	7.5
Members of employed-headed households	91.1	31.0	7.5
People with disabilities	1.3	28.6	7.2
Ethnic minorities	2.2	36.1	10.0
Infants (Below 1 year old)	4.0	38.9	10.0
Children (Ages 0-14)	33.5	37.4	9.4
Cambodia	100	30.5	7.4

Source: NIS (2007).

Table 5. Major Sources of Vulnerability along the Lifecycle

Group	Main Sources of Vulnerability
Pregnant mothers	High Maternal Mortality Rates (MMR)
Infants and Children	High malnutrition rates Poor quality of education / High dropout rates Child labour and sexual exploitation
Youth	Poor quality of education / High dropout rates Low productivity
Working-age population	Low productivity Disability
Elderly	Inability to work
Entire lifecycle	Health shocks Natural disasters Food insecurity Economic and (food) price crises

Source: CARD and IWGSSN (Forthcoming).

The global financial crisis is affecting Cambodia through dramatic declines in external demand within Cambodia's key manufacturing and service sectors. Recession in the US and Europe in particular are affecting Cambodia's garment exports and tourism revenues; recession is also affecting FDI flows, particularly into real estate. The result is significant job losses and reduced earnings for Cambodians working in garment factories, tourism or the construction industry (Kang et al., 2009; CDRI, 2009). In the absence of safety nets system to provide them with subsistence income, these laid-off workers are at high risk of falling into poverty. These recent job losses exacerbate a more long-standing problem of pronounced youth underemployment: more than 200,000 young Cambodians currently enter the workforce every year, with many of them struggling to find adequate jobs.

The recent global economic shocks threaten to have a considerable negative impact on economic growth and poverty reduction. As of February 2009, rice prices remained about 60 percent higher than in January 2008. With food accounting for 60-70 percent of rural household expenditures and rice alone comprising 40-50 percent, the high cost of food has had a significant impact on rural households, who represent roughly 90% of all poor in the country. Overall, 82.7 percent of the households in Cambodia are net food consumers and 66.9 percent are net cereal consumers (Vu and Glewwe, 2009). An increase in the prices of rice would have negative impacts on two thirds of households. Poor and net food buying households are the worst affected and they generally reside in rural areas (CDRI, 2008).

Emerging evidence suggests that recent global economic shocks are starting to reverse the progress made in previous years. Estimates up to and including 2007 suggest that child nutrition and survival rates, while poor, were improving over time. However, the Cambodia Anthropometric Survey (CAS) in late 2008 suggests that the decline in child malnutrition and ill health has now stagnated and possibly started to reverse (CAS, 2008). It also draws attention to the differentiated effect of the crisis on child development, with widening disparities emerging between different groups in Cambodian society (CAS, 2008).

3.2. Background of Social Protection in Cambodia

Several organic laws have been passed to codify some of the social protection related tenets of the Constitution. The most relevant laws which have been adopted or are currently under consideration include:

- The Labour Law passed in October 1998, embodies most of the ILO conventions on core labor standards, all of which Cambodia has ratified
- The Insurance Law passed in June 2000, provides a legal framework for better regulation of insurance market activities. However, these insurance schemes will benefit only a small proportion of the population in the initial stages and most likely will not be accessible to the poor
- The Law on Social Security Schemes for Persons Defined by the Provisions of the Labour Law passed in September 2002. The law has been promulgated but not implemented since it requires a sub-decree on the National Social Security Fund (NSSF), which will cover employment injury insurance (EII), the pension scheme, and a short-term benefit system.
- A National Action Plan to Combat Violence Against Women has been developed, and is being implemented in accordance with the Law on the Prevention of Domestic Violence and Protection of Victims adopted in 2005
- The Law on Suppression of Trafficking in Humans and Sexual Exploitation, adopted in late 2007, consistent with the UN Palermo Protocol.

Table 6. Cambodia's Strategic Framework for Social Protection

Institutions	Dimension(s) of Social Protection and Social Safety Nets	Current Sectoral Policy / Strategy
RGC Institutions that are Mandated to Deliver Social Services to the Population and to Protect Specific Vulnerable Groups against Risks		
<i>MLVT</i>	<ul style="list-style-type: none"> • National Social Safety Fund for private sector employees • Vocational training • Child labour elimination programme 	
<i>MOSAVY</i>	<ul style="list-style-type: none"> • National Social Security Fund for civil servants • Services for veterans • Services for homeless and destitute, victims of trafficking, children and youths, people living with disabilities • Emergency relief to those affected by natural disasters 	Work Platform 2009-13
<i>MOWA</i>		
RGC Institutions that Implement Specific Safety Net Interventions		
<i>MOH</i>	<ul style="list-style-type: none"> • Health equity funds • Community-based health insurance for the poor and vulnerable 	Health Strategic Plan 2008-2015 Strategic Framework for Health Financing 2008-2015 Master Plan on Social Health Insurance 2003-2005
<i>MOEYS</i>	<ul style="list-style-type: none"> • Scholarship for the poor program 	Education Sector Strategic Plan 2006-2010
RGC institutions with complementary activities		
<i>MAFF</i>	<ul style="list-style-type: none"> • Food production, livelihoods 	Strategy for Agriculture and Water 2006-2010
<i>MPWT</i>	<ul style="list-style-type: none"> • Implementation of national policy concerning all public works construction 	
<i>MRD</i>	<ul style="list-style-type: none"> • Rural infrastructure works 	
<i>MOWRAM</i>	<ul style="list-style-type: none"> • Rural infrastructure works 	
<i>MOP</i>	<ul style="list-style-type: none"> • IDPoor Programme 	Ministry of Planning Strategic Plan

Source: CARD and IWGSSN (Forthcoming).

Safety net interventions are scattered across several ministries. The Ministry of Social Affairs, Veterans and Youth Rehabilitation (MOSVY), the Ministry of Labour and Vocational Training (MOLVT) and the Ministry of Women's Affairs (MOWA) are all mandated with managing state social services for the wider population, and helping to protect specific vulnerable groups against risks. In collaboration with the WFP, the Ministry of Rural Development (MRD) and the Ministry of Water Resources and Meteorology (MOWRAM) are also implementing a food for work program.

Table 7. Social Safety Nets and Social Protection Activities in Various Ministries

Ministry	Major programme	Type	Eligibility
MoSVY	Emergency relief program to assist victims and vulnerable groups	Package of emergency relief assistance to the vulnerable and victims of emergency (includes victims of mines)	Victims of emergency
	Social cash cards (emergency-related)	3-month, 6-month social cash cards for emergency relief programs of victims	Victims of emergency
	Invalidity pensions and care services	Cash and food allowances; parents or guardians of deceased soldiers, spouses of the disabled, retirees and people who have lost their ability to work receive an allowance of 3,200 Riel (proposed to be raised to 6,000 Riel)	Veterans currently include guardians of the deceased, the disabled, retirees, and people who have lost ability to work
	Elderly persons 'association support and services	Support services	Membership in an elderly persons' associations
	Social insurance compensation	Cash benefit worth up to 12 months of total salary for the family of the deceased. If death by disease, 6 months of last total salary; if work accident, then 8 months of last total salary. The amount is transferred to the orphan on a monthly basis. 3,100 Riel (disease); 4,000 Riel (work accident) (2004 data)	Children up to 15 years of age are entitled. Over-age children, whether they study or not, do not qualify.
	Care services for homeless people	Social networks in communes / sangkats; reception and management of homeless people in state-managed shelters; temporary shelter, vocational training, and reintegration of homeless people into communities	
Housing for poor and vulnerable	Social land concessions for the social purposes: <ul style="list-style-type: none"> - Provide land for residential purposes to poor homeless families - Provide land to poor families for family farming - Provide land to resettle families who have been displaced resulting from public infrastructure development - Provide land to the families suffering from natural disaster - Provide land to repatriated families - Provide land to demobilized soldiers and families of soldiers who were disabled or died in the line of duty 	Besides being a Cambodian citizen with relatives in the household, the beneficiary should meet the financial criteria established by MoSVY and MoLVT, based on the comments of the National Social Land Concession Committee. The income guidelines shall take into consideration family size and age and health conditions of family members. The guidelines may be varied among regions and times in accordance with economic	

(Table 7. Continued)

Ministry	Major programme	Type	Eligibility
		<ul style="list-style-type: none"> - Facilitate economic development - Facilitate economic land concessions by providing land to workers of large plantations for residential purposes or family farming - Develop areas that have not been appropriately developed 	conditions and living standards. Special consideration is given to woman-head family, people with disability or demobilized soldier
	Alternative care services for orphans	Family and community-based care, kinship care, fostering and group homes.	Children under 18 who are orphaned
	Residential care for orphans	20 state-managed orphanages; support to 225 NGO-run orphanages in 2009	Children under 18 who are orphaned
	Child welfare and rescue an, rehabilitation and reintegration services for child victims of trafficking, sexual exploitation and abuse	Reception centre for victims of trafficking; provide education, healthcare and vocational training to female victims of human trafficking; provide repatriation support to victims of human trafficking; drop-in centre for victims of human trafficking	Children under 18 years of age, including abandoned infants, orphans, disabled children, street children, and children of trafficking, misconduct and drug abuse minors.
	Services for children in conflict with the law and drugs-addicted children	Case management of children (counseling, family tracing and assessment, reintegration and follow-up, continued care)	Children under 18 detained, convicted, in pre-trial detention, newly admitted, released, YCIM
	Assistance to victims and people affected by HIV/AIDS in communities	Social services and care to children and families of victims and people affected by HIV/AIDS	
	Physical rehabilitation centres / community based rehabilitation services for people with disabilities	11 Rehabilitation centres management will be taken over by MoSVY by 2011 and aids for people with disabilities provided; physiotherapy services for people with disabilities	People with disability of any age
	Civil servants and veterans retirement pensions	Cash benefit	
	Health insurance for civil servants and retired civil servants.	Health insurance services	

(Table 7. Continued)

Ministry	Major programme	Type	Eligibility
	Maternity related protection for formal sector employees and agricultural workers is covered by MOLVT (see next sheet MoLVT)		
MoLVT	HIV/AIDS workplace programme for garment factory workers	HIV/AIDS awareness, life skills support and referral services to female factory workers.	Female garment factory workers
	Maternity leave	Maternity benefits for all workers except domestic workers, civil servants, armed forces and police; 90 days maternity leave; pay at half salary covered by employer	All workers except domestic workers, civil servants, armed forces and police; 90 days maternity leave; pay at half salary covered by employer
	Maternity health protection	For the first two months after maternity leave the employee is expected to perform only light work (Article 182 of Labour Law); for one year following childbirth, breastfeeding mothers are entitled to one hour break (or 2x30 min) per day. Enterprises employing more than 100 women are required to establish nursing rooms and day care centres. Enterprises not able to establish such facilities are required to pay for the costs of childcare to their employees	All workers except domestic workers, civil servants, armed forces and police; 90 days maternity leave; pay at half salary covered by employer
	Family benefits for agricultural / plantation workers	All regular plantation workers are entitled to a daily allocation of rice for their wife and dependent minor children, legitimate or illegitimate, less than sixteen year old:	Family of agricultural / plantation workers for wife and dependent minor children under 16 years of age. To be entitled to family benefits, the wife must meet the following requirements: <ul style="list-style-type: none"> - She not be gainfully employed - She must live with her husband, either on the plantation if he is a regular resident worker or at home or in the husband's normal place of residence outside the plantation if he is a non-resident.

(Table 7. Continued)

Ministry	Major programme	Type	Eligibility
MoI	Commune transfers for emergency assistance	Emergency assistance cash and in kind assistance to communes to address poverty, vulnerability and insecurity: discretionary and non-discretionary funds.	Non-discretionary funds cover support towards achieving MDG 5 in particular. Discretionary funds cover support towards achieving all MDGs: cash for transportation of pregnant woman to hospital; in kind support, for instance bicycles for children to be able to attend school; cash assistance to poor families to enable them to send children to school; etc.
	Social services mapping	Support to identification of poor, vulnerable and insecure people in the commune for targeting purposes	
	Community pre-schools	Cash assistance for running community pre-schools	Community-pre-school teachers
MoEYS	Primary school scholarships	Cash benefit	Primary school age children of poor parents who require cash assistance to be able to attend school
	Secondary school scholarships	Cash benefit	Lower-secondary school age children of poor parents who require cash assistance to be able to attend school
	School feeding	All children of primary school age	All primary school age children
MoH	Health Equity Funds (HEF)	Exceptions from the payment of healthcare fees for patients identified through the IDPoor mechanism, implemented as a strategic purchasing mechanism in order to fund exemptions and reduce the burden of health-care costs on people on very low incomes.	Households identified as poorest and poor through the IDPoor mechanism
	Community-based health insurance (CBHI)	Community-based health insurance, where members contribute small monthly premiums on a monthly basis. It is also indirectly subsidized by a third party.	Registration is opened to everyone, without restriction on pre existing disease or age. Family coverage is usually mandatory.
MRD	Communes transfers for CLTS (community led total sanitation)	Cash support to communes for facilitating access of households to sanitation	Communes requiring support with implementing CLTS

(Table 7. Continued)

Ministry	Major programme	Type	Eligibility
MoP	ID-Poor	Support to identification of poor, vulnerable and insecure people in the commune for targeting purposes. The Equity Card provided to poor households: Helps to raise awareness of poor households that they can use the card to receive services or assistance; Provides positive identification through an unique household code that is linked to the database, and household photo.	
MoRC	Cash and in kind grants under BLI (Buddist Leadership Initiative)	Cash and in kind assistance and referral for HIV/AIDS infected and affected people: cash, supply of food, referral from village to RH, transportation costs for visits from village to pagoda for awareness raising session, etc.; food, school supplies etc. to children of families affected by HIV/AIDS	HIV/AIDS infected and affected people - voluntarily identified; and orphans and vulnerable children from families affected by HIV/AIDS are provided with life skills, training, awareness raising and assisted with referral

Source: CARD and IWGSSN (Forthcoming).

3.3. Social Security System in Cambodia

3.3.1. Background and Coverage of Social Security Systems

A Law on Social Security Schemes for Persons defined by the Provisions of the Labour Law was promulgated in 2002. At that time the governmental institution responsible was the Ministry of Social Affairs, Labour, Vocational Training and Youth Rehabilitation. Following a government reorganization, the Ministry of Labour and Vocational Training was established and is responsible for this legislation, whilst the Ministry of Social Affairs, Veterans and Youth Rehabilitation is in charge of the civil service social security system. The 2002 Law lays down the main principles of social security protection for persons covered by the Labour Law. The method of prescribing the detailed structure of schemes and their administration is through the promulgation of sub-decrees.

Persons covered by the Social Security Schemes in this law regardless of nationality, race, sex, belief religion, political opinion, national extraction, social origin, membership of trade union or act in trade union are:

- All workers defined by the provisions of the Labour Law, if those persons perform work in the territory of Cambodia for the benefit of an employer or employers,

regardless of nature, form and validity of the contract done or kind and amount of the wage received by the person thereof

- State workers, public workers and all personnel who are not governed by the Common Statute for Civil Servants or by the Diplomatic Statute as well as officials who are temporarily appointed in the public service
- Trainees, person who attend the rehabilitation centre and apprentice shall deem to be workers
- Persons working in a self-employed profession
- Seasonal or occasional workers

3.3.2. Benefits for Sickness, Accident at Work, Maternity and Death

a. Sickness

This contingency requires both medical care and cash payments, but presently the provisions for free medical care at public hospitals are not operative due to unofficial payments that are in force. There are no qualifying conditions for entitlements such as a minimum length of service.

Civil servants who fall sick are entitled to receive their full monthly salary, including location allowance, family and other allowances, whilst receiving medical treatment for a period of 3 months (if confined to hospital the patient is liable to pay for hospital food) but he/she continues to have the right to buy food and other goods from the State warehouse. From the 4th month, the amount payable is 90% of net monthly salary plus location, family and other allowances. The duration of this entitlement is related to the duration of service and cannot exceed 12 months. Persons who have still not recovered are entitled to apply for retirement or invalidity pension. For example, a civil servant that has 8 years service and if he/she is certified as incapable of working due to sickness he/she will receive a full monthly salary for 3 months and 90% of net monthly salary plus other allowances for the following 8 months. After a total of 11 months, if he/she is still not recovered he/she will be entitled apply for invalidity benefit.

b. Work-Related Accidents

Any civil servant who has an accident at work or while on a mission will be eligible to receive emergency care and treatment until he/she is completely recovered at the costs of his/her own department. However, the rules on meeting the costs of treatment are not now in force due to the current problems of obtaining personal health care under the practice of levying unofficial payments at medical facilities. Whilst undergoing treatment, he/ she receives his/her full monthly salary plus location allowance, family allowance and other allowances. The legislation appears to have no provision on a maximum duration. On recovery and discharge from hospital, persons with a residual disability will be evaluated by the Ministry of Health or the Provincial/ City Health Direction. The condition of his her disease or injury will be classified as indicated in Table 8.

Persons who are assessed as level 1 or 2 are eligible to apply for invalidity benefits. Those assessed as levels 3 and 4 who are still able to continue working will receive monthly cash support at 15 % and 10 % of monthly salary respectively of the injury or illness as an addition to his/her salary.

If a civil servant has lost most of his/her physical ability and is not able to continue his/her work, the Ministry of Health or the Provincial/ City Health Directorate will assess the condition of his/ her injury or illness again in order to determine whether or not he/she will be eligible to receive the Maximum Invalidity Pension. If he/she is old enough for retirement, he/ she will be eligible to apply for the Maximum Retired Pension.

The maximum invalidity pension is 65 % of the net final monthly salary and applies to civil servants who lose their professional ability due to accidents at work or on mission. The total pension includes allowances for location, health care and other allowances.

Table 8. Level of Disability and Cash Support Benefit

Level of Disability	Disability (%)	Cash support (months' salary)	Sick leave on full monthly salary (days)
Level 1	81 - 100	4	60
Level 2	61 - 80	3	45
Level 3	41 - 60	2	30
Level 4	20 - 40	1	15

Source: MoSVY and MoLVT (Personal communication).

c. Maternity

A pregnant civil servant is eligible for medical consultations and confinement care free of charge. There are no service qualifying conditions to be met. Maternity leave is 90 days which may be taken over periods before and after the confinement during which the employee is entitled to receive her full monthly salary. After giving birth or suffering a miscarriage, she will be eligible to receive a single payment of 200 Riels for each child born. For the first 12 months after giving birth, if the hospital has confirmed that she is sick or has no milk for breast-feeding the baby, she will be eligible to receive an additional cash support of 120 Riels per month for each child. For the first 12 months, during her working hours, a mother of a new born baby has the right to take 1 hour per day of her working time to feed the baby.

d. Death

In the case of a death, the payments due are as follows:

- On the death of civil servant by illness- 1,800 Riels for funeral costs and 6 months total salary plus monthly payments for a spouse of Riels 3,000 and for each eligible child Riels 3,100.
- On the death of a pensioner, 1,800 Riels for funeral costs and 6 months total pension and monthly allowances for the spouse and children.
- On the death of civil servant from an accident or on mission, 2,000 Riels for funeral costs and 8 months total salary plus monthly payments for a spouse of Riels 3,000 and each eligible child Riels 4,000.

Spouse payments are for life or until remarriage. Child payments are conditional on an age limit of 15 years, unless the child is over age 15 and at school without a government scholarship up to a maximum age of 21 or disabled when he/she is not subject to an age limit.

3.3.3. Pensions

The RGC pays a pension to an extensive number of its retired civil servants, military, police, disabled people and dependents of soldiers and military heroes. However these amounts of payment do not meet daily living standards. The private

sector, donors and NGOs also offer pensions to their employees in compliance with the Labour Law. This is normally in the form of withholding a percentage of a salary that will be paid as a lump-sum upon completion of contract or upon retirement. Civil servants of both sexes are required to retire by the age of 55 and / or have 30 years in the civil service in order to be eligible. This age limit may be extended from 55 to 60 years by the particular statute governing a body. Nevertheless, a civil servant having 30 years of civil service may request early retirement, before the age of 55, while still benefiting from his/her retirement pension.

In 2005, average payments by RGC through MoSVY to its civil servants, military, police, disabled people and dead and/or patriot-dead military, and for those who are their dependents, is estimated to be US\$16.4 million, benefiting 120,000 persons (Tab. 9). It is interesting to note that dead civil servants and dead military - either patriot or natural dead - do not receive pensions but their dependents do, such as their children and their spouse and/or parents.

Table 9. Types of Pension Schemes and Beneficiaries

Type of pensioners	Estimated of total beneficiaries	Amount of Benefits (millions, US\$)
Retired civil servants*	19,489	4.024
Retired military**	5,151	1.140
Disabled military (retired)***	31,121	7.010
Disabled civil servant (retired)****	5,151	1.125
Dependents of dead patriot military*****	54,895	2.400
Dependents of dead civil servants*****	4,000	0.606
Total	119,807	16.305

Source: MoSVY and MoLVT (Personal communication).

Notes:

* It also provide allowance to 13,364 spouse and 13,820 children, respectively

** It also provide allowance to 4,417 spouse and 12,132 children, respectively

*** It also provide allowance to 28,607 spouse and 91,328 children, respectively

**** It also provide allowance to 102,007 parents and 103,788 children, respectively

***** It also provide allowance to 4,000 children, respectively

A civil servant having less than 20 years of service shall be entitled to obtain a refund of his/her pension deductions withdrawn from his/her salary as well as other state subsidies, in a lump sum payment. Moreover, a civil servant having between 20 and 30 years of civil service shall be entitled to benefit from a proportional retirement pension. No deductions for a retirement pension shall be made from salaries of a civil servant having more than 30 years of service while continuing his/ her duties in the service of the State. A civil servant who serves for less than 30 years and who continues his/her duties shall continue to bear retirement pension deductions. These provisions outline entitlement to full pensions after 30 years service or at age 55 but do not specify the rates of deductions from salaries, the establishment of a separate pension fund, or the rates of pensions. The civil servants who contribute for between 20 and 30 years may receive proportional pensions. When service is less than 20 years the retirees can receive a refund of the contribution deductions plus subsidies from the State.

The pension formula is as follows: Attainment of age 55 at least and completion of a minimum of 20 years service, but civil servants who complete 30 years service before age 55 are entitled to apply for RP. The pension calculation is as follows:

- 60 % of the final net monthly salary for 20 years service plus 2 % per year for additional years up to a maximum of 80 %, subject to a minimum of the minimum net monthly salary of their type, grade and rank
- Plus location allowance, health allowance, spouse and child allowance and any other approved allowances , excluding position allowance.

Example: In 2005, a civil servant with a service record of 25 years reaches pension age with a net salary of A3-13 (Tab. 10), calculated as follows: $340 * 345 \text{ Riels} = 117,300 \text{ Riels}$.

- Net Pension = $(60\% + 10\%) * 117,300 = 82,110 \text{ Riels}$
- The net minimum salary is A3-14 = $315 * 345 = 108,675 \text{ Riels}$
- Thus, his net monthly pension is 108,675 Riels

In summary, the Total Monthly Retired Pension = net monthly pension + location allowance + health allowance + spouse allowance + child allowance + other allowances (if any), but excluding position allowance. In addition, retirees are entitled to a lump

sum equal to 8 months of the total monthly salary paid by the employing office on the date of retirement.

Table 10. Net Salary Indicators (December 2001)

Type	Ranks														
		14	13	12	11	10	9	8	7	6	5	4	3	2	1
A	1									436	457	482	506	528	550
	2					361	373	387	402	419	437	454	467	478	487
	3	315	323	331	340	349	359	369	380	390	399	407	414	420	425
B	1									308	324	344	360	374	385
	2					252	262	272	283	295	306	316	325	333	340
	3	220	225	230	236	243	251	259	266	273	279	284	289	293	297
C	1									212	223	235	245	254	262
	2					173	178	185	193	201	208	215	222	228	233
	3	150	154	158	163	168	174	179	184	188	192	195	198	200	202
D	1									141	149	157	164	170	175
	2					113	117	122	128	134	139	144	148	152	155
	3	100	102	104	106	109	112	116	120	123	126	129	131	133	136

Source: MoSVY and MoLVT (Personal communication).

Notes:

- 1 Each class has a unit price of 300 Riels. Since January 2005 the unit price is 345 Riels
Example: An official is entitled to a net salary A2-10 = 361, which is calculated as = 361 X 345 Riel = 124,545.00 Riels
2. The minimum net salary is the lowest class of each row. For example: In B1, the minimum net salary is B1-6 = 308.
3. Under this scheme, the total salary comprises:
 - Net salary
 - The allowance for position (according to hierarchy for those in types A, B and C)
 - Benefit of occupational risk and survivor's allowance (Wife = 3,000 Riels and Child = 2,500 Riel)

Non-qualifiers who reach the age of retirement but have work seniority of less than 20 years are entitled to a single lump sum which is intended to be derived from salary deductions for pensions, and other allowances. Meanwhile, the lump sum is based on the number of service years multiplied by the total monthly salary, with a minimum of 4 months total monthly salary and a maximum of 10 months total monthly salary.

3.3.4. Social and Health Insurance

In the private sector, particularly workers from garment factories, insurance has to be applied in order to be a member of the Garment Manufacturers Association in

Cambodia (GMAC). This association, in collaboration with the International Labour Organisation (ILO) under a project entitled 'Better Factory in Cambodia' has been ensuring industrial harmony and promoting exports in Cambodia. GMAC helped its members to facilitate efficient discharge of bureaucracy and to co-operate with labor movement to ensure the observation of basic and core labor standards. In addition, GMAC has also worked closely with government ministries in order to promote and protect the interest of garment factories in Cambodia, and to work closely with the ILO in order to accredit labor standards. In 2005, there were 244 garment factories which employed around 278,310 workers and staff. To be a member of GMAC, garment factories are required to fulfill conditions imposed by GMAC, such as payment of membership fees for the GMAC and the ILO, insurance on workers compensation and fire. Notably, most large scale garment factories (those which employ more than 1,000 workers) still apply insurance for their own workers. A study revealed that the total health insurance or cost for all garment factory employees is estimated to be US\$1 million per annum.

There has been some success in piloting Community Social Health Insurance schemes which have been recently operated and assisted by donors and NGOs. A few NGOs have operated this scheme which targets the rural poor and urban communities.

Currently in Cambodia a number of health reform proposals have been adopted, including official user fees, sub-contracting government health services delivery to non-governmental providers and Community Based Health Insurance (CBHI). These approaches have tended to reduce the burden of the poor on public health services. As a result of these reforms, Social Health Insurance policies (SHI), led by the Ministry of Health (MoH) are being devised. This policy includes developing legislative and guidance principals, with substantial technical support from various donors, including GTZ, the World Bank, the ADB and other development agencies. In addition, in terms of the development of a health insurance scheme for formal and non-formal sector workers, the sub-decree of the Social Security Law is yet to be approved by Council of Ministries (CoM). There are legitimate concerns in some quarters that a mandatory SHI scheme for the private sector may raise labor costs to the extent that they threaten or damage the competitiveness of economic sector.

3.4. Progress of Social Safety Nets Development

3.4.1. Scoping and Mapping Exercise on Existing Safety Net Programs

The Royal Government of Cambodia has made a firm commitment to the further development of social safety nets in Cambodia. During the Cambodian Development Cooperation Forum, government and development partners had noted that significant progress has been made in reducing overall poverty levels but at the same time recognized that significant parts of population remain vulnerable to various economic and social shocks pushing them into poverty and denying equal opportunities for participating in the economic growth. These risks have been exacerbated by the recent inflationary pressures and global financial crisis. To ensure the establishment and effective use of a social safety net system, which is an important part of a long-term growth strategy, there are a range of actions required at multiple levels: from the central government, at sectoral and sub-national levels.

Facing this challenge, the Royal Government of Cambodia agreed that the first step is to undertake a mapping exercise to determine the nature of existing safety net provision and to identify policy, institutional and capacity gaps for developing a more systematic and integrated safety net system.

3.4.2. Technical Consultation on Social Protection Strategy and Options

To prepare the strategy, in 2009 and 2010 CARD has convened meetings and held technical consultations with a broad set of national stakeholders, giving government representatives (national and sub-national), development partners, civil society representatives and other development practitioners the opportunity to explore in-depth the priorities and options for the Social Protection Strategy.

Table 11. Summary of the Consultation Process

Date	Activity / Event	Description	Paper / Outcomes
Dec 3-4 2008	Cambodia Development Cooperation Forum	Royal Government of Cambodia commitment to develop and implement an integrated national strategy for social safety nets.	
Jan-Jun 2009	Interim Working Group on Social Safety Nets (under the TWG on Food Security and Nutrition	Shared knowledge and consensus- building on the key concepts and broad direction for policy development, and inventory of ongoing Social Protection interventions.	
Jul 6-7 2009	National Forum on Food Security and Nutrition under the Theme of Social Safety Nets in Cambodia	Circa 400 participants (Government, development partners, civil society), with Prime Minister Hun Sen providing the closing address.	Social Safety Nets: Concept Note and Inventory
Oct 19-22 2009	Technical Consultation on Cash Transfers with a focus on addressing malnutrition	70+ participants from Government, development partners and civil society consulted during a day workshop in Phnom Penh. The core group (20 participants) also visited health and educational social protection activities and services, a commune council and the Provincial office in Kompong Speu. The consultation culminated in a brainstorming by key stakeholders to produce a 'Note on Cash Transfers'.	Note on Cash Transfers
Jan 12-14 2010	Technical Consultation on Public Works	80+ participants from Government development partners and civil society consulted during a day workshop in Phnom Penh. The core group (circa 30 participants) also visited sites of cash-for- work and food-for-work projects (ADB and WFP supported interventions) in Kampong Chhnang, including a consultation with representatives of a commune council and beneficiaries of the projects. The consultation culminated in a next steps meeting by CARD and core group of developments and the production of a 'Note on Public Works'.	Note on Public Works
Feb 3-4 2010	Technical Consultation on Education and Child Labour		
Feb - Mar 2010	Consultations on Draft Strategy		
Mar - May 2010	Bilateral stakeholder consultation on the draft strategy	CARD will lead the discussion on bilateral basics with distinguished development partners, civil societies, diplomat corps especially with line ministries in the RGC to have specific and sector comment on the draft strategy	Consolidated draft strategy
May 2010	Approving the strategy at Inter-ministerial meeting		
June 03 2010	CDCF meeting		

In addition to the limited availability of funds, a major constraint for the development of safety net interventions and for rapid assistance response in times of crises is the lack of a government body with a clear mandate to coordinate safety net interventions across ministries, and to implement cross-sectoral interventions. Since July, 2009, the first National Forum on Food Security and Nutrition under the framework of Social Safety Net in Cambodia was organized by the Council for Agricultural and Rural Development (CARD) in collaboration with the World Bank, WFP, UNICEF and various development partners. CARD was mandated to coordinate and facilitate the social safety net policy and strategy development for Cambodia.

3.5. Challenges and Gaps

Safety net interventions in Cambodia face several challenges related to implementation, institutional, and financing issues. Given the many sources of vulnerability faced by the poor of the country, safety nets ought to be a key component of social protection development. The experience of a social safety net is not new to Cambodia, but the term and understanding might be conceptually different. Cambodia has implemented many major-donor supported projects and programs to reintegrate, to rehabilitate, to improve food security, to effectively respond to emergency situations and to improve the livelihood of poor Cambodians but Cambodia still does not have an effective and affordable social safety net system in place.

Institutionally, many ministries and institutions involved in the development and the implementation of some kinds of social safety net programs and projects in the country, from emergency to recovery, rehabilitation and to development already exist. But neither an integrated system nor a sustainable program to respond to a crisis as it occurs has yet to be developed.

Existing safety net interventions exclude some important vulnerable groups. Urban areas are often left out of the current safety net interventions. While these groups are significantly less poor than rural ones, pockets of extreme poverty exist in urban settings too. Existing interventions also often fall short of providing assistance to those who have recently fallen into poverty, or are poor for a transient period, such as farmers during the lean season or victims of natural disasters. In order to address these gaps,

assistance could be provided by expanding and improving existing workfare programs in selected areas.

Cambodia has not yet made significant use of some types of safety net programs that have proved successful in other countries. Over the last decade, a growing number of countries have achieved considerable success with conditional cash transfers (programs which provide households with cash payments so long as they make use of public services). Cambodia has achieved good outcomes through the Scholarship for the Poor program, but only on a small scale. Learning from this success, it may be worth piloting incentive-based cash transfer schemes.

Existing interventions are largely food-based. These arrangements have the advantage of directly addressing shortages and providing households with a stable flow of food. However, in building a more comprehensive safety net system there may be potential for complementing this in-kind assistance with cash-based interventions which would help address the whole range of vulnerabilities faced by households (such as cash strapping or inability to satisfy non food needs).

Targeting has not yet been mainstreamed into safety net implementation, and even among safety net programs that make use of targeting, many still rely on ad hoc targeting procedures whose accuracy has not been investigated. Targeting of safety net interventions should be further promoted. A strong candidate for further development is the government's Identification of Poor Households targeting system (IDPoor). Nonetheless, while initial analyses have shown a good degree of satisfaction with IDPoor's accuracy, transparency, fairness and level of participation, a thorough study of the implementation procedures, the system's robustness in terms of governance risks, and the accuracy of the results obtained would be helpful to further assess strengths and identify opportunities for improvement, taking into account international best practice.

Most of the programs in place also have limited geographical coverage. Few programs have national coverage, and therefore neglect a considerable number of vulnerable poor. Furthermore, existing programs may not actually be covering regions that most need them. A geographically disaggregated analysis linking sources of vulnerability to program coverage may be useful, since it would allow better identification of coverage gaps and assist targeting of existing resources towards the most vulnerable regions.

Table 12. Coverage of Main Risks (Summary)

Age group	Main vulnerabilities	Progress to date	Gaps and challenges
Early Childhood (0-4 years)	<ul style="list-style-type: none"> • Stunted child development 	<ul style="list-style-type: none"> • Some maternal and child nutrition programs are in place • Breastfeeding practices are improving 	<ul style="list-style-type: none"> • Supply of services remains limited and of poor quality • Coverage is not universal
Primary School Age (5-14 years)	<ul style="list-style-type: none"> • High dropout rates • Poor quality of education • Child labour 	<ul style="list-style-type: none"> • Scholarships and school feeding programs are improving attendance 	<ul style="list-style-type: none"> • Quality of education remains poor • Coverage is not universal
Youth (15-24 years)	<ul style="list-style-type: none"> • Low productivity • Low human capital/skills • Underemployment 	<ul style="list-style-type: none"> • Scholarships are improving attendance • Some programs in place to improve quality of education and of vocational training 	<ul style="list-style-type: none"> • Quality of education remains poor • Low attendance • Coverage is not universal • Almost inexistent second chance programs to improve productivity of unskilled workers
Adults (25-64 years)	<ul style="list-style-type: none"> • Low productivity • Low human capital/skills • Underemployment 	<ul style="list-style-type: none"> • Public works programs are providing some assistance during lean season or crises 	<ul style="list-style-type: none"> • Limited coverage • Funding and assistance remains volatile, defying its safety net role
Elderly and disabled	<ul style="list-style-type: none"> • Low income • Underemployment 	<ul style="list-style-type: none"> • Pensions for civil servants • Some donor assistance to the disabled 	<ul style="list-style-type: none"> • No pensions for the poor outside of civil servants • Very limited assistance to the disabled
All groups	<ul style="list-style-type: none"> • Health shocks 	<ul style="list-style-type: none"> • Health equity funds are financing health care for the poor 	<ul style="list-style-type: none"> • Quality of health care remains poor • Coverage and access is not universal
	<ul style="list-style-type: none"> • Crises and natural disasters 	<ul style="list-style-type: none"> • Public works have shown to be an effective and rapidly expandable safety net instrument during crises and natural disasters 	<ul style="list-style-type: none"> • Limited coverage of existing public works programs • Coverage is not universal, and depends on funding

Source: CARD and IWGSSN (Forthcoming).

4. Social Protection Design

4.1. Proposed Steps for Social Security Reforms

The NSSF scheme will be implemented fully in 2011, whereas the insurance scheme is expected to fully cover all people by 2015. The development of an affordable, adequate and comprehensive social insurance system can be envisaged over the longer-term through a gradual process in relation to financial and administrative capacities. It is proposed that it collects contributions and provide benefits on full remuneration which is the cornerstone of any social security system. Restructuring and strengthening of the pension scheme within a sound financial and policy framework to provide an integrated system of retirement, invalidity and survivor pensions are

constituted as proportions of the full remuneration, which comprises salaries and all allowances, should be designed. This approach provides periodical payments, which are deemed to be the most effective method of long-term income protection compared with lump-sum payments and the introduction of survivor pensions primarily for widows and children to strengthen gender equity and can also contribute to policies for improving school enrollments.

4.2. Development of Social Protection Strategy for Cambodia

The development of social protection strategy for the poor and vulnerable in Cambodia is directed and guided by vulnerability and gaps in existing social safety net program. Using the lens of the lifecycle, a juxtaposition of risks and vulnerable groups against current program coverage highlights some key areas in which future support is needed. The analysis indicates in particular that greater support is needed for children and youths in terms of addressing malnutrition, improving education quality and attendance, reducing child labor and providing second chance education for out-of-school youths. Particular attention should be given to children and youths for several reasons. First, given the current demographics, children and youths represent the largest vulnerable group, while at the same time, given their young age, they have little voice and capability to express their needs and vulnerabilities. Moreover, children and youths represent the next generation of citizens participating in socioeconomic life. Failing to address their vulnerabilities would therefore put at risk future productivity growth and may also endanger social cohesion through growing inequality and social disparities.

Natural disasters also have a strong impact on poor households. Public works can be effective safety nets to help households cope with disasters but current coverage remains very limited and often more emphasis is put on building infrastructure than on the social protection role of public works. Finally, poor households remain particularly vulnerable during the lean season – a source of vulnerability that public works could also help address. If left unaddressed, these sources of vulnerability can lead poor households to adopt coping strategies with long-lasting consequences (such as selling land or pulling children out of school), and force them into vicious cycles of increased vulnerability and destitution.

Little support is also given to the disabled and the elderly poor, who rely on family support for survival. Whereas efforts are undergoing to develop a social security system for the formal sector, there is currently no allowance for the elderly poor who must rely on family support. A similar picture holds for the disabled poor. While family support remains one of the major sources of assistance for the elderly and disabled in most low- and middle income countries, it does represent a significant burden on the poorest families. Assistance given to the elderly poor could therefore be envisaged, for instance, in the context of a cash transfer program.

The programs to sustain human capital and social welfare through cash transfer would aim specifically to increase utilization of a pre- and post-natal care package that conforms to existing national policies and guidelines, and international evidence-based best practices. It was recommended during the Technical Consultation in August 2009 that while payment of the benefit would be subject to fulfillment of the conditionality, it would be advisable that the latter not be applied too strictly. The purpose of the conditions is not to move people off the register but to ensure meaningful behavioral change. For example, mothers showing sufficient evidence of behavioral compliance with the program, even if not perfect, should remain eligible for the program: a mother who attended two or three out of four recommended prenatal visits should be kept in the program. Similarly, an inability to deliver a child in a clinic should not exclude a mother from participation in the program; it may be possible to have a minimum of visits before and immediately after the birth that fulfills the recommendation. The consultation also highlighted the need to take supply constraints and the quality of service delivery into account. The impact of the cash transfer program in areas with poor quality of service delivery is likely to be minimal. More analysis will therefore need to be conducted to assess supply side capacity at the moment of choosing the pilot areas, and, once the pilot area is selected, on the specific constraints present there.

Another important social protection instrument that has the potential to address the risk of seasonal unemployment during normal times, and the ability to respond to natural and economic crises, is a nationwide public works program. Cambodia already has significant experience with public works, as various donor partners have been working with the Royal Government of Cambodia (RGC) in financing and implementing labor intensive public works programs. One of the main advantages of

public works is that it enables poor beneficiaries that are willing to work for slightly below the prevailing market wages to self-select themselves into the program, thus saving considerable program costs associated with administrative selection of potential beneficiaries. Such a feature makes public works a good complement to targeted cash transfers during crises and natural disasters, since poor beneficiaries (who may have fallen into poverty as a consequence of the crisis and therefore may not correspond to the chronically poor) do not need to be identified in advance. As shown in the discussion below, this role of public works as an emergency safety net has not yet been fully exploited in Cambodia.

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