

Minimum Wage Setting in Cambodia



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Jointly prepared by:



Ministry of Labour and Vocational Training



International Labour Organization

The Secretariat of Labour Advisory Committee (LAC)

Who is Involved in Minimum Wage Setting in Cambodia ?



Under article 357 of the Cambodian Labour Law 1997, Labour Advisory Committee (LAC) leads the minimum wage discussion and recommends the minimum wage increment to the government. The LAC consists of representatives of workers, employers and government.



Employers
have 7 representatives



Workers
have 7 representatives
(trade union)



The Government has 14 representatives

Who is Involved in Minimum Wage Setting in Cambodia ?



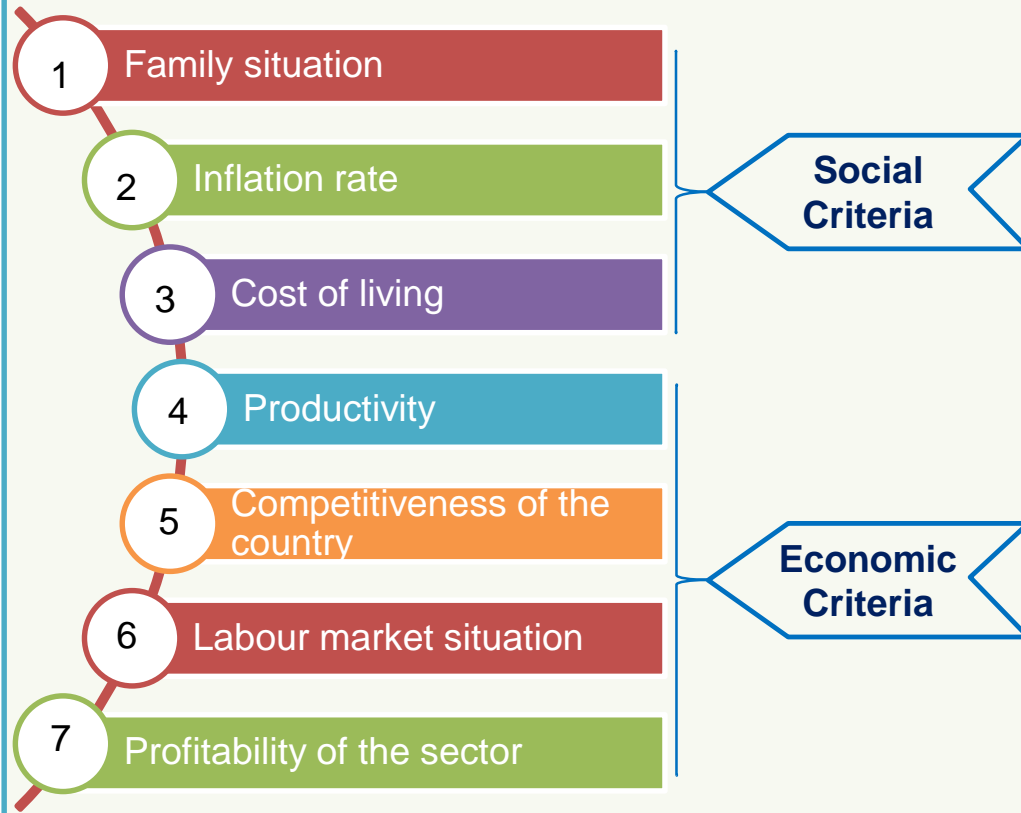
Where necessary, the Labour Advisory Committee (LAC) can set up a tripartite technical working group. This technical working group, consisting of equal representatives from the three parties, discusses about data, criteria and rate of minimum wage increment in greater detail to formulate a recommendation to LAC for further consideration.



What are the Criteria for Minimum Wage Setting in Cambodia?

Article 107 (point 3) of the Cambodian Labour Law stipulates that elements to take into consideration for determining the minimum wage shall include social and economic factors, as called for in the article 3 of the ILO's Minimum Wage Fixing Convention, 1970 (No.131).

After a national tripartite consultative workshop on the “process of minimum wage setting in Cambodia” that was held on 24th-25th April 2014 under the technical support of the ILO, the tripartite constituents agreed to use 7 criteria to set the minimum wage in Cambodia, and those criteria are:



What are the Principles Used for Minimum Wage Negotiation?



After the national tripartite consultative workshop on “process of minimum wage setting” in Cambodia, held on 24th-25th April 2014, under the technical support of the ILO, **the tripartite constituents** unanimously agreed to the five principles below:

1 Minimum wage consultation is held on annual basis

2 Minimum wage is a number or growth rate that is predictable with gradual and steady adjustments

Minimum Wage

3 Based on win-win principle in negotiation process

4 Use official statistics of the national agencies or institutions in charge of producing statistics; and social & economic criteria are taken as principle for discussion

5 Negotiation is based on the principle of consensus among members present in the consultation meeting. If consensus cannot be reached after two separate meetings, a decision is made based on the majority vote in a secret ballot at the second consultation meeting.

When Does the Labour Advisory Committee (LAC) Commence the Minimum Wage Consultation Process ?

In July of each year, each respective party commences their own **internal consultations**



Employer



Union

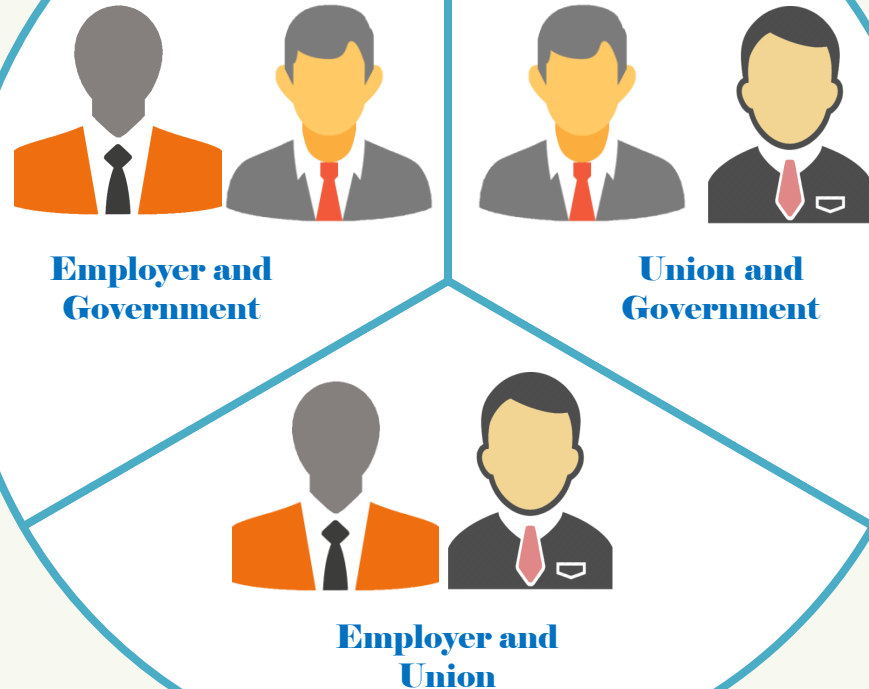


Government



When Does the Labour Advisory Committee (LAC) Commence the Minimum Wage Consultation Process ?

In August of each year, each respective party commences **bipartite** consultations



When Does the Labour Advisory Committee (LAC) Commence the Minimum Wage Consultation Process ?

In September of each year, the three parties commence **tripartite consultations**

Meeting for the decision on figure or growth rate of minimum wage is held **in October**. The new minimum wage is effective from **1st January of the following year**



Employer



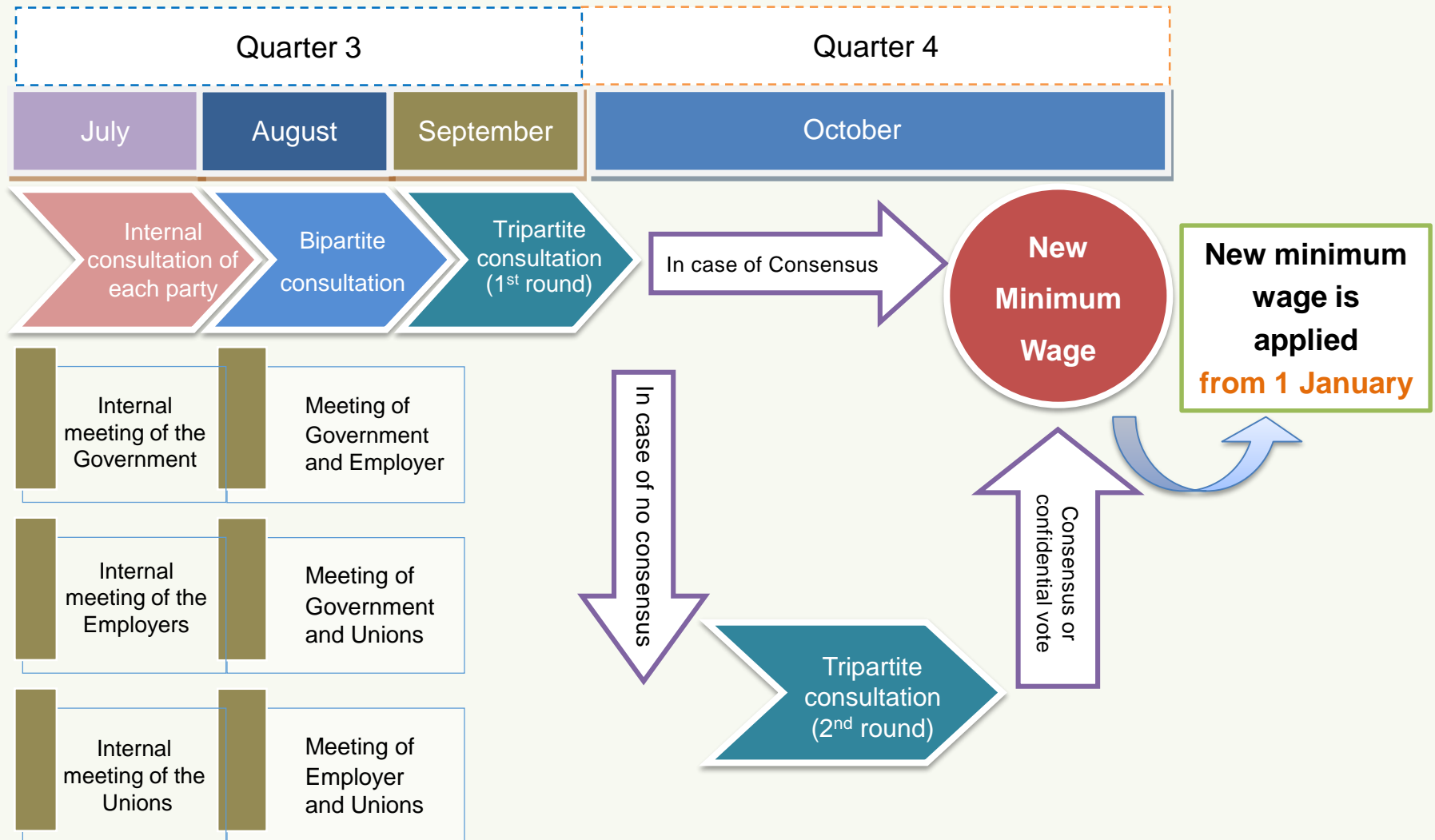
Union



Government



Summary timeframe of the negotiation of minimum wage setting



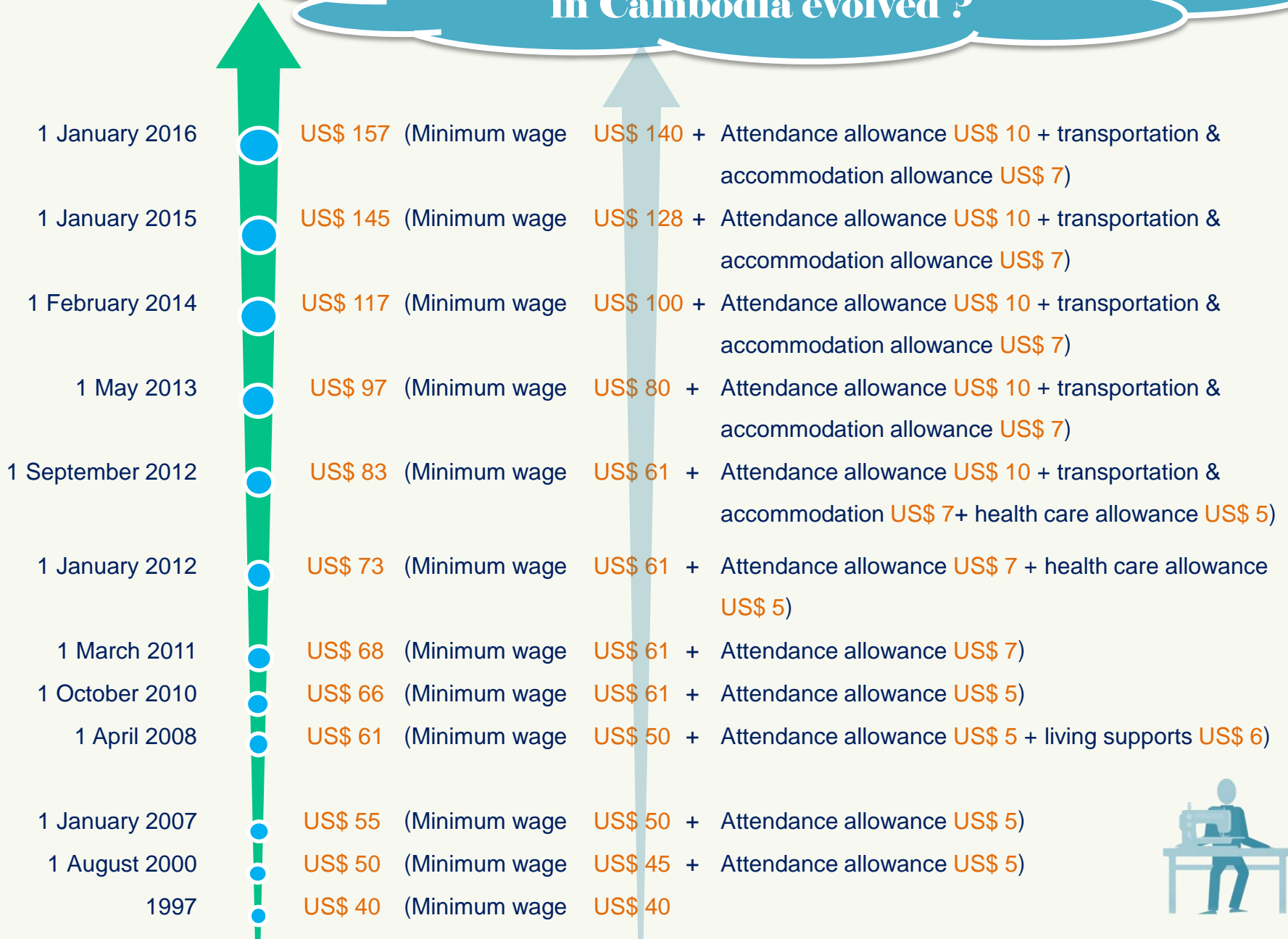
What are other allowances and fringe benefits ?

As of 2016, the allowances and benefits are:
attendance bonus **US\$ 10 per month** and transportation & accommodation allowance **US\$ 7 per month**



In addition, workers are also entitled to meal allowance of voluntary overtime works of **2,000 riels/day (equivalent to US\$ 0.50)**, or a free meal, as well as seniority bonus of **US\$ 2 per month** in their second year of employment, rising to a maximum of **US\$ 11** in their eleventh and subsequent years of employment

How has minimum wage in Cambodia evolved ?



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