

Cambodia



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What's happening

€187
per month

National
minimum wage

€204
per month

Urban living
wage

39%

Agricultural
workforce

23%

Agriculture share
of GDP

5

very high

Risk to workers'
rights

Context

Cambodia has a population of roughly 17 million people^[1]. The country has the majority of its population living in rural regions, with only 25% in urban areas^[2]. Agriculture is a significant source of employment for the country as it assumes 35% of the workforce.^[3] The sector represents 28.8% of the national GDP^[4].

Cambodia is known for its garment sector, which represents 80% of the country's exports and 1/3 of GDP^[5]. But the agricultural sector is also key for its economy as it employs a significant part of the national workforce. However, the agricultural growth has slowed down in the country, and this is attributed to several factors including limited land expansion, slower growth of productivity, limited diversification, price fluctuation, low investment in agro-processing and effects of natural disaster. Although agriculture is not a national driver of economic growth, it is a crucial source and remains essential for poverty alleviation and vulnerability reduction of livelihood as 75% of the population living in rural areas depend mostly on the sector. In 2014, FAO estimated that the multidimensional poverty headcount stands at 34.9% of the population.^[6]

The top produced commodities in Cambodia are rice, cassava, sugar cane and maize^[7]. The country's top export commodities in terms of quantity are rice, natural rubber, banana, cashew nuts and cassava^[8].

Wages

Minimum wage

The minimum wage in Cambodia is set by law at 818,800 Cambodian riel per month (187 EUR).^[9] Cambodian law provides for a standard legal work week of 48 hours, with paid overtime properly regulated. However, estimates show 81% of the nearly 9.2 million-strong workforce is not covered with social protection under the National Social Security Fund. Agricultural workers are the majority of informal workers in the country. These workers were not covered by wage, hour, and occupational safety and health laws and inspections. In 2021 the government increased social protections, including direct cash payments, for some informal workers due to the economic hardships created by the COVID-19 pandemic^[10].

Living wage

The **Global Living Wage Coalition** has developed a Living Wage Reference Value for Urban Cambodia based on the Anker methodology. In 2022, this is estimated at 947,493 Cambodian Riel (204 EUR)^[11]. This comprises a net living wage of 928,543 Cambodian Riel (200 EUR), plus a social security contribution of KHR 18,950 (4 EUR). In 2021, when the original report was done, the net living wage was estimated at KHR 860,992 (186 EUR) and no payroll deductions were happening at that point. The new net living wage reflects the inflation of 7.85% from this period, as the previous value would not be sufficient for families to have a basic but decent standard of living in 2022, because the purchasing power of the living wage would have decreased.

Working conditions

What's happening

RESOURCE

[Living Wage Reference Value, Urban Cambodia](#) ↗

Living wage estimate for workers to be able to afford a basic but decent living standard in a typical urban area of Cambodia.

RESOURCE

[Cambodian Agriculture in transition: opportunities and risks](#) ↗

Report by World Bank exploring the successes, challenges and opportunities of Cambodia's agricultural transformation over the past decade.

INITIATIVE

[Living Wage Now!](#) ↗

A publication of the Clean Clothes Campaign focusing on the struggles faced by female workers in the cambodian garment industry.

Footnotes

1. World Bank (2021). <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=KH>
2. World Bank (2021). <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?locations=KH>
3. World Bank (2021). <https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=KH>
4. World Bank (2019). <https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=KH>
5. FAO in Cambodia. <https://www.fao.org/cambodia/fao-in-cambodia/en/>
6. IFAD. Country Profiles: Cambodia. <https://www.ifad.org/en/web/operations/w/country/cambodia>
7. FAOSTAT (2020). http://www.fao.org/faostat/en/#rankings/commodities_by_country
8. FAOSTAT (2020). http://www.fao.org/faostat/en/#rankings/commodities_by_country_exports
9. WageIndicator Foundation (2023). Minimum Wage-Cameroon. <https://wageindicator.org/salary/minimum-wage/cambodia-1>
10. U.S. Department of State. 2021 Country Reports on Human Rights Practices: Cambodia. <https://www.state.gov/reports/2021-country-reports-on-human-rights-practices/cambodia>
11. Global Living Wage Coalition (2022). Anker Living Wage Reference Value: Urban Cambodia. <https://www.globallivingwage.org/living-wage-reference-value-urban-cambodia/>