

Remarks of Mr. Enrico Gaveglia, UNDP Resident Representative

Labour Economic Conference 2025:

Shaping the Future of Work: Skills, Employment, and Social protection for a Resilient Labour Market in Cambodia

Sokha Phnom Penh Hotel, December 15-16th, 2025

- *Excellency Dr. Aun PornnMoniroth, Deputy Prime Minister, Minister of Economy and Finance*
- *Excellency Heng Sour, Minister of Labour and Vocational Training*
- *Ms. Xiaoyan Qian, Director of ILO Country Office for Thailand, Cambodia and Lao PDR*
- *Representatives of line ministries, development partners, civil society organizations
Distinguished guests, and colleagues*

Good morning. Chum reap sour.

It is a great honour to join you for the second Labour Economic Conference. This year's theme, "Shaping the Future of Work" speaks to the Royal Government's ambition to prepare Cambodia's workforce for a fast-changing regional and global economy. Today's discussion comes at an important moment in time, defined by economic recovery, structural shifts, and profound transformations in how people work, learn, and participate in the economy.

Background: Progress, Transformation and New Momentum

Cambodia enters 2025 with renewed economic momentum and a stronger foundation for advancing its reform agenda. In the years following the pandemic, the economy has maintained a solid recovery path, recording growth of over 5 percent for the last three consecutive years. This performance has been underpinned by the steady rebound in tourism, continued diversification within agriculture, and the resilience of the manufacturing sector. Together, these developments signal not only sustained post-pandemic recovery but also Cambodia's gradual and deeper integration into regional and global value chains.

Human development is also advancing. Since 1990, Cambodia's Human Development Index (HDI) has increased by 57%, driven by gains in life expectancy, education, and per capita income. Life expectancy has grown by more than 15 years, the expected years of schooling have increased by 4.3 years, and the mean years have risen by 2.4 years. The Gross National Income per capita has increased by over 300%, reflecting the country's economic transformation. The pandemic reversed some of the Kingdom's hard-earned development gains, but the progress is still notable. At the same time, important reforms, including the National Social Protection Policy Framework and multiple digitalisation efforts that will modernize systems for citizens and workers.

Shocks, Competitive Pressures, and Emerging Challenges

We should take note, however, of Cambodia's unique labour market structures and adapt to sustain growth, reduce vulnerability and seize the opportunities emerging across ASEAN. Cambodia's labour market faces mounting pressures from domestic shocks, regional competition, and structural disruptions.

First, the pandemic revealed structural vulnerabilities that continue to shape labour outcomes. The garment, footwear, and travel goods sector, employing around one million workers, majority are women, remains exposed to global demand shifts. Rising food and fuel prices have pushed near-poor households closer to vulnerability, and climate shocks increasingly threaten rural livelihoods. Many households remain at risks, with limited buffers to withstand disruptions.

Second, it is increasingly clear that Cambodia's workforce operates in a competitive and rapidly modernizing region. Across ASEAN, countries are accelerating reforms to improve productivity, upgrade skills, and position their workers for a digital and green economy. In Vietnam, large-scale investments in digital skills and STEM education are being paired with strong industrial upgrading policies, enabling the country to climb into higher-value manufacturing and electronics supply chains. In Malaysia, the MyDigital blueprint is scaling up digital skills development, expanding public-private training centres, and supporting MSMEs to adopt digital technologies at speed.

In Cambodia, according to a UNDP study in 2020, Cambodian youth demonstrate high smartphone access and strong interest in self-learning, with widespread use of digital platforms for social media, entertainment, and informal education. However, low computer ownership, moderate digital literacy (47–51%)—especially in online safety—combined with gaps in English proficiency and rural connectivity constrain their employability and entrepreneurial potential ([UNDP, 2020](#)). This is why today’s conference is so important. It is not only about responding to Cambodia’s internal labour challenges; it is about positioning Cambodia within a competitive, fast-evolving ASEAN region where the future of work will be defined by adaptability, innovation, and inclusion.

What This Conference Advances

Distinguished guests, excellencies, and colleagues

At this pivotal moment, Cambodia has a remarkable opportunity to shape the future of its labour market with clarity, coherence, and ambition. The alignment of four cornerstone policies—the forthcoming National Employment Policy, the National TVET Policy, the National Labour Migration Policy, and the new National Social Protection Policy Framework—places the country in a unique position to steer workforce transformation in a deliberate and coordinated way. Taken together, these frameworks can provide the architecture for a labour market that is resilient, competitive, and fully integrated into the ASEAN economic landscape.

A key priority is to modernise Cambodia’s skills ecosystem so workers are equipped not only for today’s jobs but for a rapidly changing, digital and green economy. Cambodia is advancing this agenda by upgrading TVET, strengthening labour-market forecasting, and modernising employment systems. This includes more effective Active Labour Market Policies, stronger job-matching and information systems, and support for MSMEs to digitalise, improve productivity, and access finance and new markets.

With the armed conflict in July and the renewed clashes, the vulnerability is heightening—particularly if the border tensions prolonged. Hence, creating jobs and strengthening

reintegration pathways for returning migrant workers becomes even more critical. This includes improving skills recognition, expanding entrepreneurship support, and ensuring stronger links to domestic employment so that returning workers can fully participate in the economy.

Building a future-ready labour market also requires stronger protection for all workers, especially those in informal jobs. Expanding social protection, improving benefit portability, and adopting innovative contributory mechanisms—guided by the National Social Protection Policy Framework 2024–2035 and supported by digital systems—are essential. These reforms rely on solid evidence, coordination, and dialogue, and today’s conference helps align stakeholders to strengthen employment, training, migration, and social protection systems.

UNDP’s Commitment

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As Cambodia advances this ambitious agenda, UNDP remains committed to supporting the Royal Government and the Ministry of Labour and Vocational Training in building a future of work that is inclusive, competitive, and resilient. Through the UN Global Accelerator on Jobs and Social Protection, together with ILO and UNICEF, we are helping strengthen cross-ministerial coordination and develop financing tools for jobs and social protection programmes.

UNDP stands firmly behind the spirit of partnership that defines today’s conference. Cambodia has shown that strategic policy choices can drive remarkable progress, and the solutions discussed today can help ensure a workforce that is more skilled, adaptable, and resilient. Let us use this moment to share knowledge, deepen partnerships, and reaffirm our support for the Kingdom’s development ambitions. I wish you a productive conference and extend best wishes to the Royal Government, particularly the Ministry of Labour and Vocational Training, in this important endeavour.

Thank you, Som Arkun.