

Civil Service Reform in Cambodia: *Where Are We?*

With the current remarkable economic growth, will the Royal Government of Cambodia be able to improve the public service delivery and the civil servant remuneration to an appropriate level as in the 1960's?

Based on the idea that improving human resource management is one of the necessary conditions to reach better civil service performance, the National Program for Administrative Reform (NPAR) was approved by the RGC in 1999 with the objectives of promoting effective administration through the increase of employee's motivation and satisfaction and the establishment of responsive governance towards the needs and wants of the society.

According to the Council for Administrative Reform (CAR), in 2005, the Cambodian civil service employed about 164,595 civil servants that represent around 1.2 percent of the total population and about 2.2 percent of Cambodia's active population. Quantitatively, this number would be sufficient to support the rapid socio-economic development of Cambodia if the human resource management system was restructured in an effective way.

Brief Strategies and Achievements in Civil Service Reform

In Cambodia, the civil service reform is considered an essential element of the NPAR and articulated around four poles: improving service delivery, enhancing pay and employment, developing capacity of civil servants and institutions and promoting information and communication technologies (ICT).

In its effort to achieve the four pillars above, enhancing remuneration policies which aim at rationalizing, motivating, and retaining qualified civil servants were approved by the RGC in October 2001. As a result, the government recently committed to increase the salary of all public civil servants by 15 percent per year.

Another important pillar of

civil service reform is the redeployment of the civil service. The purpose of this process is to balance the needs for civil servants between the back office and the front office based on the concept "Put the Right Person in the Right Place". To achieve this, the government has set four main strategies: to reinforce core services, to redeploy staff to meet the needs, to primarily recruit locally, and to provide incentives for local employment.

In the era of globalization, improving knowledge, know-how and skills of civil servants are essential to adapt to the fast development of technologies and increase the comparative competitiveness of the public sector. Currently, trainings, conferences, seminars have been provided through many programs such as the Management Development Program (MDP), Professional Development Program (PDP), the Economic and Public Sector Capacity Building Project (EPSCB), etc. In addition, the concept of Priority Mission Group (PMG) has been implemented to accelerate the reform process

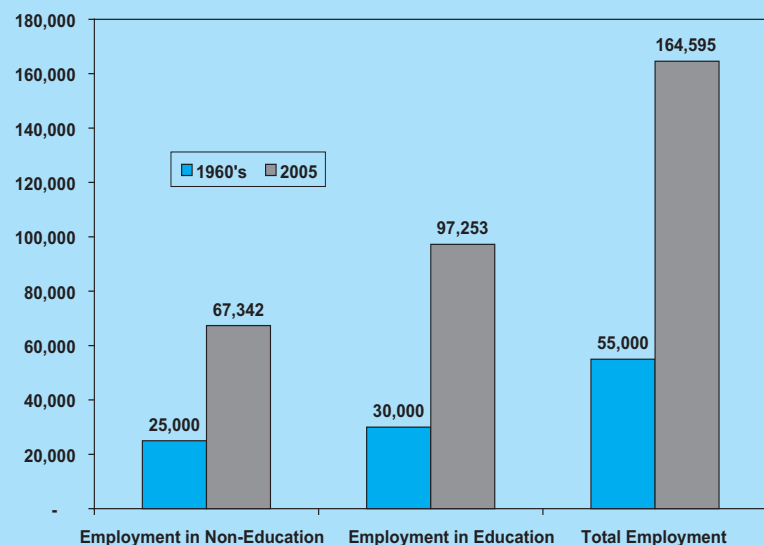
and address bottlenecks through teamwork and incentive schemes.

At the same time, thanks to concerted efforts from stakeholders, the system to manage and control the workforce including human resource management information system (HRMIS) has been upgraded from paper-based to computer-based at the central level.

Issues and Challenges

The annual increase of remuneration by 15 percent seems to be insufficient to cover the living expenses of each civil servant due to the low index value and high inflation rate. A civil servant mentioned that his "salary is around US\$31 per month and the yearly increase of 15 percent represents only about US\$4.7, it is not enough to cover the living expenses as the price of commodities continues to increase". With the low basic salary, the nominal increase of US\$ 4.7 does not allow one to have an adequate living standard, thus, it forces him to use his official

Figure 1: Comparison of Number of Civil Servants between the 1960's and 2005



Source: CAR and EIC, Compiled from Various Sources

working time to generate additional income from other activities.

Figure 2 indicates that the average salary of civil servants in 2005 represented only 4.9 percent of the average salary of civil servants in 1960's. However, the current remarkable economic growth leads to an important question as to why the remuneration of civil servants could not be increased to a decent level.

The recent studies of the Economic Institute of Cambodia (EIC) and the Center for Social Development (CSD) indicate that corruption in both the private and public sector respectively amounted to around US\$330 million and US\$66 million per year.

These findings highlighted the issues of the patronage system and corruption that negatively affect the national budget, distort the social contract and cause inequity in the society as well as in the public service. The same studies also indicate that the main reasons for these issues are low remunerations and poor implementation of the legal framework.

In addition to the issues above, although employment in the education sector in 2005 represented about 59 percent of the total civil servants, Cambodia is still confronted with a shortage of qualified civil servants because of a poor educational system, civil war and the patronage system. Furthermore, due to corruption and the patronage system, under-qualified and insufficiently experienced staff tend to be nonetheless promoted. These issues affect the quality of public services.

Figure 1 shows that, in 2005, the workforce in education and non-education sectors represented respectively about 0.7 and 0.5 of the total population. This ratio is noticeably bigger than the same ratio in 1960's, which respectively represented only 0.4 and 0.36. These data lead to another research question of why the current civil service performance, especially in the education sector, is poorer than the civil service in 1960's as the ratio of number of civil servant on total

population is higher.

Many previous researches proved that the employment of the Cambodian civil service is imbalanced between back office (administrative staff) and front office (frontline staff). Moreover, most qualified staffs are concentrated in major cities and this issue leads to poor public service delivery in some areas where there is a shortage of qualified staff, especially remote areas.

Training public civil servants is a huge investment for the government, thus, two aspects should be taken into account: training costs and training outcomes. Previous researches proved that it is rarely cost-effective to invest in training unless employment conditions improve.

Nonetheless, some other issues have occurred because the responsibilities and roles of each civil servant are not well defined. Some civil servants frequently use their working time for personal purposes under the pretext of having salaries that are too low. These issues highlight that the human resource management system in the Cambodian public sector is still poor and needs to be effectively restructured.

Moreover, each civil servant generally comes from different parties making it difficult sometimes to coor-

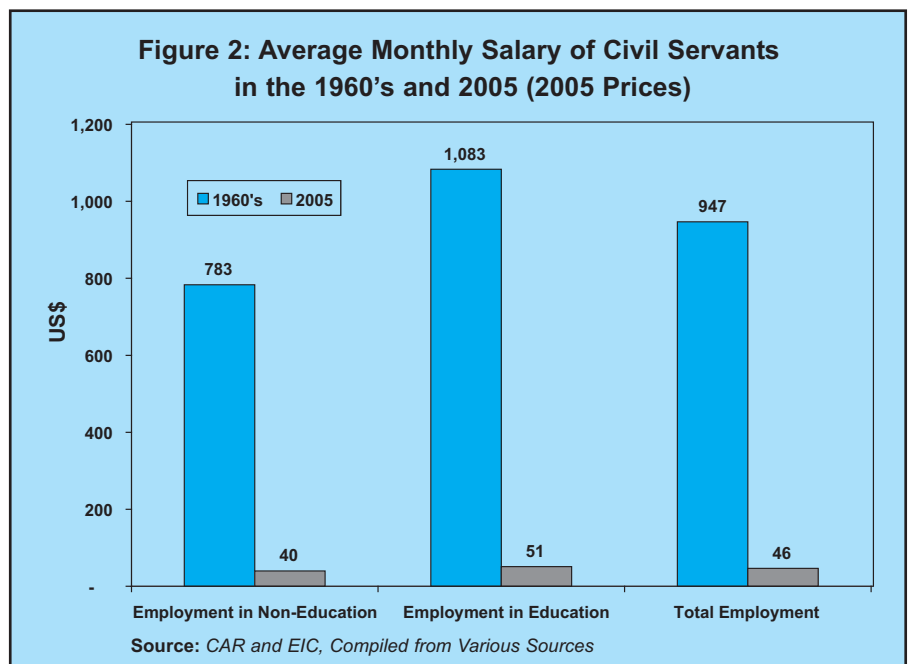
dinate the work. Otherwise, the majority of them are politically appointed and promoted by their party, thus, they will think firstly of the party's interest instead of the public's interest.

Political appointments and the patronage system can result in inequitable opportunities among civil servants to be promoted, which discourage them to work. Politicization happens in all developing countries and is now considered in Cambodia a structural issue that is one of the major barriers for civil service reform.

What's Next?

Most operational issues, especially related to the HRMPs for public service such as recruitment, promotion and redeployment, should be tackled in the short term by enforcing legal frameworks. But, effective implementation of those HRMPs requires strict management and a control system, transparency and accountability.

In the medium term, there is an urgent need for an anti-corruption law to eliminate the patronage system and to punish the civil servants who carry out illegal activities. At the same time, this law will also help speed up all processes of civil service reform and improve the professional ethics of civil servants. These points indicate



that it is necessary to accelerate the drafting process of this law. However, once the anti-corruption law is adopted, strict, effective, and impartial implementation of this law is unconditionally required.

The patronage system and political appointment of civil servants are common problems that seriously affect the integrity and performance of the civil service. Nevertheless, it requires a strong will from all stakeholders, especially the government and donors, to support the concept of depoliticization by moving from a patronage system to a merit-based system.

Beside the consolidation of the legal framework, the remuneration of civil servants also has to be increased to a decent level that allows them to cover their living expenses. Increasing civil servants' salary by 15 percent each year is not enough yet to ensure that each civil servant can have a good living standard without having to turn to corruption. Increasing staff salaries to an adequate level is a necessary condition and one of the most important key motivation factors.

The EIC's study on "Local Public Service Performance and Unofficial Fees" indicated that the suggested salary from the majority of primary school teachers was about US\$100 per month in order to allow them to have minimum standard of living. Moreover, the research findings also showed that reducing corruption and eliminating the patronage system are possible if the working conditions and salaries of civil servants are adequate.

The limited national budget is a great challenge for raising staff salaries but there is still hope to enrich it. First of all, once corruption is reduced by the implementation of the anti-corruption law, the national budget revenue will automatically increase. Secondly, the new resources of oil and gas will also be potential contributing factors to the state's revenue.

From an economic point of view, once the public administration of

Cambodia reaches a certain level of effectiveness, foreign direct investments will expectedly increase due to the reduced corruption and the enforcement of the legal framework. As a result, the Cambodian labor market will be enlarged and poverty will be alleviated.

Lesson Learned from Thailand

Thailand's public administrative reform has successfully moved from a bureaucratic to performance and output-based administration. There are five main success factors for this reform: strong political will from the government, full authority and autonomy given to well-defined and prepared units that strong commitment to the reform mission, participation of the civil society in identifying problems through media, careful studies and researches on the areas requiring change, and adequate financial support.

Concluding Remarks

Considering that civil service reform is not an easy task, it needs consensual efforts from all stakeholders. However, to get rid of the patronage system and corruption and improve the quality of public services, changing the individual mindset and

fostering a clear legal framework, particularly the anti-corruption law, are the fundamental conditions.

In spite of the fact that the four pillars of civil service reform has been carried out in the right direction, accelerating the entire process and defining key success factors are required. National will and the participation of civil society is essential to define strategies and ensure the success of the civil service reform. However, the assessments of civil servants' satisfaction on the reform policies as well as the outcome of their implementation are recommended to evaluate the efficiency of each policy.

Moreover, increasing salaries and redeploying civil servants in order to balance the back and front office are important challenges, lessons learned from Cambodian effective administration in 1960's and careful research studies on these two challenges are essentially required to accelerate and ensure the success of Cambodian civil service reform.

Finally, politicization is a structural issue hindering the democratic development. Further research and studies on this issue are also needed to define the right strategy for depoliticization.

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