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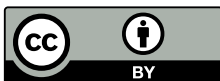
A short guide for factory managers in Cambodia



Financial services for workers

A short guide for factory managers in Cambodia

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We also extend our appreciation to the factory managers who continue to champion initiatives that empower workers through digital wage payments, financial literacy and access to essential formal financial services. Your leadership and dedication make a meaningful difference in the financial lives of workers.

This guide was developed as part of the implementation of ILO's Global Centre on Digital Wages for Decent Work project in partnership with Better Factories Cambodia and RISE's Financial Health programme in Cambodia.





1

Introduction

Financial inclusion in Cambodia has been growing rapidly, with 39 per cent of adults holding a financial account in 2024, up from 22 per cent in 2017. Mobile financial services have contributed to this progress, as 17 per cent of Cambodian adults now have a mobile money account. However, these figures remain well below the 75 per cent of adults across low- and middle-income countries who own an account. Access also remains unequal: 63 per cent of women (compared to 58 per cent of men) and 72 per cent of the poorest 40 per cent of the population still lack access to a formal financial account.¹

Financial services can positively impact both women and men workers by helping them build savings, access emergency funds, and rely on insurance during financial shocks. Factories can play a crucial role in supporting workers' transition to formal financial services, with the digitization of wage payments often serving as the first step in this process. Digital wage payments can open the door to a wide range of financial services – such as payments, savings, insurance, and credit – enhancing workers' economic opportunities and financial resilience. Factories have an important part to play in ensuring that these services align with workers' needs and preferences, helping them maximize the benefits while minimizing potential risks.

This guide is intended to support you as a factory manager in making informed decisions about how your factory can support women and men workers to access

¹ World Bank. [Global Findex database 2025](#).

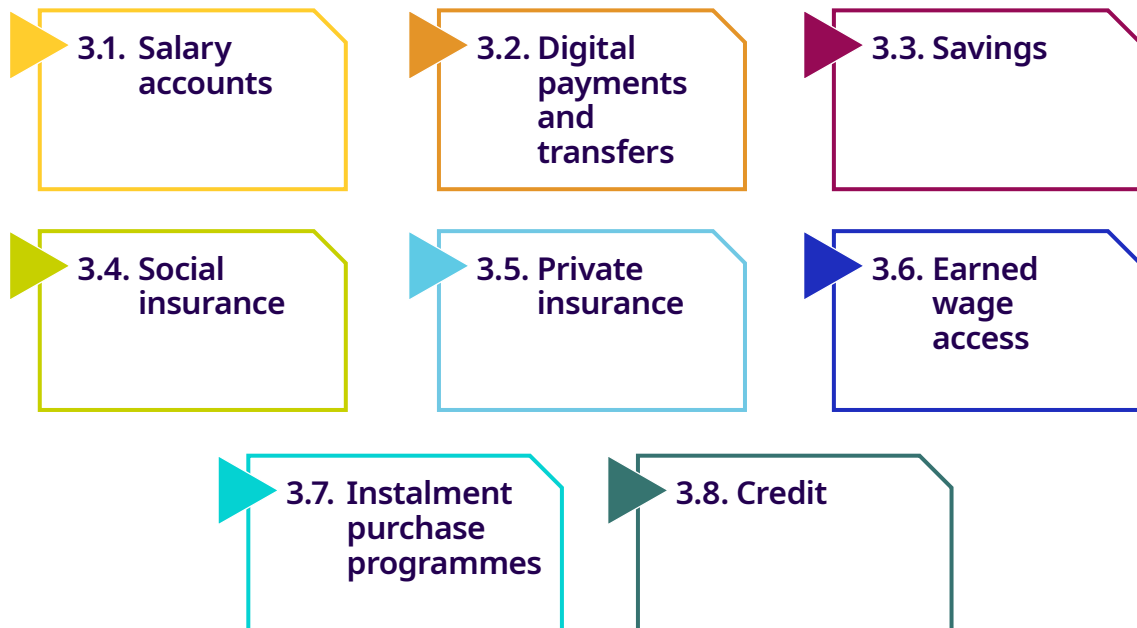
formal financial services. The guide provides an overview of a range of financial services, including a description of each service, how the factory may be involved, the potential benefits and risks for both workers and factories and a checklist of questions to support discussions with service providers.

Whenever you are considering financial services, it is vital to keep three principles in mind throughout:

1. **Evaluate each financial provider and product thoroughly.** Carefully selecting a licensed financial service provider is essential. It is also important to evaluate each product as all financial products carry potential benefits as well as risks or challenges for both the factory and its workers. Financial products are constantly evolving, so it is important to use this guide as a starting point and review the details of any product carefully before making decisions.
2. **Consult workers.** It is important to understand the needs of both women and men workers — including the most vulnerable such as workers with disabilities, older workers, migrant workers and workers with low literacy levels — and to discuss their preferences for financial products and how they are offered. Consultation with workers is therefore the first step in the process outlined in Section 2 and should be continued throughout the engagement with financial services.
3. **Include financial education.** Financial education is key to help workers safely choose and effectively use financial services. High-quality financial education reduces the risks related to the adoption of financial services and enables workers to benefit from services fully. It also supports factories by promoting responsible use, which can lead to improved worker productivity, retention and reduced days of absence. Strong financial education also significantly reduces risks for factories, such as complaints, reputational damage, or reduced productivity due to issues like over-indebtedness. Factories should therefore consider the financial education needs of workers and ensure they receive adequate training and support (see Annex 2 for more information on financial education).

How to use this guide

For any financial service, start with Section 2 of this guide, “How to engage with and select a financial provider”, which outlines the overall process applicable to all products. Next, go to the relevant financial service in Section 3, which offers detailed information and guidance on engaging with providers of each financial service (as listed in the boxes). Finally, refer to Annex 1 for additional sources of information and Annex 2 for information on financial education, which is crucial to safely and successfully introducing any financial service to factory workers, including those who are most vulnerable.









2 How to engage with and select a financial service provider

Whatever the product or service you are considering, you'll need to follow a basic process to engage with, assess and decide on a financial service provider. In some cases, may simply involve whether to allow a provider to promote their service to your workers. Even then, it is important to evaluate the service, its value and potential risks for both workers and the factory. Poorly designed financial services – or those that expose workers to significant risks, such as over-indebtedness – can harm workers' wellbeing and, in turn, affect productivity. When a service is to be offered in partnership with the factory, the selection process should be even more thorough, as it may involve financial, operational, and reputational implications.

Follow these four steps to identify and assess financial products and services before promoting in the workplace to avoid any unintended consequences for women and men workers.

1

STEP ONE: Engage with workers

Begin by engaging with women and men workers - or their representatives - to understand their financial needs, aspirations, and preferences regarding providers and products. These insights will help you prioritize which financial products to introduce as an employer or to support workers in accessing and understanding.

2

STEP TWO: Conduct an initial check of potential providers

Before processing, it is important to make sure that any financial service providers are legally compliant and reputable.

► Gather feedback from peers and associations

Reach out to other factories, especially those already working with the provider, to learn about their experiences and any issues encountered. You can also seek input from employer associations like the **Textile, Apparel, Footwear & Travel Goods Association in Cambodia (TAFTAC)** or the **Cambodian Garment Training Institute (CGTI)** to understand the experiences of their members.

► Research the provider's reputation

Conduct a thorough online search to identify any negative news or public concerns about the company.

► Verify regulatory approval and licensing

Confirm that the provider is properly approved, financially solvent and licensed by the relevant authority for all services offered:

- ▷ **Banks:** [National Bank of Cambodia \(NBC\)](#)
- ▷ **Non-bank financial institutions (e.g., Fintechs):** [Non-Bank Financial Services Authority \(FSA\)](#).

If the lists on their websites are not up to date, contact their hotlines to confirm:

- ▷ **National Bank of Cambodia complaint hotline on 016 568 490**
- ▷ **Financial Consumer Protection Center on 015 365 222 (Consumer Enquiry and Consumer Dispute Resolution)**

Providers with longer track records and several years of licensing are generally preferable – especially for core services such as digital wage payments.

► Check for regulatory actions or fraud warnings

Check if the provider has been subject to regulatory action or fraud warnings. The [NBC](#), [FSA](#), and the Securities and Exchange Regulator of Cambodia ([SERC](#)) issue public warnings about informal lenders, unlicensed platforms, and scams. The Financial Consumer Protection Center (FCPC) is also a key source for customer protection and complaint resolution mechanisms for financial services.

Check these agencies' websites and search online for any news alerts, insolvency proceedings, public warnings by the authorities, or user complaints. If a provider has been the subject of regulatory action or fraud warnings, it is safer to avoid engaging with them or allowing them access to your workers.

3

STEP THREE: Assess the financial products and services

Once you are confident that the provider is reputable, look in more detail at the products or services they offer, including their benefits and potential risks. Use the guiding questions below – along with the more detailed questions in each financial service section – to structure your discussions with providers and assess each offering.

This process may involve several meetings or calls with the provider to fully understand the service and its implications for both the factory and workers. It is also recommended that you visit and test the service points (such as online platforms, helplines, agents or bank branches) to assess accessibility and the quality of customer service firsthand.

At this stage, consult again with worker representatives to ensure that the products are relevant, accessible and affordable for women and men workers. Their feedback is essential in determining whether the services meet the needs of the workforce.

Key questions for all product and service types:

► **Relevance and appropriateness**

- ▷ Is the product or service beneficial and appropriate for both women and men workers?

► **Costs and transparency**

- ▷ What are the total costs of the service (for workers and the factory), including any fees, penalties or additional charges?
- ▷ Are these costs clear, transparent, and easy to understand?

► **Accessibility and inclusion**

- ▷ Is the product easily accessible to all women and men workers, including workers with disabilities, older workers and workers with low literacy levels?
- ▷ Does the provider understand the specific needs and barriers of your workforce (such as documentation requirements or limited internet access) and are they willing to make adjustments as required?
- ▷ What documentation or assets are required (e.g., ID documents, smartphones, SIM cards in the worker's name)?
- ▷ Are there any restrictions on use (such as maximum withdrawals or operating hours)?
- ▷ Where and how can the service be accessed (e.g., branches, agents, merchants, mobile apps, online platforms, ATMs etc.)?

► **Financial education and support**

- ▷ Does the provider offer financial education or training offered to help workers use the service effectively and safely?
- ▷ Is the provider willing to conduct training sessions, share educational materials, or any other financial education and support to ensure workers understand and make the most of the service.
- ▷ Are these materials balanced and educational and not only intended to promote use of the service?

(See Annex 2 on financial education for more information and guidance.)

► **Support for factory management**

- ▷ What support is available for factory management who will be involved in the financial service (where relevant)?
- ▷ If the service involves factory management, such as HR, finance or IT, to integrate systems, provide reports, or coordinate with workers, does the provider support them in taking on these new roles and processes?

► **Customer service and problem resolution**

- ▷ What channels are available for workers to ask questions, report problems or make complaints (eg. Helplines, branches, online platforms)?
- ▷ Are these channels accessible outside of factory working hours?
- ▷ What is the provider's process and timeline for resolving complaints?
- ▷ Is there a mechanism for factory management to escalate any issues related to workers' accounts quickly to the bank?
- ▷ How does the provider handle incidents of fraud?

4

STEP FOUR: Select a provider and reach an agreement with them

The final stage will vary depending on the type of financial product or service under consideration.

► When forming a partnership with a provider

For products offered in partnership between the provider and the factory, such as digital salary accounts or earned wage access services, a more detailed decision-making process will be required. Factory managers will need to bring together findings from the previous two stages and present them to the factory owner for a final decision. If the decision is to proceed, hold final meetings and negotiations with the provider to agree on terms and formalize the partnership through a written agreement.

► When granting access to promote services

If the factory does not plan to enter into a formal partnership but intends to allow a provider to promote or offer services at the factory or using factory communication channels, management should carefully review findings from the earlier stages before deciding whether to grant access.

► When only providing advice or information to workers

In cases where the factory will not engage directly with the provider but plans to guide or answer workers' questions about financial products, managers should use assessment findings to determine what to share.

Considering the needs of women and men when selecting and promoting financial products and services

It is vital to consider the different needs of women and men when promoting financial services in Cambodia's garment and footwear sector because traditional gender roles shape financial decision-making. Women typically manage daily household budgets, while men make larger purchasing decisions. As women make up 82 per cent of the workforce, services must respond to their needs, but both women and men should be engaged to ensure products are relevant and effective. Separate feedback sessions can help identify their different priorities and challenges, supporting a more gender-responsive approach.





3

Guiding information on key financial services

This section provides guiding information on key types of financial services which factory managers may come across or consider for their workers. It includes information on potential benefits, risks and challenges – both for workers and the factory. It also provides a list of service-specific questions to ask providers which should be used alongside the general questions for all financial services included in Section 2 of this guide.

This section also features “Products in focus” boxes with illustrative examples of the types of products currently available in various countries. These examples are provided solely for informational purposes and do **not** constitute endorsements of any specific product or provider.



3.1. Salary accounts

What are salary accounts?

A salary account is a financial account used to receive wage payments. Salary accounts can include:

- **Bank accounts:** An account with a bank allowing for deposits and withdrawals. Workers usually receive a debit card allowing them to withdraw money from ATMs and make payments. These accounts offer a more comprehensive selection of services and can promote access to other important financial services like digital payments and transfers and savings accounts.
- **Payroll cards:** A pre-paid card which is loaded with the wage amount on each payday. The cards can be used to access cash at an ATM or for payments. They are, however, more limited than a bank account.
- **Mobile money accounts:** An account linked to a user's mobile phone number which allows them to store, send and receive money on their mobile phone.

What is my role as an employer?

When an employer decides to transition from cash to digital wages, or to change payroll provider, they will need to implement or adapt the necessary systems for digital wage payments and support workers to access and use the salary accounts. Both selecting an initial provider and changing providers require a similar process of assessment, decision-making and implementation.

Changing providers should be approached with the same level of care and consideration of potential benefits and risks for both the factory and its workers. This is particularly important because encouraging workers to switch to a new financial institution and new salary accounts can be complex and may require additional support and communication.

Moreover, employers should always recognize that wages are a legally protected entitlement under Cambodian Labour Law (see Annex 1). When wages are digitized through salary accounts, core wage-protection principles — full and timely payment, worker consent, and effective access to wages — must be upheld, including when digital payroll systems are integrated with other financial services (e.g., those presented in this guide).

The employer's role in implementing digital wages and supporting workers to access their salary accounts typically includes:

- **consulting** with workers' representatives and unions;
- **negotiating** terms and arrangements with financial service providers;
- **adapting** internal systems and processes to enable digital payments;
- **arranging account opening** for workers;
- **providing space** for a provider to set up an ATM or booth on the factory premises if needed
- **coordinating batch salary payments** with the provider;
- **delivering ongoing financial education** and responding to workers' questions and concerns. Effective financial education from the beginning of the process helps workers benefit fully from digital wage payments, minimizes risks for the factory, and reduces time spent resolving issues later on.

Employers may also choose to cover some or all of the costs associated with account set-up, maintenance and debit card issuing fees. It is important that workers are not charged for these costs.

What are the benefits for workers?

- ▶ **Security:** Payments of wages on salary accounts reduce the risk of theft, loss, and counterfeit or damaged cash. They are safer than cash or cheques, particularly when combined with PIN protection, fraud safeguards, and deposit insurance. This also protects workers against the insolvency of employers or financial service providers.
- ▶ **Protection of wages:** Digital systems ensure workers receive full, timely wages (even if absent on payday) and reduce the risk of arbitrary, unfair, or hidden deductions. Workers receive digital proof of payment, which supports dispute resolution. It also eliminates the risk of losing part of their wage due to lack of small change or damaged banknotes.
- ▶ **Speed and reliability:** Workers can access wages faster, without waiting for cash or queuing. Digital payments are especially beneficial where cash-in/cash-out points (ATMs, agents) are accessible, allowing timely withdrawals or usage.
- ▶ **Improved control and autonomy:** With access to digital and financial tools, workers can check balances, track spending, and plan better. This empowers them to align wage use with personal priorities. For women in particular, digital wages may increase autonomy in managing household finances and reduce risks of harassment linked to cash handling.
- ▶ **Financial inclusion:** Accessing a formal account is often a first step toward financial inclusion. Digital wage payments help previously excluded workers (especially women), open accounts, build financial history, and access formal services like savings, credit, remittances, and insurance. This strengthens resilience and economic opportunity.²
- ▶ **Better access to social security:** Digital wage records can help prove employment relationships and support enrolment in social protection systems. They can also reduce wage underreporting and improve identification of beneficiaries.

What might be the risks or challenges for workers?

- ▶ **Poor understanding and distrust of the service:** Without financial education and support, workers may not have a good understanding of the service, their rights, and how to best use the account and avoid unwanted fees.
- ▶ **Possible costs and fees for workers:** If the service is not well-designed, workers may incur costs and fees, reducing their take-home pay.
- ▶ **Fears around tax:** Workers may try to avoid the sign-up process if they are afraid that they may have to pay more taxes if their pay is made into a formal account. Good financial education may be needed to overcome this.
- ▶ **Inconvenient or insufficient access:** If sufficient access points are not in place (such as ATMs, branches or agents) workers may find it difficult and time consuming to access their wages.
- ▶ **Pressure to take on additional services:** There is a risk that agents or marketing through the banking application may pressure new customers to take on additional services like credit cards, insurance, or consumer loans. Without sufficiently explaining the product and costs.
- ▶ **Forgotten PINs or lost cards:** PIN numbers are frequently forgotten, and cards can be lost, leaving workers unable to access their wages before going through processes with the financial institution to reset the PIN or obtain a new card. It is important that support is in place to quickly resolve these problems.
- ▶ **Fraud:** Workers, in particular vulnerable ones including women or older workers, new to financial accounts may be vulnerable to fraud without education on tactics like scam calls.
- ▶ **Sharing of devices or passwords:** Workers may share mobile devices or inform others of their PINs or passwords, allowing others to access their accounts.

² RISE and Mastercard (2023). *Improving Financial Health in Cambodia's Garment Sector through Responsible Wage Digitalization*.

What are the benefits for the employer?

- **Risk reduction:** Reduces security risks around transporting and holding large sums of cash, as well as reduced risk of fraud and arbitrary deductions.
- **Transparency and accuracy:** Reduces human error when processing wage payments and provides a transparent record of wages paid.
- **Cost-savings:** Reducing the human and financial resources required to calculate and manage cash payments, as well as for security and transport. Employers in Cambodia reported an 84 per cent reduction in administrative costs dedicated to preparing and disbursing payroll and saved an average of 15 minutes of production time per worker on payday.³
- **Compliance:** Digital records support auditing and reporting.
- **Worker satisfaction / retention:** Reduced risks of worker dissatisfaction from delays in cash payouts. Workers tend to come to appreciate and prefer employment in factories that pay wages digitally.
- **Efficiency:** Time spent by workers away from work to wait for and collect wages is eliminated.
- **Formalization:** In the case of smaller factories that are not yet formal, digital wage payments generate verifiable records that can support employers in the transition toward formality, allowing them to access public support programmes or procurement opportunities.
- **Access to finance:** A digital payroll history can strengthen relationships with financial service providers and improve the employer's eligibility for credit or tailored financial services.
- **Enhanced reputation and buyer relationships:** Digitization signals responsible business practices, which can improve standing with international buyers, certification bodies, and stakeholders concerned with labour standards. Indeed, 79 per cent of global buyers surveyed think digital wages are helpful in meeting their social and labour compliance requirements.⁴

What risks or challenges might I face as an employer?

- **Challenges with account opening and on-going support or workers:** Opening accounts for large numbers of workers can be challenging as the process can take time, require extensive support from the employer, and may require documents workers do not have readily available.
- **Limited understanding and possible resistance from workers or factory management** (such as HR and finance): It is important to educate workers and management staff on the process and benefits of the shift so that they are motivated to support the process.
- **Potential for worker dissatisfaction:** If the digital wage payment solution is not well designed and/or the provider is not able to process the payroll on time, this can create dissatisfaction among workers and tension with management. Another critical issue is the availability of ATMs. If a provider does not have sufficient ATMs, or if they are not in convenient locations, workers can face time consuming journeys or long queues on payday, leading to frustration around wage payments. Careful selection of the provider is key.

³ RISE and Mastercard (2023). *Improving Financial Health in Cambodia's Garment Sector through Responsible Wage Digitalization*.

⁴ HERproject (2021). *Garment Sector Wage Digitization—A Practical Guide for Global Brands and Buyers*.

What should I ask a potential provider of salary accounts?

► What are the costs for workers of opening and using the account?

Make sure to ask about all possible costs or fees. Even if accounts are free to open, check whether there are costs associated with maintaining the account, having a debit card, withdrawing cash and so on.

► Are there any costs for the employer?

The employer may be expected to contribute towards the cost of setting up and maintaining accounts for workers and may be charged a transaction fee for transferring wage payments to workers' accounts (remember that workers should not bear those transaction fees). In addition, there may be other costs to bear in mind. For example, if workers own or prefer to open accounts in a bank different to that used by the factory, the factory may have to pay charges to transfer to accounts in another bank. Remember that ideally workers should have the choice of account and financial service providers in which they receive their wages.

► How can accounts for workers be set up? What is the process and required documents?

Providers may offer the option to sign workers up individually or in small groups directly at the factory. Check how this will work in practice to make sure it is convenient for both workers and factory management. You should also confirm what documentation workers are required to provide. If getting those documents is difficult for some workers, ask whether the provider can accept alternative documents, or offer simpler products (such as pre-paid cards) with fewer requirements. (Remember that some form of ID will always be needed in order to meet "Know your customer" (KYC) legal requirements.)

► How can workers access and use their accounts?

Find out how workers will be able to use their new accounts. Ask whether there are bank branches, ATMs or other points of access located near the factory or where workers live, and how accounts can be accessed online or through feature phones. It may also be possible for ATMs or banking booths to be set up within the factory premises to improve accessibility.

► What will be the process for the factory to pay wages to the accounts?

Discuss the steps that factory management will need to take to arrange the wage payments (such as creating a file with worker details and payment amounts, authorizing payments, issuing physical or digital pay slips, and so on). Also review the ongoing processes required once digital payments are established, such as adding new workers, updating account information and handling any payment adjustments.

Evidence in focus: The benefits of digital wages for garment workers in Cambodia⁵

In Cambodia, evidence shows that digital wage payments bring important benefits to garment workers. Since 2019, RISE and the Mastercard Center for Inclusive Growth have partnered to expand wage digitalization in the sector, providing guidance to employers, ensuring women workers' needs are addressed, and providing financial capability training for workers. Among more than 26,500 workers (85 per cent women) across 17 garment factories reached, the following outcomes were observed:

- **Mobile money account usage** rose from **35 per cent to 90 per cent** for activities like payments, remittances, airtime top-ups, and bill payments.
- **Regular savings among women** increased from **45 per cent to 83 per cent**, for expenses ranging from medical bills to housing purchases.
- **Women's financial confidence grew with 80 per cent reporting** being able to handle a financial emergency in the next two years (up from 55 per cent).
- **Employers reduced payroll administration costs by 84 per cent**, saving on both cash transport and staff time for payroll processing.

One worker summarized her own experience of the change:

"I am paid into a bank account which I prefer to cash. [Following training] I've learnt to use my account to pay for online shopping, now I buy my children's clothes online – it's much more convenient. I've also started saving 10 USD each month. I transfer it to my savings account. I feel more confident now about my future expense – if someone is sick then I have savings to pay the hospital bill."

(Champi, woman garment worker, Phnom Penh)

⁵ RISE and Mastercard (2023). *Improving Financial Health in Cambodia's Garment Sector through Responsible Wage Digitalization*.

3.2. Digital payments and transfers

What are digital payments and transfers?

Digital payments and transfer services allow workers to pay for expenses such as school fees, rent, utilities or other bills, as well as transfer money to other individuals. In 2024, 32 per cent of adults in Cambodia reported using digital payments (compared to 62 per cent of adults across low- and middle-income countries), with 16 per cent using a card or phone to make a purchase in-store, 13 per cent making bill payments online, and 14 per cent buying something online.⁶

What is my role as an employer?

Many digital wage or salary accounts give workers access to digital payment and transfer services. Employers should take these features into account when consulting with workers and when negotiating with or selecting a digital wage provider. Once in place, it is also important that employers support workers in understanding and safely using the available digital payment and transfer services.

What are the benefits for workers?

- ▶ **Convenience and time saving:** Transfers and payments are typically popular and useful services for workers. They allow them to make payments quickly and conveniently, without needing to go in person and wait to make payments in cash.
- ▶ **Security:** Digital payments and transfers remove the need to carry sums of cash in person to make payments. This reduces the risk of robbery or assault. In addition, the service is a safer alternative to risky informal money transfer agents when sending remittances to family in rural areas.
- ▶ **Transparency:** Digital records of payments and transfers can improve transparency, allowing workers to demonstrate that a payment has been made.

What might be the risks or challenges for workers?

- ▶ **Low financial literacy and experience with services:** Workers may incur charges they had not understood or make payments of the wrong amount or to the incorrect payee if they do not have a good understanding of the service.
- ▶ **Possible costs for recipients:** If a recipient, such as a family member, does not have an account with the same provider, they may have to pay fees to access the money once it is transferred.
- ▶ **Security and fraud/scam risks:** Although the risk of robbery of cash is reduced, there are risks that stolen devices could provide thieves with access to payment services. There is also a risk of fraud or scams, for example fraudsters may pretend to be a family member or institution and request money through a payment service.

⁶ World Bank. [Global Findex database 2025](#).

What are the benefits for the employer?

- **Reduced worker absence:** Workers may miss work or arrive late if they urgently need to make a payment or transfer (for example, if an emergency happens in the family). Digital transfer options reduce this need.
- **Increased acceptance of digital wages:** Payments and transfers are an important way in which workers use digital financial services. These kinds of services demonstrate the value of digital wage payments and account ownership for workers who have transitioned to digital wages.
- **Improved relationships with workers:** Being able to send a remittance or other transfer urgently is appreciated by workers and may improve the reputation of the factory and management among workers.

What risks or challenges might I face as an employer?

- **Impacts on workers affected by fraud or payment mistakes:** If workers are victims of fraud or make mistakes when making a digital payment or transfer, this can have significant impacts on them financially and psychologically. Workers may be distressed and distracted at work, or even absent, or employers may need to provide support or counseling.
- **Reputation risk:** In case of any poor experiences with the service, workers may bring problems or complaints to the employer. This is especially true if the service was promoted in the factory or through factory channels. Factory management are not directly involved in the service and may find these problems hard to address.

What should I ask a potential provider?

► **What are the costs for workers in using the product?**

Make sure to check for all possible costs and push for a full understanding of any fees. Make sure they are transparent and easy to understand for workers.

► **How can workers sign up to use the service? What is the process and required documents?**

Understand how workers can sign up to use the service, and whether the process is feasible for them.

► **What kind of promotion might the provider wish to do through the factory and what are the implications?**

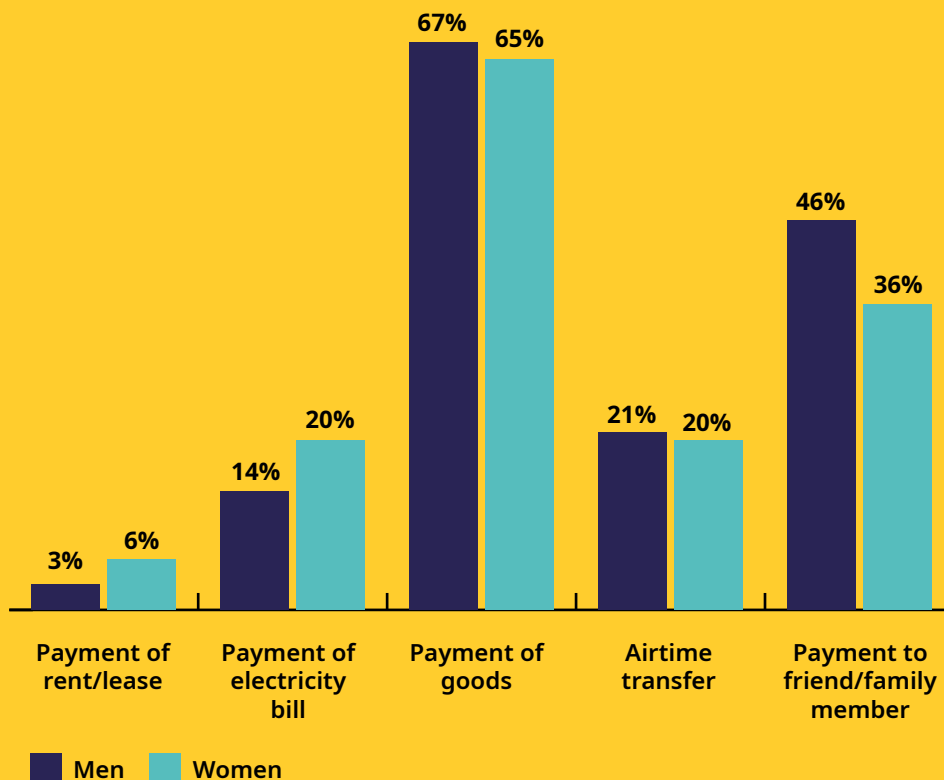
For example, are they requesting space to set up a stand to promote the service and sign-up workers, or would they like to give out promotional materials? Understand whether the proposed approach is feasible for the factory. It will be important to make it clear to workers that signing up is optional and explain the relationship between the factory and the provider.

Evidence in focus: Supporting factory workers in Cambodia to use digital payment and transfer services⁷

The digitization of wage payments has accelerated in Cambodia's garment sector in recent years. As of June 2025, 76.8 per cent of factories engaged with the ILO/IFC Better Factories Programme have digitized the wage payments, as compared to 50 per cent in 2022. This represents 600,000 workers, most of whom are women, who now receive their wages in a financial account. Evidence has shown that without additional support, many workers withdraw their full wages or a very large portion of their wages on or around payday, limiting use of additional services like payments and transfers.

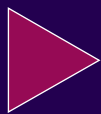
As part of an initiative of RISE and the Mastercard Center for Inclusive Growth, workers received financial capability training to build their knowledge and confidence in using payroll accounts and associated services. A key element of this has been supporting workers to use payment and transfer services, and these have proven popular among garment workers. The initiative resulted in significant increases of 35-90 per cent in mobile money account usage for activities like payments, remittances, airtime top-ups, and bill payments. Payments for goods and transfers to friends or family members were the most popular payment and transfer services, as seen below.

► Types of mobile money transactions made by workers in Cambodia following participation in the RISE programme.⁸



⁷ RISE and Mastercard (2023). *Improving Financial Health in Cambodia's Garment Sector through Responsible Wage Digitalization*

⁸ RISE worker surveys conducted in Cambodia between Sept 2021 and February 2023 with 451 workers.



3.3. Savings

What are savings?

Savings accounts allow workers to put money aside for the future in a separate account. Just 11 per cent of Cambodian adults saved in a formal account in 2024, compared to 40 per cent across low- and middle-income countries.⁹

There are many types of savings with overlapping features:

- **Regular savings accounts:** Workers can open a savings account with their existing account provider or a different provider, and transfer money into it whenever they choose. Typically, savings can be withdrawn at any time, but some accounts may have a short delay (such as one day) before funds can be accessed.
- **Targeted/contracted savings account (also called an instalment deposit account):** The account owner commits to setting aside a fixed amount each month for a specified period to reach a specific goal. Early withdrawals may be restricted or subject to penalties. These can be long-term plans used to save for retirement, in which case they are known as **retirement savings schemes**.
- **Time (fixed) deposit accounts:** These are designed for depositing a larger sum of money for an agreed period and offer higher interest rates. Early withdrawals may be either restricted or penalized.
- **Default workplace savings:** Employers may offer savings schemes where, with the worker's agreement, the employer allocates part of the worker's salary into a separate savings account in the name of the worker. In some cases, the employer matches the worker's contributions up to a certain limit to encourage workers to save. Participation may be opt-in, requiring workers to sign up, or opt-out, where workers are automatically enrolled, with a set percentage of their salary allocated for savings but can decide to withdraw or adjust the proportion of their salary channeled to the savings account. ***At the time of writing this guide (July 2025), default workplace savings schemes are not yet available in Cambodia.***

Informal and unlicensed savings schemes and providers are not covered here, but factory managers should be aware that workers may well use these services. These informal schemes carry additional risks, such as potential loss or misappropriation of savings.

What is my role as an employer?

Most savings products do not require direct employer involvement and can be made available and promoted to workers once they have a bank or other financial account. However, providing financial education that encourages regular savings habits can be valuable, since these have important benefits for workers' financial health. A service provider might approach the factory to promote the service among its workers.

Default workplace savings, on the other hand, are implemented in partnership with the employer. In this case, factories need to:

- consult with workers to understand their needs and preferences
- negotiate with service providers
- establish internal and external processes, and
- actively promote the savings scheme while providing financial education to their workforce.

Default workplace savings schemes can be considered, as evidence from high-income countries — including the UK and the USA — shows that these schemes are popular with workers and effective in improving financial wellbeing and therefore productivity.

⁹ World Bank. [Global Findex database 2025](#).

What are the benefits for workers?

- ▶ **Better able to manage emergencies:** Savings allow workers to manage emergencies without resorting to more damaging strategies like reducing food intake or high-cost loans.
- ▶ **Better able to make investments and save for the future:** In addition to emergencies, savings also help workers make investments and plan for the future.
- ▶ **In the case of default savings, a higher likelihood of savings:** Extensive evidence shows that default savings result in higher and more regular savings, as well as changed attitudes to saving. This is especially true for “opt-out” savings schemes.¹⁰
- ▶ **Income support in old age:** Even small contributions to a retirement savings plan can build a financial cushion for retirement years. This can supplement limited NSSF pensions.

What are the benefits for the employer?

- ▶ **Improved financial wellbeing can lead to improved mental health and greater productivity:** Having a savings buffer can make workers feel more confident and improve wellbeing. This can result in higher productivity at work.¹¹
- ▶ **Popular with workers:** Workplace savings schemes tend to be popular among workers. Workers’ satisfaction may lead to greater performance at work and a positive work environment.

What might be the risks or challenges for workers?

- ▶ **Possible delays or costs in accessing funds:** Savings are generally a low-risk financial product for workers, given that they are able to access the funds should they need to. However, if there is a delay in how quickly workers can access funds, or costs associated with accessing funds before an agreed savings term, this could leave them unable to rapidly access money which is theirs in an emergency without costs. This is not typical, however, as most flexible, short-term savings can be accessed immediately or within a day without cost or at a minimal transaction cost.
- ▶ **Limited financial literacy or poorly explained service:** It is possible that if workers do not understand a default savings service they may be dissatisfied or distrust the separation of part of their wages. There are also risks if workers do not fully understand any delays or costs associated with withdrawing savings.

What risks or challenges might I face as an employer?

- ▶ **Reputational risk for workplace products:** As a simple product, reputational risks around savings are low. However, any negative experiences with workplace savings, such as unavailable customer support or unresolved complaints, can reflect poorly on the employer.
- ▶ **Regulatory compliance:** In some countries, default workplace savings may not be compatible with legal requirements around wage payments, or the product may need to be carefully designed to ensure those requirements are met. If these products become available in Cambodia it is recommended to check that they are compliant with wage payment regulations. This can be discussed with legal staff or with employers’ organizations who may have appropriate advice.

¹⁰ Nest Insight (2024). [Easier to Save](#).

¹¹ Nest Insight (2021). [Workplace emergency saving: A landscape review of existing evidence](#).

What should I ask a potential provider? For ALL savings services:

► How can workers sign up for the service? What is the process and required documents?

Assess whether the process is feasible for factory workers and management (if done on site).

► What are the features of the service? How can workers save and how can they access their savings?

Understand the process for depositing money to and withdrawing from the savings account. Is the process easy to access and understand? Is there a minimum initial deposit and minimum balance? Are there any limits on withdrawals? Are there delays between requesting a withdrawal and being able to access the money? Do savers receive interest on their savings, and if so, how is it calculated and how often is it paid?

► Are there any costs for using the service?

For example, are there costs for maintaining the savings account or product, making withdrawals, or penalties for withdrawing funds before a certain period has passed?

► What kind of promotion might the provider wish to make through the factory and what do they need to do so?

For example, would they like space to set up a stand to promote the service and sign-up workers, or would they like to give out promotional materials? Understand whether this is feasible for the factory. Also, make sure that the promotion makes it clear whether the service is offered in partnership with the factory or independently, and that workers do not feel pressured to take up third-party services.

It is also possible that the savings service is promoted purely online or direct to customers (for example through SMS messages or through a banking app), meaning that the employer would not have any involvement in promotion and may not even be aware that the service is being promoted to their workers.

► How is the money managed, and what protections are in place?

Request information on how funds are invested, who oversees the management, and whether deposits are insured or protected under Cambodian law. Ask about governance, transparency, and dispute resolution mechanisms in case of problems.

For workplace savings to be offered in partnership with the factory:

► How will the automatic savings be implemented and what is the role of the factory and that of the provider?

Understand what the provider will require from the factory in order to set up and maintain the service, and how roles such as promotion, education, and enrolling and removing workers will be shared between the factory and the provider.

► **How will data be shared between the factory and the provider and how does the provider ensure data privacy standards are met?**

This may include data on workers, wages and opt-in or opt-out requests. It will be important to understand how the information can be exchanged and whether any relevant systems are compatible. It is also important to assess the measures put in place by the provider to ensure data privacy, given that sensitive worker information may be shared with the provider.

► **What support is in place if workers bring questions, problems or complaints about the service to the factory management?**

Workers may come to you or other factory management staff, such as HR, with complaints or problems related to the service. Is there a mechanism for you to escalate any problems quickly to the bank?

Products in focus: Innovations in flexible savings in India and micro-savings in Bangladesh¹²

Middle-income workers in India would like flexible savings options to help them meet short-term goals but face limited and unattractive options in the country through traditional banks. EasyPlan addressed this gap by offering mutual fund-linked savings that are flexible. Their savings account allows for same-day withdrawals and provides higher returns than conventional savings accounts. EasyPlan has reached 200,000 users in India and continues expanding.

The savings plan works through a mobile app that allows users to set specific savings goals, such as funding education or creating an emergency savings buffer, and links them to flexible mutual fund investments. Users can start saving with as little as INR 100 (1.13 USD) and set automatic contributions on a daily, weekly, or monthly basis. They can track their progress towards goals and adapt their contributions whenever they need to. This allows users to build consistent savings habits while maintaining flexibility. In the words of one user, Siddhi:

“The functionality to track the goals and returns on a daily basis has helped in developing a weekly savings habit.”

In Bangladesh, structured micro-savings options have emerged to help factory workers in the country to build savings. Bank Asia’s BDT 100 allows workers to deposit BDT 100 (less than USD 1) into an account each month and receive a lump sum at maturity. The IDLC-bKash Digital Saving Scheme provides a digital option, allowing workers to open a savings account and make monthly deposits ranging from BDT 500 to 3,000 (approximately USD 4 to 25) through the bKash app. In this case, the instalments are deducted automatically from workers’ account.¹³

¹² MicroSave Consulting (2021). [EasyPlan: Easing the middle-income segment into a more robust savings behavior](#).

¹³ Consiglieri and SwissContact (2024). [Systemic change and system change report: Sarathi – Improving Financial Health](#).

3.4. Social insurance

What are social insurance services?

Social insurance services in Cambodia are provided through the **National Social Security Fund (NSSF)**, a government-mandated system designed to protect workers against major life and work-related risks. The NSSF is currently made up of three primary elements:

1. **Employment injury insurance**, which provides medical care and wage replacement in the case of workplace accidents or occupational diseases.
2. **Health care and maternity insurance**, which allows workers to access accredited public and private health facilities for treatment and maternity services.
3. **Pension scheme**, launched in 2022, which includes old-age pensions, disability pensions, survivor benefits, and funeral grants.

Employers are legally obligated to register their workers under the NSSF and to pay contributions. Between 2017 and 2025, around 2.7 million people were registered under the NSSF. The contribution structure varies by scheme, at 0.8 per cent of wages for employment injury insurance (paid by the employer), 2.6 per cent for health care and maternity (also paid by the employer) and 4 per cent for the pension scheme (of which 2 per cent is paid by the employer and 2 per cent by the worker). These rates are expected to increase gradually over the coming decades, and it is important you check current rates in case they have changed since this guide was prepared.

NSSF also incorporates some non-contributory assistance programmes, such as **social assistance pensions**. These target elderly people living in poverty or extreme vulnerability. They are funded by the government and/or development partners and provide a small monthly transfer. They may be relevant for older workers who have not been able to build up sufficient contributions to contributory schemes and factories can make such workers aware of these schemes.

The details of NSSF may evolve over time, and factories should check the latest details on the [NSSF website](#).

What is my role as an employer?

Employers are required by law to **register all eligible employees** in the NSSF and to ensure timely, accurate payment of contributions to each scheme. In addition, employers are expected to support workers in accessing their entitlements, for example by providing information, facilitating communication with NSSF offices, and helping with administrative processes. For the pension component, employers must deduct the worker's contribution from payroll, add their own share, before remitting both to the NSSF.

What are the benefits for workers?

- ▶ **Comprehensive healthcare access:** Workers can access a broad network of NSSF-accredited public facilities, as well as some private facilities for medical services, including consultations, hospitalization, surgery, and maternity care, without out-of-pocket costs.
- ▶ **Wage replacement:** In case of sickness, maternity leave, or injury, NSSF offers partial wage replacement, ensuring that workers can recover without falling into financial hardship.
- ▶ **Pension entitlements:** Through the pension scheme, workers accumulate rights to monthly payments upon reaching retirement age, as well as coverage in case of permanent disability or death.
- ▶ **Funeral and death benefits:** NSSF offers lump-sum payments for funeral expenses and to support to survivors.
- ▶ **Formal protection and stability:** Workers gain access to a formal safety net that offers stability during life events and emergencies, without needing to rely on debt or informal support systems.

What are the benefits for the employer?

- ▶ **Legal compliance:** Ensures compliance with Cambodian labor law, avoiding fines or legal action.
- ▶ **Reduced liability:** By participating in the NSSF, employers shift the financial responsibility for workplace injury, sickness, and maternity leave to the state system.
- ▶ **Improved workforce wellbeing:** Healthier workers are more productive, and reduced financial stress can improve morale and focus at work.
- ▶ **Buyer and stakeholder confidence:** International brands and buyers increasingly value social compliance. Formal participation in NSSF demonstrates a commitment to worker welfare.
- ▶ **Lower turnover and absenteeism:** Access to social protection can increase job satisfaction and retention.

What might be the risks or challenges for workers?

- ▶ **Reduced take-home pay:** Payments to social insurance deducted from the workers' salary reduce take-home pay for workers but provide important benefits and protection.

What risks or challenges might I face as an employer?

- ▶ **Administrative burden:** Registration, documentation, and regular contributions can require significant time and capacity from HR and payroll departments.
- ▶ **Risks around errors:** Mistakes in contribution calculations or payment delays can lead to fines or to delays in benefits for workers.
- ▶ **Multiple system management:** Managing multiple aspects of NSSF (injury, health, pensions) can become complicated without dedicated systems or staff.
- ▶ **Financial forecasting:** Increasing pension contribution rates over time may require long-term planning.
- ▶ **Reputational risk:** If terms are misunderstood, claims are denied, or processes are slow, workers may become frustrated and blame factory management.

What should factory management consider internally in relation to social insurance?

► Are all eligible workers fully registered in the NSSF?

Confirm that all employees—including short-term, probationary, and migrant workers—are properly registered in the three schemes (injury, health, pension). Gaps in registration can lead to legal penalties and loss of worker benefits.

► Are my monthly contributions accurate and up to date?

Review whether the payroll team is applying the correct contribution rates and submitting reports and payments on time. Mistakes or delays can result in fines and coverage interruptions.

► Do workers know what they are entitled to?

Check that the factory provides accessible information (in Khmer and in simple terms) about NSSF benefits, how to access care, and how to file claims. Check that orientation for new hires also includes this information. Factories can coordinate with NSSF to arrange orientation and refresher session for workers.

► Is support available to help workers during illness, maternity, or injury?

Check if your HR team or line managers can assist workers in navigating NSSF procedures—especially when submitting claims or dealing with hospitals.

► Are we prepared for possible pension contribution increases?

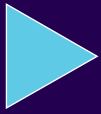
Understand the projected rise in pension contribution rates over time and assess how this will affect your financial planning and payroll systems.

► Do we maintain proper documentation and proof of compliance?

Ensure that registration forms, payment receipts, and claim records are filed correctly in case of audits by NSSF or labour inspectors.

► Are we receiving communication and updates from NSSF?

Stay in contact with your regional NSSF office to receive bulletins on changes in procedures, contribution rates, and new benefits.



3.5. Private insurance

What are private insurance services?

Private insurance services help protect workers and their families from financial hardship due to unexpected life events such as accidents, illnesses, maternity complications, disability, or death. Unlike social insurance, these services are offered by licensed private insurers, banks, or digital platforms, and require regular premium payments from the insured or the employer.

In Cambodia, private insurance remains a growing but still limited market, especially among low-wage factory workers. A total of 7 per cent of Cambodians reported paying for an insurance product in 2024, compared to an estimated 23 per cent of adults across low- and middle-income countries.¹⁴ Products include **life, health, hospitalization, accident, and motorbike insurance. These can be employer-sponsored group products, voluntary individual policies, or automatically bundled with digital payroll systems.** While coverage is still limited, interest is growing as employers seek to complement NSSF protection and offer better conditions to workers.

Globally, parametric insurance products have been emerging for some time. These products make payouts based on certain triggers being reached (such as temperatures reaching a certain high) and could be purchased by factories to cover lost income and wages when work cannot go ahead due to weather extremes. Parametric insurance products are not yet widely available in Cambodia but may well be in coming years.

What is my role as an employer?

Employers are not legally required to offer private insurance, but many choose to do so as a welfare or retention strategy. Employers may **cover the full cost, subsidize premiums,** or simply **facilitate access** to voluntary products. This includes consulting workers on their needs and preferences, organizing in-factory promotions, explaining the basics of insurance and how products work, helping workers enroll, and assisting with claims when needed. It is important for employers to ensure that workers know that private insurance products are voluntary and that they are not required to sign up if they do not wish to do so.

In some cases, insurance is offered as part of the digital payroll package, with workers receiving digital wages being automatically enrolled in an insurance product. In these cases, employers need to understand the terms and ensure workers are not auto-enrolled without proper consent or explanation. It is important that good information and insurance education is provided to workers to ensure they make the most of their coverage. Most importantly, employers should ensure that **workers understand these products are optional,** and that choosing not to enroll will not affect their employment status.

¹⁴ World Bank. [Global Findex database 2025](#).

What are the benefits for workers?

- **Broader protection:** Private health insurance may cover outpatient services, chronic conditions, or family members not included under NSSF.
- **Faster access to care:** Workers with private health insurance can use private clinics, allowing them faster access to care as well as potentially wider coverage.
- **Specialized coverage:** Covers like motorbike accident insurance can be particularly valuable to factory workers given frequent motorbike accidents getting to and from work.
- **Financial security:** Insurance can reduce reliance on loans when workers face financial emergencies and increase their financial security.
- **Peace of mind and dignity:** Knowing they are protected (as well as the option to extend cover to family members) can provide peace of mind and a sense of empowerment for workers.
- **Access to group discounts:** Employers may be able to negotiate lower group premiums, making private coverage more affordable than individual plans.
- **Potential to combine with savings:** Some products include life insurance with savings or premium pay-back features.

What are the benefits for the employer?

- **Improved worker wellbeing and productivity:** Insurance improves resilience, enabling workers to remain focused and reducing absences.
- **Enhanced reputation:** Offering insurance signals care for workers and aligns with international buyer expectations for social compliance.
- **Workforce retention:** Additional benefits can increase loyalty, especially in competitive labor markets.
- **Reduced absences related to health problems:** Workers are more likely to seek and be able to access early treatment, allowing them to return to work more quickly.

What might be the risks or challenges for workers?

- **Confusion about coverage:** Workers may not fully understand what is included, excluded, or how to file claims.
- **Perceived pressure to enroll:** Even when products are voluntary, factory-led promotions can result in pressure to sign up if not handled carefully.
- **Cost burden:** Even small monthly premiums can be significant for low-income workers.
- **Disappointment with claims:** Delays, rejections, or unclear conditions may lead to frustration.
- **Data privacy concerns:** Workers may feel uncomfortable sharing medical or personal information with insurers they perceive as linked to their employer.
- **Bundling confusion:** Some insurers link insurance to loans, savings, or digital wallets, which may include hidden fees, exclusions or obligations.

What risks or challenges might I face as an employer?

- **Financial cost:** Subsidizing premiums can become expensive, especially without cost-sharing.
- **Operational complexity:** Managing sign-ups, payroll deductions, and claims assistance requires dedicated time and processes.
- **Reputational risk:** If insurance products are poorly explained or fail to deliver, workers may blame the employer, especially if the product was promoted by the factory.

What should I ask a potential provider of insurance services?

► What types of coverage are offered?

Ask for detailed explanations of the products available, such as life insurance, accident insurance, hospitalization benefits, outpatient services, maternity benefits, or critical illness coverage. Consult with workers' representatives to understand workers' most common risks and needs and compare this to the coverage offered. It is also important to ask the provider to explain how their products provide improved coverage or benefits in comparison to the cover already available to workers through NSSF.

► Are there exclusions or limits in the policy?

Make sure to revise a clear list of exclusions (e.g., pre-existing conditions, specific illnesses, age limits) and understand any caps on payout amounts. It's essential to know in advance under which circumstances claims might be denied.

► What are the premium costs and who pays?

Clarify whether premiums will be fully paid by the employer, shared with workers, or entirely paid by workers. Understand the total cost per worker, how payments are collected, and whether there are discounts for group policies. Assess whether costs are affordable for workers, especially if the product is to be paid all or in part by workers.

► How can claims be made?

Find out how workers can submit claims, what documents they need, and how long it typically takes to receive payments. Ask for examples of real claim timelines and typical approval rates, to evaluate how efficient and customer-friendly the processes are likely to be.

► What is the product's claims ratio?

This ratio tells you how much is paid out in claims in relation to premium income (make sure you are given the claim ratio and not the combined ratio). It is difficult to say in absolute terms what is an acceptable claims ratio, but you should certainly be wary of products with a ratio below 30 per cent. These products are likely either low value or are not adequately promoted and explained by the provider, resulting in low claims.

► Are services explained in simple language suitable for factory workers?

Check whether the provider has materials in Khmer and whether explanations are adapted for workers with low literacy or limited digital skills. Ask to review any brochures or training content to ensure clarity.

► How is personal and health data protected?

Confirm compliance with privacy regulations and secure data handling practices.

► How will the provider engage with and support workers?

Understand whether the provider plans in-factory promotions or information sessions, and ensure workers know participation is voluntary.

► Are there bundled products or hidden costs?

Check whether the provider includes additional products like savings plans or loans with the insurance. Clarify all potential costs, including administrative fees, policy issuance charges, and cancellation fees.

Products in focus: Life insurance offered by banks in Cambodia

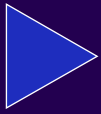
Banks often partner with insurers to offer insurance products to their customers. Life insurance, which provides a payout to the family or other beneficiary, should the customer die. Several banks in Cambodia offer such products, including ACLEDA bank, which offers life insurance in partnership with Prudential (Cambodia) Life Assurance. The product is sold in-person by insurance officers in ACLEDA's bank branches.¹⁵

In some cases, insurance can even be offered as a free bundled product. In 2024, Wing Bank and Cambodia Life Micro Insurance (Camlife) partnered to provide free life insurance to employees who receive their wages through Wing Bank's payroll service. Workers receive free cover of up to USD 1,000, which is paid out in case of death or disability. The service is offered for free as an additional benefit for workers.¹⁶



15 ALCEDA Bank. [Corporate agent life insurance service.](#)

16 Khmer Times (2024). [Wing Bank and Camlife Offer Free Insurance Coverage to Employees.](#)



3.6. Earned wage access

What are earned wage access services?

Earned wage access (EWA) services allow workers to access a portion of their earned wages before the usual payday. Workers request an advance payment for work already completed, typically through an online platform or mobile application. The provider then disburses this money to the worker, and it is deducted from the worker's wages (sometimes with a fee) on the usual pay day. These services are provided by third-party companies in partnership with employers. Since their emergence in the early 2010s, EWA services have grown significantly worldwide and a few providers now offer the service in Cambodia.

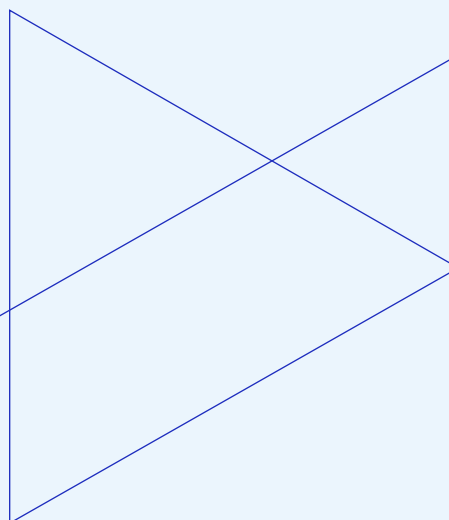
This section applies only to EWA, a type of salary advance offered in partnership with employers that relies on payroll data technology integration. This service should not be confused with other products and practices, such as payday loans or salary advances offered directly by employers.

What is my role as an employer?

The employer has an important role in offering EWA services, working in partnership with the EWA provider. The employer should consult with workers to better understand needs and preferences and assess the relevance of such a service, considering the wage payment cycles, labour regulations, and workers' financial wellbeing.

The employer must be able to provide information to the provider on workers' income and preferences, as well as allowing for advanced sums to later be deducted from workers' pay. In some cases, the employer pays the costs of the service, so that workers can access their earned wages free of charge. In this case, the service is typically positioned as an employee benefit programme. In other cases, the employer facilitates the service, but workers pay fees to the provider when they use it. In all cases it is recommended that the factory makes sure safeguards and limits are in place, such as caps on the proportion of wages that can be withdrawn, to help avoid overuse.

Although it is the responsibility of the EWA service provider to resolve workers' problems and complaints, it is possible that workers will also approach the factory with any issues. The factory should be able to provide initial information and redirect the worker to contacts within the provider to address problems. It is important that the factory is aware of and supports workers in making complaints, so that they have a good understanding of any issues workers may be facing and can make sure these are resolved.



What are the benefits for workers?

- **Improved ability to deal with financial emergencies and manage cash flow:** EWA can offer a flexible way to access money when needed, which can support better financial wellbeing. In surveys with EWA users in India, Malaysia and Vietnam, 60 per cent to 80 per cent of respondents reporting an overall improvement in their perceived quality of life after using EWA services.¹⁷
- **Alternative to costly and potentially harmful loans:** EWA can help workers avoid predatory and higher-risk loans.
- **Enhanced financial privacy and sense of dignity:** Many EWA users prefer the privacy and dignity of accessing money this way, rather than needing to ask their employer, friends and family for support. Among users of EWA services in India, Malaysia and Vietnam, between 52 per cent and 85 per cent of respondents reported reduced stress due to finances and 50 per cent to 86 per cent increased self-confidence after being able to access EWA services.¹⁸
- **Convenient and timely access to funds:** Workers appreciate being able to easily access funds, often within minutes.

What are the benefits for the employer?

- **Worker attraction and retention:** The service is often popular, and some research suggests that workers may be more likely to choose an employer, or stay with an existing employer, that offers EWA.
- **Potential improvements in productivity:** Access to emergency funds can reduce worker stress and financial strain, allowing them to be more focused and productive at work.

What might be the risks or challenges for workers?

- **Accumulated cost of frequent use and dependence on the service:** Even where fees may be low, research suggests that a portion of workers become repeat users, using the service most month. For those users, fees can become a significant cost, and they can become dependent on the service.
- **Complex and opaque fees:** The fee structures in some models are complex and hard to understand, which may lead to higher-than-expected costs and discontent among workers.
- **Potential graduation to predatory or higher-cost loans:** Repeated use of EWA services may lead to financial strain and therefore workers taking out additional loans. This is particularly relevant where the provider also offers personal loans to EWA users.
- **Limited understanding of the product:** Without support, workers may struggle to understand and use the service, which is typically digital. They may make mistakes or misunderstand fees.

What risks or challenges might I face as an employer?

- **Inadequate systems integration and salary calculation errors:** It is important to achieve seamless integration of EWA with existing HR and payroll systems to avoid any errors in calculations of salaries.
- **Potential worsening of workers financial situation:** Although EWA services are generally expected to improve workers' financial well-being, there is the possibility that if fees are high, the service is not carefully designed, or if workers have low financial literacy, it could aggravate their financial difficulties. These difficulties have knock-on effects for the employer, including impacts on worker productivity.

¹⁷ Surveys conducted by 60 Decibels; ILO (2025). [Earned wage access: A global study on benefits and risks](#).

¹⁸ Ibid.

What are the benefits for the employer? *(continued)*

▶ **Reduced burden of salary advances:** Requests for salary advances can be burdensome for HR and finance functions at the factory and create tensions with workers. A formal, externally managed service can reduce this burden.

What risks or challenges might I face as an employer? *(continued)*

▶ **Regulatory compliance:** Ensuring compliance with labour regulations, data privacy and consumer protection laws and other regulatory requirements can be challenging given evolving legal developments.

▶ **Reputational risk:** Any negative outcomes could reflect poorly on the employer, especially as the service is offered in direct partnership with the employer.

▶ **Complexity and delays in implementation:** Integrating an EWA service with an employer can be a complex process due to the sensitive nature of the information shared. Significant preparation is often required, particularly in establishing legal and data security agreements, which can take several months to finalize.

What should I ask a potential provider?

▶ **How will the EWA service be integrated with the factories' systems?**

Check that the service provider is able to integrate its systems with those already used by the factory. Ask about how long the process will take and what kind of input will be required from factory staff during the process.

▶ **What will be required from factory management for the service to continue to run once it is set up?**

Understand the ongoing tasks that will be required of staff (such as preparing and sending files with wage information). Assess whether these can be taken on by staff and the extent to which it might generate additional work.

▶ **How does the provider ensure data privacy standards are met?**

Understand the providers' mechanisms to ensure data privacy.

▶ **What are the costs of the service? And who will pay them?**

Make sure to fully understand the fee structure. It is important to understand both the level of fees as well as the transparency - difficult to understand fee structures can cause significant dissatisfaction among workers. You will need to establish whether the full fee will be borne by the worker or whether it will be paid for fully or in part by the factory as an employee benefit.

▶ **How do workers use the service?**

Understand the process for workers and assess whether it is easy to use and understand for workers.

▶ **What are the limits placed on the amounts that can be accessed?**

Providers often place limits on the amounts that can be accessed, determined in agreement with the employer. These limits typically range from 25 per cent to a maximum of 50 per cent of earned wages. It is important that you are able to establish a proportion of wages that you – in consultations with your workers - believe to be useful and manageable for workers and ensures they still receive a reasonable salary payment on payday.

Products in focus: EWA services in Vietnam and Malaysia

Ekko is an EWA provider in Vietnam which offers two models: where employers are willing to bear the cost of the service, Ekko's employer-paid service allows workers to advance wages without cost; and where employers do not cover the costs, the service is offered through a second model in which workers pay a percentage of the amount requested.¹⁹ In both cases, the amount that can be accessed is limited at 50-70 per cent of the workers' salary, a rate that is higher than typically offered by EWA providers,²⁰ but the exact proportion is determined with the employer and can be reduced. The service is offered through a mobile app and allows users to access funds almost immediately, with funds arriving in their bank account within seconds. Ekko also provides a financial education module through its mobile app, aimed at improving employees' financial literacy.²¹

Research conducted by 60 Decibels found the workers reported improvements in their financial wellbeing. Almost two thirds of users say that they are better able to deal with emergency expenses, and more than half say they spend less time worrying about money. One user explained: *"I no longer feel as anxious when my savings are quite low, as Ekko is a source that can provide emergency funds, helping me to limit borrowing from others."*

— Female, 28²²

Another, Shariah-compliant, EWA service is offered in Southeast Asia (in Indonesia, Malaysia, Philippines and South Korea) by Paywatch. The fees for this EWA service are structured differently to those of Ekko, with users paying flat fee per transaction. Limits are determined together with the employer, and the service is complemented by financial education provided through the company's app, in partnership with VISA. In Malaysia, 20 per cent of users interviewed by 60 Decibels reported that their ability to manage their finances had "very much improved" because of the EWA service.²³

These results share users' perceptions of financial wellbeing. These have not been tracked over time and financial impacts on users have not been evaluated, so they should be treated with some caution. Concerns have been raised around some EWA services (particularly around repeated use and the potential to graduate users to other loan types) and the space is rapidly evolving. Factory managers should assess any EWA services with care.

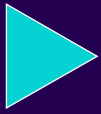
¹⁹ 60 Decibels (2024). [Ekko: Insights on earned wage access users – Vietnam](#).

²⁰ A global study on EWA by the ILO found the portion was often capped at 25% to 50% (ILO (2025). [Earned wage access – A global study on benefits and risks](#)).

²¹ [Ekko website](#).

²² 60 Decibels (2024). [Ekko: Insights on earned wage access users – Vietnam](#).

²³ 60 Decibels (2024). [Paywatch: Insights on Earned Wage Access Users](#).



3.7. Instalment purchase programmes

What are instalment purchase programmes?

Services are emerging in Cambodia and elsewhere in the region that allow for workers to purchase goods or services on credit and pay back the loan over time through salary deductions. These may be offered at low or 0 per cent interest, giving workers access to affordable credit. (0 per cent interest rates are funded by providers bulk-buying goods at discounted rates and selling them on at market rates to workers.) However, it is important to establish whether interest rates change over time and whether products are offered at inflated costs. Where offered in partnership with an employer, the scheme may be framed as an employee benefit programme. ***This section only applies to instalment payment services offered in partnership with employers, but it is important to be aware that many retailers and financial service providers (including online) also offer instalment payment schemes, marketed as “buy now pay later schemes”, often at much higher interest.***

What is my role as an employer?

These services are offered in close collaboration with employers, who should critically evaluate the risks and potential benefits of the service, including consulting with workers, before deciding whether to offer the service. If they decide to do so, factories are involved in the service on an ongoing basis in several ways:

- ▶ providing space, typically within the factory, for providers to promote goods and services to workers and sign them up for the instalment payment scheme.
- ▶ facilitating the repayment of instalments from workers' wages.
- ▶ providing financial education on planning, budgeting and saving to avoid reliance on instalments and credit, and to ensure understanding of the terms and conditions, allowing workers to make good decisions around instalment products.

What are the benefits for workers?

- ▶ **Access to low-cost:** Loans at low interest are not otherwise available to workers, who, in most cases, can only otherwise access credit through high-interest informal or online loans.
- ▶ **Access to household and personal goods:** Access to goods like mobile phones, mattresses and household appliances can make an improvement to the quality of life of workers and their families.

What might be the risks or challenges for workers?

- ▶ **Funds diverted to non-essential goods and services:** There is a risk that workers may put themselves in debt to purchase non-essential items, such as expensive smart phones.
- ▶ **Over-indebtedness or lack of funds for basic daily expenses:** There is a risk that workers may end up having to pay monthly instalments which put them in a precarious financial position or mean that they do not have the funds to meet daily expenses or emergency needs.
- ▶ **Limited choices and potentially higher costs of goods:** Workers' choices are restricted to options offered in the programme, pre-selected by providers. In some cases, goods offered through these programmes are sold at a higher cost than in local markets or retailers.

What are the benefits for the employer?

► **Worker satisfaction and loyalty:** Where these services are offered at very low or no interest, they tend to be popular among workers, and some factories have even been requested to offer the service by workers. It is also possible to make the service available only after a certain period of work, incentivizing loyalty.

What risks or challenges might I face as an employer?

► **Impact of over indebtedness on productivity:** Workers may become distressed and distracted at work if the installments make it difficult for them to meet daily needs. This can result in reduced worker productivity.

► **Reputation risk:** Should workers be unsatisfied with the service or products purchased they might complain to the employer, especially given the direct link between the employer and provider.

► **Compliance risk:** It is important to establish key aspects of the scheme in order to manage compliance risks. For example, what happens if a worker with instalments remaining to pay leaves the factory? And how are deductions made to ensure that requirements for full salary payments are met?

What should I ask a potential provider?

► **What are the costs and interest rate for workers?**

It is important that these are affordable but also transparent and easy to understand. It is also important to ask to see a price list of available products and check that these are at or below market prices. It is also important to encourage workers to compare prices, as goods could be available more cheaply in local markets or from other retailers.

► **What kinds of products are available for purchase through the scheme?**

You can ask to see the catalogue of products available and consult with workers on how useful and relevant the product selection is.

► **What are the limits on purchasing on credit and repayment?**

It is important that limits are put both on the amount that a worker can borrow and the proportion of their salary that can be allocated to installments. Reasonable limits help to avoid over indebtedness. Although there is no legal limit in Cambodia, in many countries repayment capacity is considered to be a maximum of 30-40 per cent of monthly income.

► **What would be required from me as the employer to facilitate the service?**

This may include factory space and access for sales and for signing up workers to the installment programme. This might take the form of a small kiosk or even a shop. It is also possible that a provider might ask for phone numbers of workers in order to promote the service. Given data protection requirements, this cannot be done without the consent of workers and, even where workers consent, it is important to take care to understand the marketing and sales tactic as the employer will not easily be able to see the interaction.

► **How would the installment payment deductions from salaries work?**

It is important to understand the full process for salary deductions and transfers to the provider, and how this could be integrated into the existing HR and finance processes around salary payment. It is important to make sure that the process is compliant with legal requirements around wage payments, as well as to understand what will happen should a worker who still owes installment payments leaves their job at the factory.

► **What support is available for workers to install and use new housing appliances?**

Bear in mind that workers may be ordering products they have never used (such as a washing machine). Does the company provide support in making informed choices and in installation and use? Is there support for product warranties?

Products in focus: Instalment plans in Bangladesh and Cambodia

In Bangladesh, Apon Wellbeing allows low-income and emerging middle-class industrial workers to buy groceries and other items at discounted prices. Purchases are made in a shop or digital kiosk within the workplace. Groceries can be purchased directly, or through an advanced wage access programme (see more on EWA in the previous section), which allows workers to advance up to half their wages. Household appliances can be bought through instalment plans.²⁴

Users report an increase in quality of life from accessing the service (with almost half citing good prices and discounts as the reason). Furthermore, 45 per cent of customers say they have been able to increase their savings, and half say their ability to face an emergency expense has increased thanks to the service.²⁵

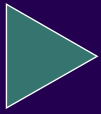
iCare offers garment factory workers the option to purchase essential electronics and household appliances on a zero-interest, six-month credit plan. The company is able to do so through volume discounts from local suppliers, using this margin to finance the interest-free credit model as well as its operations. iCare sets up sales points in factory premises and explains the programme and takes orders from workers during lunch breaks. The company delivers the goods to workers within about five days, and repayments are deducted directly from workers' salaries. Repayments are capped at 30 per cent of the worker's monthly pay.²⁶ A case study on this service flags financial literacy as a pre-requisite for effective use of the service.²⁷ Although initial findings on the service show worker satisfaction, there is not yet any large-scale study on the impact of the service on workers' financial health in Cambodia.

²⁴ [Apon Wellbeing website](#).

²⁵ 60 Decibels (2023). [Apon Wellbeing: Impact Performance Report](#).

²⁶ Swiss Investment Fund for Emerging Markets (2018) [Case study financial services: iCare benefits Cambodia](#).

²⁷ Swiss Investment Fund for Emerging Markets (2018) [Case study financial services: iCare benefits Cambodia](#).



3.8. Credit

What are credit products?

Credit products allow customers to borrow money or access funds, which they repay later, usually with interest. In Cambodia, 17 per cent of adults borrowed from a formal lender or with a credit card, compared to 24 per cent across low- and middle-income countries.²⁸

Factory workers may access formal credit either through credit providers (such as banks, microfinance institutions, or payday loan providers) or, in some cases, through credit cards. Common credit products include:

- **loans from a bank or microfinance institution:** Workers will need to apply for a loan and agree to pay it back, alongside interest payments, in set installments to the bank or microfinance institution.
- **credit card:** Credit cards, typically issued by banks, allow workers to make purchases on credit up to an established limit. The amount spent on credit must then be paid back over time. Interest rates are typically higher than for loans.
- **digital loans:** Formal digital loans are usually relatively short-term loans (from as little as a week to several months) which are approved instantly online. They do not require a credit history and are offered without collateral, making them more easily accessible to low-income workers than many alternatives. Interest rates are often high.
- **buy-now-pay-later:** Credit offered at the point-of-sale to fund the purchase of a particular product, with payments made in installments over a set period. Although initially offered in-store, buy-now-pay-later options are now widely available for online purchases (see section 3.7, page 35 for more details).

Unregulated online credit providers and loan sharks are not covered here, but factory managers should be aware that workers may well use these services, which in some cases come with very high interest rates and aggressive debt collection practices (such as loan sharks).

What is my role as an employer?

Most financial service providers offering digital payroll service to factories are also credit providers. This means that, once workers have an account with the provider to receive their salary, the provider will also likely promote credit cards and credit products directly to the worker. Factories therefore have a responsibility to help workers understand how credit works and the potential risks involved. In particular, it is important to highlight the distinction between a debit card, which may be provided as part of a wage digitization process, and credit cards. Workers may otherwise easily confuse these and not understand the responsibilities and costs attached to credit card use.

Factories can provide financial education to support workers to responsibly use credit services, or can request trusted third-parties or financial service partners to do so (see Annex 2 for more guidance on financial education).

In addition, it is also possible that other credit providers might approach factories to promote their credit products to workers. Factory managers should be cautious in facilitating this kind of promotion.

²⁸ World Bank. [Global Findex database 2025](#).

What are the benefits for workers?

- ▶ **Alternative to informal lending:** Formal credit providers may offer lower interest rates and less aggressive debt collection practices in comparison to loan sharks and unregulated online lenders. In an emergency, formal credit services offer a cheaper and safer option for workers.
- ▶ **Access to investment in productive assets:** Formal credit products can help workers make investments in productive assets such as a motor bike or equipment required for a small business, or in land or a house. Workers may purchase such assets for themselves or for family members. If these investments are well planned for productive purposes and at reasonable rates of interest, they can support the family to increase income.

What might be the risks or challenges for workers?²⁹

- ▶ **Risk of over-indebtedness:** Over-indebtedness is an important problem among factory workers, with research showing workers reducing the food they eat to pay back loans.³⁰ Taking out loans to buy products or services can lead to repayment burden that workers may struggle to manage. This is particularly true given that many providers aggressively market consumer credit products through digital channels. These products often feature appealing advertisements and simple application processes, making it easy for workers to quickly take on loans – sometimes without fully understanding the financial implications. In addition, as workers earn a regular income and gain access to formal credit, there is risk they may face pressure to take out larger loans on behalf of family members.
- ▶ **Lack of transparency:** Costs, especially for digital loans and buy-now-pay-later schemes are often not transparent and can be presented in misleading ways. This is often combined with high-pressure sales tactics, making it difficult to make good decisions.
- ▶ **Difficulties in making complaints and resolving problems:** When services like digital loans are fully online, workers may struggle to make complaints and resolve issues, especially if they have limited digital literacy. In addition, customers often believe that buy-now-pay-later options are offered directly by the retailer, when in fact they are offered by partners, meaning they may not know who to approach with problems.
- ▶ **Misuse of data:** Research has found that many digital loan providers collect sensitive customer data without consent, which may be used for aggressive sales and debt collection practices.

²⁹ Some of these risks are adapted from CGAP (2025). *Responsible Digital Credit: Frontier solution for authorities and providers* pp.8-9. The publication provides much more information about important risks of digital credit.

³⁰ Brickell, K., Lawreniuk, S., Chhom, T., Mony, R., So, H., & McCarthy, L. (2022). *'Worn out': debt discipline, hunger, and the gendered contingencies of the COVID-19 pandemic amongst Cambodian garment workers*. *Social & Cultural Geography*, 24(3-4), 600-619.

What are the benefits for the employer?

- **An alternative to informal loans, which are also problematic for employers:** Informal lenders may adopt tactics to ensure repayment that are problematic for employers, such as harassing workers by phone during the working day or even harassing management (some online lenders require that customers provide contacts details of employers as a form of collateral; or even directly unlawfully access customer's phone contact list and harass each contact). Formal credit providers follow regulated debt collection mechanisms less likely to cause direct disruption in the workplace. Formal loans may also provide an alternative to requests for informal loans or salary advance made to the factory, which can be difficult for factories to manage and can create problems in the relationship between employer and worker.

What risks or challenges might I face as an employer?

- **Reduced productivity resulting from over-indebtedness of workers:** Workers may become distressed and distracted at work if debt repayments make it difficult for them to meet daily needs.

What should I ask a potential provider?

- **What are the costs and interest rates for workers?**

It is important that these are affordable but also transparent and easy to understand for workers.

- **What are the limits on borrowing? How does the provider ensure borrowers are taking out loans within their means?**

Reasonable limits are important as they help reduce risks of over-indebtedness. Find out the limits applied and how these may change over time. It is also important to understand how customers' ability to take on credit is assessed.

Products in focus: Emergency loan in Bangladesh and debt relief programme in Thailand

In Bangladesh, nano-loans have emerged for low-income workers to meet short-term financial emergencies. The City Bank-bKash Digital Nano Loan allows eligible workers to access collateral-free loans instantly, directly through the bKash app. The loans range from BDT 500 to 20,000 (approximately USD 4 to 164) and are provided by City Bank, the largest commercial bank in the country, in collaboration with the largest mobile financial service provider, bKash. Workers can repay the loan in three monthly instalments from their bKash accounts, with an interest rate of 9 per cent per annum, in keeping with Bangladesh Bank's guidelines.³¹ These loans may allow workers to avoid high-interest informal loans when faced with a financial emergency, but their impact on workers over time has not been studied.

In Thailand, fintech company Noburo partners with employers to support low-income workers in transforming from chronic debt to long-term financial well-being. Noburo works with factories and companies to deliver integrated debt relief, savings programmes, and financial capability building as part of employee welfare. During the program, workers receive financial diagnostics, coaching, and behavioural tools to help them exit high-cost informal debt, rebuild financial stability, and develop sustainable savings habits. Noburo works with regulated financial institutions to connect workers to welfare loans, based on their repayment capacity and financial discipline. Noburo's approach combines workplace engagement, digital tools, and financial education to support lasting improvements in financial behaviours. Evidence from programme implementation shows reductions in harmful debt, increased regular saving, and improved financial confidence among participating workers, while employers benefit from improved employee well-being, reduced financial stress, and stronger workforce stability.³²

31 UNCDF (2023). *Digital financial services for garment workers in Bangladesh*.

32 CIPP (2024). *Noburo: Debt restructuring and financial education to provide long-term financial well-being for blue-collar workers in Thailand*.



Annex 1. Find out more

For more information on financial services for factory workers, take a look at these resources:

- **[Financial education for garment workers in Cambodia – Trainee’s booklet](#)**. This trainee’s booklet, developed in partnership between the ILO and Better Factories Cambodia, supports participants in the ILO Financial Education course and is publicly available. It targets workers in the garment factories in Cambodia who wish to improve their money management. This booklet introduces basic knowledge, skills and tools related to earning, spending, budgeting and using financial services such as savings, credit, money transfers and insurance. It also includes information on how workers can safely receive, access and use their wages through digital means.
- **[Chatbot solution](#)** on financial education for garment workers. This digital tool was developed by ILO and Better Factories Cambodia to facilitate learning at scale.
- **[ILO e-learning course on responsible digitization of wage payments](#)**. This course equips participants with the knowledge and practical understanding needed to promote and implement responsible digital wage payments that enhance worker protection, support sustainable enterprises, and advance decent work and financial inclusion.
- **[ILO Brief on promoting responsible digital wage payments](#)**: This brief gives an overview of the different considerations to maximize the potential of digital wage payments.
- **[RISE digital wages toolkit for factory managers](#)**. RISE and Mastercard Center for Inclusive Growth developed a learning tool to support garment factories to plan and deliver the transition from cash to digital wages. Available in Khmer and Simplified Chinese.
- **[RISE Financial Health materials](#)** – including posters, videos and audio messages available in a range of languages.
- Consumer protection hotline of the **[Association of Banks in Cambodia](#)**: 015 365 222
- General enquiry of financial service and the **[Association of Banks in Cambodia](#)**: 023 230 611
- Consumer enquiry and complaints hotline for financial services of the **[National Bank of Cambodia](#)**.

For more information on Cambodian Labour Law, take a look at this resource:

- **[Guide to the Cambodian Labour Law for the Garment Industry](#)**. This Guide published by ILO Better Factories Cambodia brings together all sources of Cambodian labour law into a single, comprehensive guide for the manufacturing sector. The Guide covers all major areas of Cambodian labour law, derived from the Labour Law itself, regulations of the Royal Government, international labour standards that have been ratified by Cambodia, and the Cambodian Constitution.

Annex 2. Financial education programmes

Financial education programmes are an important element of introducing any financial service to workers. Financial education is a national priority, as established by the government of Cambodia, and very relevant given high levels of over-indebtedness in the population, including among factory workers.

Financial education helps both workers and factories benefit fully from financial services and reduce related risks. Well-informed workers can make better choices around products and use those products in safer and more beneficial ways. For factories, financial education helps ensure that they benefit as employers from promoting financial services. Informed use of financial products by workers is much more likely to result in the benefits for employers mentioned throughout this guide, such as improved worker productivity and retention and reduced days of absence. Importantly, good financial education also significantly reduces risks for factories, such as the risk of complaints, reputation damage, or workers productivity reducing if they face challenges like over-indebtedness.

Factories should therefore consider the financial education needs of workers and make sure that they receive adequate training and support alongside the introduction of any of the financial products and services presented in this guide.

What are financial education programmes?

Financial education programmes help workers understand how to manage money, use financial products safely, and make informed decisions about financial services. In Cambodia's garment and manufacturing sectors, financial education has become increasingly important as workers transition from cash payments to digital wages and start to be able to access further formal financial products and services like bank accounts, mobile wallets, savings, credit and insurance. Digital financial education is a key component, focusing on helping workers understand how to use mobile apps, ATMs, digital transfers, and online services safely and effectively. Education can include topics like setting financial goals, budgeting, spending wisely, saving, recognizing scams, understanding fees, borrowing safely, protecting personal financial data, and managing risks. Financial education and training can be delivered through workshops, printed materials, audio programmes, videos, or digital tools like mobile apps and chatbots (see Annex 1 for tools on financial education).

What is my role as an employer?

Employers play a crucial role in supporting financial education among workers. They have two options:

- ▶ partner with trusted organizations (such as employers' organizations, workers' organizations, government institutions, NGOs or development partners) or with financial service providers to deliver training on-site, provide time and space for educational sessions, and distribute materials such as posters or audio recordings. Employers should ensure that any training provided by external providers is neutral and not simply a sales pitch for specific financial products. It is important that workers, particularly the most vulnerable among them, understand their options and rights and are not pressured into signing up.
- ▶ deliver financial education sessions themselves. This can be done through factory management, such as HR, finance or capacity building teams, or through workers' representatives.

What are the benefits for workers?

- **Better money management:** Workers learn how to set financial goals, budget, save, and avoid unnecessary debt, improving financial security.
- **Confidence using financial services:** Training helps workers feel more comfortable using bank accounts, ATMs, mobile apps, and digital payments.
- **Protection against fraud:** Workers become better equipped to spot scams and protect personal data.
- **Informed decision-making:** Workers can choose financial products that best meet their needs including savings, credit, insurance, understanding terms and conditions, and avoiding hidden costs or unsuitable products.

What are the benefits for the employer?

- **Improved worker wellbeing:** Financially literate workers are likely to make better financial decisions and avoid financial risks. This may reduce stress related to money issues and absenteeism at work, with possible positive impacts on work environment and worker productivity.
- **Smoother adoption of digital wages:** Workers with financial knowledge adapt more easily to digital wages and can help co-workers who face difficulties.
- **Stronger reputation:** Supporting worker education demonstrates social responsibility to buyers and stakeholders.
- **Enhanced job satisfaction and reduced workplace conflicts:** Financially literate workers are more likely to feel secure and satisfied with their jobs. Fewer misunderstandings about pay, deductions, or financial services can translate to less anxiety at work, leading to reduced risk of workplace conflict.

What might be the risks for workers?

- **Information overload:** Too much complex information can confuse workers rather than help them.
- **Biased training:** Some programmes may be too short or only focus on promoting specific financial products rather than unbiased education.
- **Limited follow-up:** Workers might forget lessons complex content over time without nudging, ongoing support or refreshers.
- **Failing to account for the different needs of women and men workers:** Training materials should reflect these differences and recognize how household decision-making roles influence financial choices. Using practical, inclusive, and participatory training approaches will improve engagement, relevance, and overall effectiveness for both women and men.

What risks might I face as an employer?

- **Resource demands:** Organizing financial education activities can require time, space, financial resources, and coordination efforts.
- **Worker dissatisfaction:** If training is seen as biased or linked too closely to promoting products, workers might feel pressured or suspicious.
- **Unrealistic expectations of factories and management:** It is important to manage expectations so that workers do not expect employers to solve personal financial problems beyond the factory's remit.

What should I ask a potential provider of financial education services?

► What topics does the training cover?

Ask for a full list of topics. Good programmes should go beyond basic saving tips and include practical content on setting financial goals, budgeting, debt management, understanding fees on financial products, safe use of ATMs and mobile apps, how to recognize scams, and how to resolve issues with banks or financial providers. Check if they include real-life examples relevant to factory workers, such as managing remittances or starting savings.

► Is the training tailored for factory workers?

Confirm that the content is developed specifically for low-income workers, considering their literacy levels and typical financial situations. Ask if materials are in simple Khmer, avoid complex jargon, and if trainers have experience communicating with audiences who might have limited education or digital skills. Also check if the timing of sessions fits factory schedules so workers can attend without losing wages.

► Who delivers the training?

Find out if trainers are from NGOs, financial institutions, or independent educators. Preferably, choose providers with experience in the garment sector or with factory workers. Ask whether trainers speak Khmer fluently and whether they can answer questions in simple terms. Also check if trainers are neutral or linked to specific financial product providers. Trainers who are certified in financial education by recognized national or international entities help ensure training quality.

► Are materials available in different formats?

Ask if materials are provided in various formats, including printed booklets but also as posters, audio recordings, videos, or mobile-friendly formats. Many workers might prefer listening over reading or might find videos easier to follow. Check if materials are visually clear, gender sensitive, culturally appropriate, and tested with similar worker groups.

► Is the training unbiased?

Confirm that training is purely educational and not tied to promoting a specific financial institution or product. Ask for a sample agenda, slide deck, or training material to see whether the content focuses on building general knowledge rather than selling services.

► Is there follow-up support?

Check whether the programme includes follow-up activities such as refresher sessions, quizzes, help-lines, or digital tools where workers can ask further questions and/or practice (like budgeting apps). Good programmes often track whether workers understood the content and can apply it in real life. Ask how often follow-up occurs and whether it's included in the cost.

► What is the cost and who pays?

Ask for a clear breakdown of costs. Is the training free as part of an NGO project, subsidized by brands, buyers, or financial service providers, or charged to the factory? Are there separate costs for materials, trainer fees, or follow-up sessions? Also, confirm whether any costs will be passed on to workers (which should be avoided).

► Are results measured and reported?

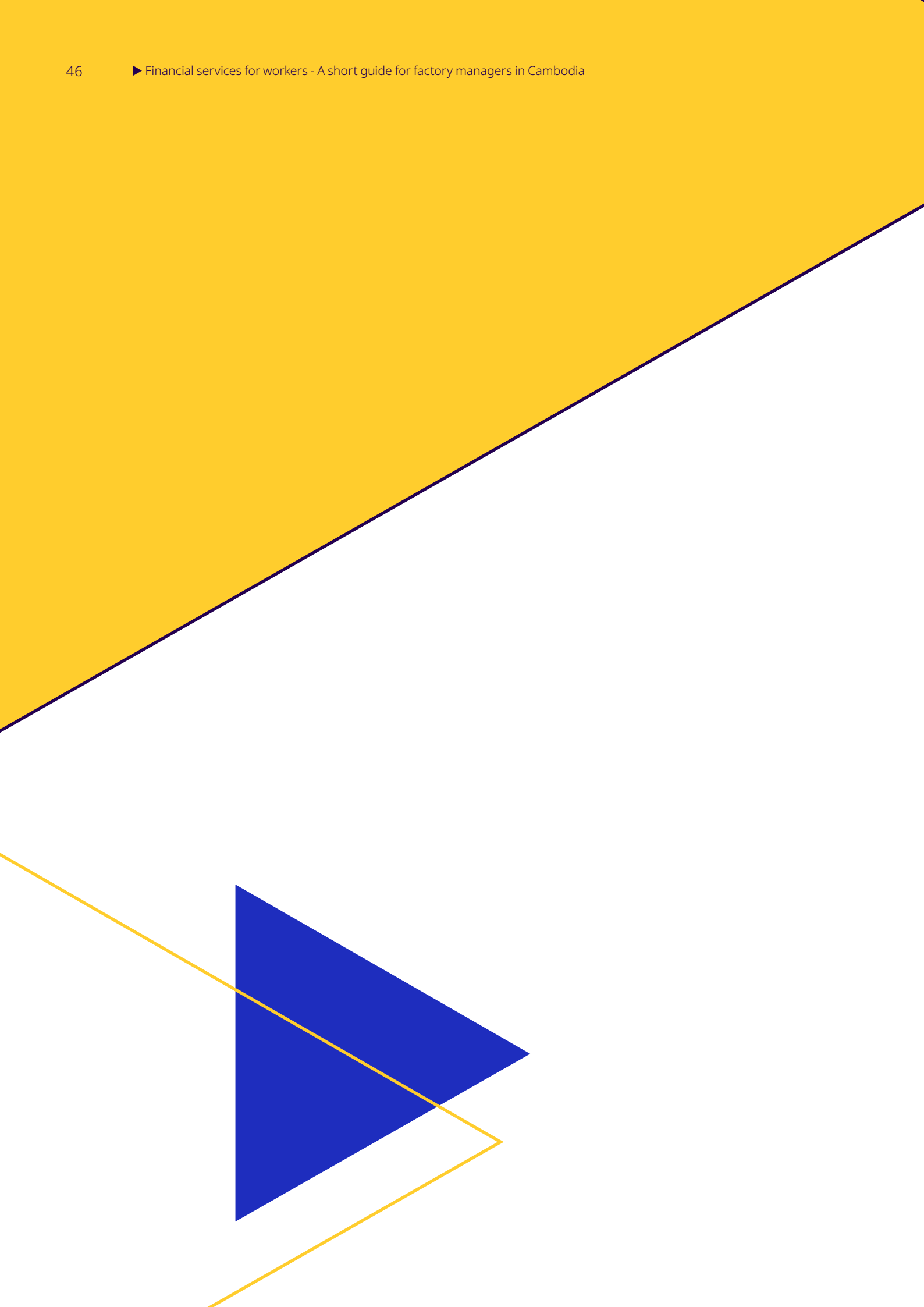
Ask if the provider evaluates the training's effectiveness. Do they conduct pre- and post-tests to check knowledge gained? Can they share success stories or evidence from previous factory projects? This helps ensure the training brings real benefits.

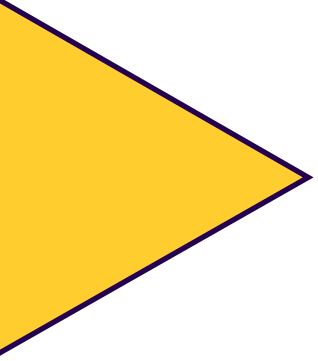
► How much time is needed for the training?

Clarify how many hours or sessions are required. Short sessions might fit better into production schedules, but very brief training might not be effective. Check if the programme can be customized to fit your factory's operational needs and preferably be offered during working hours.

► What support does the factory need to provide?

Find out whether the provider requires a training room, access to electricity for projectors, time off for workers, or assistance from HR staff. Understanding these requirements helps avoid surprises and ensures smooth coordination.





The **ILO's Global Centre on Digital Wages for Decent Work** addresses the challenges of cash wages and promotes the transition to responsible digital wage payments for the benefits of workers, employers, governments and actors in the inclusive finance ecosystems.

RISE —Reimagining Industry to Support Equality— accelerates equality for low-income workers in global garment supply chains through collaboration with industry stakeholders and a firsthand understanding of workers' needs and priorities.

Better Factories Cambodia (BFC) is a partnership between the International Labour Organization (ILO) and the International Finance Corporation (IFC), improving working conditions and competitiveness in the garment, footwear and travel goods sectors. Established in 2001, BFC works with industry stakeholders to drive decent work and sustainable growth in the supply chain.

The **Textile, Apparel, Footwear & Travel Goods Association in Cambodia (TAFTAC)** represents Cambodia's garment, footwear, and travel goods industries. It advocates for a favourable business environment through policy dialogue, legal support, and stakeholder engagement, workforce development, ESG practices, and sustainable growth, positioning Cambodia as a reliable partner in the global supply chain.

The **Financial Consumer Protection Center (FCPC)** is a dedicated institutional mechanism to provide financial consumer counselling, mediation, complaint and dispute management function across Cambodia's financial services sector. FCPC serve as a central platform to strengthen public trust and confidence in financial services in Cambodia.

ilo.org

**Global Centre on Digital Wages for Decent Work
Social Finance Programme**

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RISE - Reimagining Industry to Support Equality

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**Textile, Apparel, Footwear, and Travel Goods
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