

MEKONG ECONOMIC RESEARCH NETWORK

Final Draft

**Youth Employment in Cambodia: *Trends,
Challenges and Policy Responses***

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ABSTRACT

Youth and employment has been the topic for continuous debate among labour economists and leaders. Existing studies has investigated the importance of youth employment in the development of the nation; however, the issue remains the concern for most of the developing countries. Because of low level of education and unfavourable working conditions, majority of youth in developing countries are facing constrain in employment opportunities; thus, they are more likely to fall in to low wage employment or they might migrate to work as unskilled or low-skilled labour in neighbouring countries. Given that more of young labour is trapped in unskilled jobs and low wage, the development of the nation would not be possible. Therefore, this research study aims at investigating employment trend, the opportunities, and challenges of youth employment in Cambodia. Also, this study reviews the existing of employment policy in Cambodia and seeks for addition policy suggestions to ensure the full employment of youth in Cambodia. The current study reveals that employment is still crowded in agriculture, followed by service and industry. Youth employment fluctuates over the past three decades but still remains high at the rate about 72 per cent of the total population aged 15 to 24. Low level of education, skill-mismatch and limited role of Technical Vocational Education and Training (TVET) are found as the main challenges in youth employment, resulting in low productivity. In response to the challenges, policy makers have adopted major technical and soft skill development programmes Industrial Development Policies 2015-2025 by focusing mainly on TVET to ensure both quality and quantity and to match TVET's curriculum to employers' needs and promote its standard. However, the implementation of these policies and mechanism in achievement measurement should be even more critically taken into account.

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I. INTRODUCTION

Youth plays a crucial role in economic development of the country especially where it shares the high proportion of the population and labour force. With 60 per cent of the total population aged younger than 24 years old, Cambodia stands as one of the most youthful countries in the Asia Pacific Region, (WB, 2011). Approximately 300,000 to 400,000 young people entering the labour market annually, according to International Labour Organization (ILO) report. ILO also asserts that youth is a promise of a better change in the society, thus, it is crystal clear that Cambodia needs to identify and emphasize her own policies to ensure the employability and employment rate of youth.

However, addressing the challenges and issues of youth unemployment remains a big burden for Cambodia. As indicated by International Labour Organisation (ILO), the lack of jobs for Cambodian youths can largely be contributed to a struggling economy and more youths entering a market that cannot sustain employment growth. As the consequence, Cambodia is facing the large outflow of youth to work as unskilled or low-skilled workforces in three distinct sectors namely agriculture, industry, and construction in neighbouring countries such as Thailand, Malaysia, Singapore, and Korea. With limited level of education, Cambodia's international migrants are more likely to be vulnerable to violence, abuse, drugs, and exploitation, which in turn become a burden to the society upon their returns.

Moreover, low wage and unfavourable working conditions are the constraints for Cambodia. For example, youth employment in Cambodia is crowded in garment sector. Even though wage has been improved over time, yet it is still questionable whether or not wage is corresponding to the living needs. Due to these challenges, young people cannot lift themselves to a better living standard; thus, the country's poverty reduction could not be achieved.

Some studies further point out the concerns regarding skilled mismatch and low productivity which make our young labour less competitive in ASEAN Economic Community (AEC). Therefore, in order to address these above issues, a comprehensive research to understand the past and current situation of Cambodia's youth, and identifying challenges in youth employment in Cambodia are significantly needed for adding into the research bank for policy maker to consider.

II. RESEARCH QUESTIONS AND OBJECTIVES

The study aims at investigating employment trends for youth, the opportunities, and challenges of youth employment in Cambodia. Also, this study will review the existing of employment policy in Cambodia and seek for additional policy suggestions to ensure the full

employment of youth in Cambodia. To attain the objectives of this study, three research questions are posed:

1. What are the past, current and future trends of youth employment in Cambodia?
2. What are the challenges of Cambodian youth employment in the country and towards ASEAN Economic Community (AEC) labour market?
3. What policies have been done and what more to be done to ensure the full employment of youth in Cambodia?

III. METHODOLOGY AND DATA SOURCES

The analysis of the employment and unemployment is difficult in the developing countries where data unavailability is known as a major constraint, thus every attempt to particularly examine the employment of youth is even rather arduous, especially in Cambodian context. Because the time series data or panel data cannot be found in Cambodia, the study relies heavily on the two main existing cross-sectional data from National Institute of Statistics of Cambodia (NIS) and ILO. One is *the Cambodia labour force and child labour survey 2012 (LF-LCS)*, and another is *the 2012 School-to-Work Transition survey (SWTS)*. These reports provide the essential statistics on Cambodia's labour force employment and unemployment.

The study also employs the information from several publications as well as the Cambodia's youth-related national policies such as the first draft of *National Employment Policy* and *Cambodia Youth Policy* to review and provide a synthesis and critique on those policies. Even though many studies have been done to the topic of youth and employment, the focuses are various. Therefore, this study is significant in providing a scrutiny on the trends, challenges and policy responses for youth employment in Cambodia.

IV. COUNTRY OVERVIEW

Cambodia's Economy

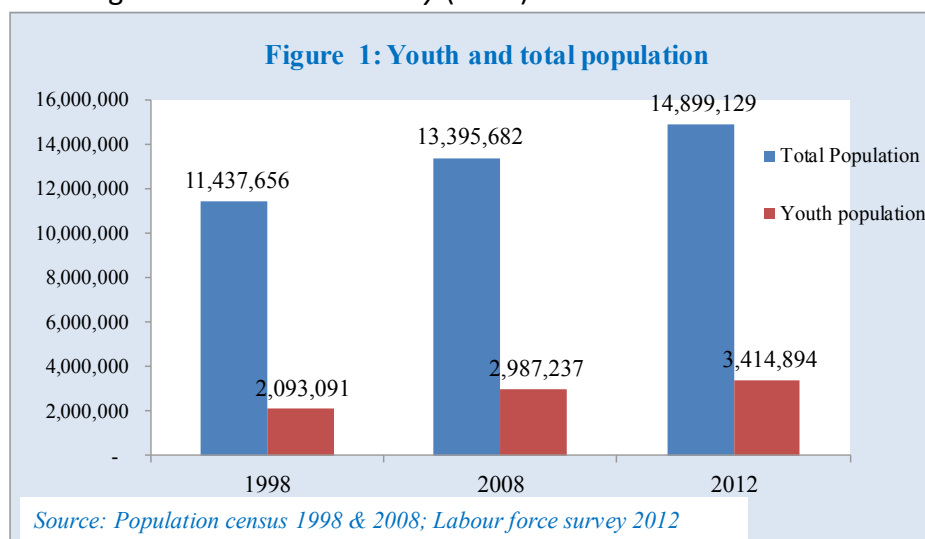
Since 1993, after stabilizing its political environment, Cambodia has practiced open-market economy system, shifting from centrally planned and agrarian economy to a more balanced mix of agriculture, industry, and services. In 1999, Cambodia successfully became a member of ASEAN, and later a member of WTO in October 2004. This political and economic integration has enabled the country to expand the market, resources, foreign technology and knowledge, which contribute to attract more foreign direct investment. Per capita GDP grew

from 268 USD in 1994 to 1,007 USD in 2013, with an annual growth rate of nearly 7.4 per cent (WB, 2014). The growth has been driven by garments and footwear, hotel and restaurant, construction industries, and agriculture (CDRI, 2012). Noticeably, the growing of garment exports was a result from the strong retail sales of textile and footwear in the United States and in European Union (EU). Along with these growth, total employments in agriculture, industry, and services account for 51 per cent, 18.6 per cent, and 30.4 per cent respectively (WB, 2014). Furthermore, public private partnerships have been shaped for reconstructing economy of the country, with the supports from development partners for mobilizing and coordinating cooperative financing and investment (RGC, 2010).

Population, Labour Force, Youth Education in Cambodia

According to the national population census (1998) by NIS, the country had the total population of 11.4 million of which 52 per cent are female. The annual population growth rate was about 2.5 per cent. The majority lived in rural areas (84.3 per cent) and only 15.7 per cent (or 1.8 million) are in urban. Children (0-14 years) accounted for 42.8 per cent of the total population, and economically productive age group (15-64 years) covered 53.7 per cent. Only 3.5 per cent were elderly population. By 2008 (Population Census 2008), the total number of population increased to 13.4 million with the increasing number of people in urban up to 2.6 million. The economic productive population group aged from 15-64 years old rose by 10 percentage points to 8.3 million. By now, Cambodia has more than 15 million people with the increase of urban population up to 3.5 million.

Defined by the United Nations, “youth” refers to someone aged 15–24 and an “adult” is someone aged 25 or older. Cambodia is known as the country with large young population. In Cambodia, the youth population was about 3 million (22.3 per cent) in 2008 and increased to 3.4 million (22.9 per cent of them, 50.2 per cent are male and 49.8 per cent are female) in 2012, based on the findings of *Labour Force Survey* (2013).



Labour force participation rate of Cambodia does not change much over the decade (1998-2008) at the level of 79-80 per cent. However, by international comparison, Cambodia female labour force participation rate is the highest among the countries such as Bangladesh, India, Indonesia, Lao PDR, Malaysia, Pakistan, Singapore, Sri Lanka, Thailand, and Vietnam (NIS, 1998 & 2008). The labour participation rate of youth (15–24 years) is more than 2 million in 2012, representing 63.1 per cent of the total labour force, with rather equal representation between the gender (LFS, 2013). It has been estimated that more than one million young people enter the labour market in every four years (UN, 2009).

The shares of workforce in agriculture, industry, and service account for 51 per cent, 18.6 per cent, and 30.4 per cent respectively of the total population aged from 15-64 in 2012¹. 80 per cent of population aged 15+ and 91.3 per cent of the population aged 15-24 are literate (ILO, 2013). The figures indicate high literacy rate of Cambodia workforce; however, “literacy”, in the context of Cambodia, has been defined as the ability to read and to write a simple message in any language (NIS, 2010). Meanwhile, the proportion of labour force with education has been gradually increasing which shares of 28 per cent for primary level, 20.5 per cent for secondary level, and 2.8 per cent for tertiary level, as indicated in Table 1.

Table 1: Labour force with education level

Indicator Name	2009	2010	2011	2012
Labour force with primary education (per cent of total)	26.1	26.5	27.3	28.0
Labour force with secondary education (per cent of total)	16.5	18.5	20.8	20.5
Labour force with tertiary education (per cent of total)	2.1	2.1	2.5	2.8

Source: The World Development Indicators, WB 2014

Compared with other ASEAN countries, Cambodia’s labour force with primary education is more favourably to Malaysia and Singapore, yet labour force with secondary and tertiary education levels comprised only 16.5 per cent and 2.1 per cent of the total labour force, which is far below Thailand, Malaysia, and Singapore, (Table 2).

¹ Figures are taken from the world development indicators, the World Bank 2014

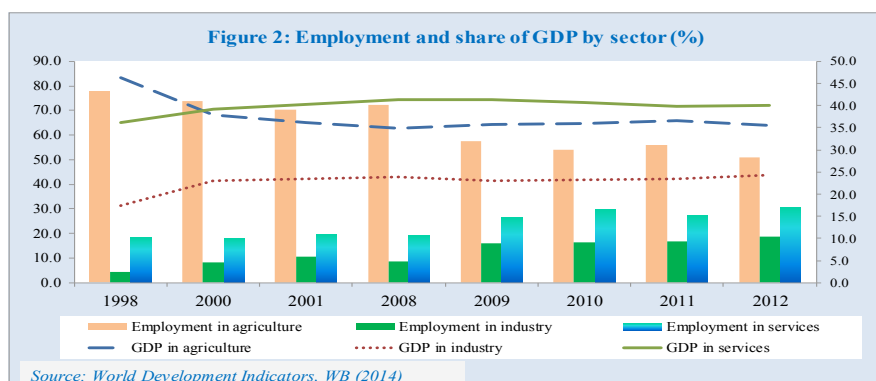
Table 2: Gross primary enrolment in countries in the ASEAN region

Categories	Gross Primary Enrolment (%)			Gross Secondary Enrolment (%)			Gross Tertiary Enrolment (%)		
	2007	2008	2009	2007	2008	2009	2007	2008	2009
Brunei	107.8	106.7	106.5	96.9	96.7	98.2	15.4	16.0	17.1
Cambodia	119.7	115.9	116.5	40.4	-	-	5.4	7.0	10.0
Indonesia	120.9	119.5	120.8	75.8	74.4	79.5	18.2	21.3	23.5
Laos	108.9	111.8	121.0	44.0	43.9	-	11.5	13.4	-
Malaysia	96.6	94.6	-	68.2	68.7	-	32.1	36.5	-
Myanmar	115.0	116.9	15.8	49.3	52.7	53.1	10.7	-	-
Philippines	108.2	110.1	-	81.4	82.5	-	-	28.7	-
Singapore	-	-	-	-	-	-	-	-	-
Thailand	94.7	93.4	91.1	74.8	74.3	75.6	46.0	44.7	44.6
Vietnam	-	-	-	-	-	-	-	-	-

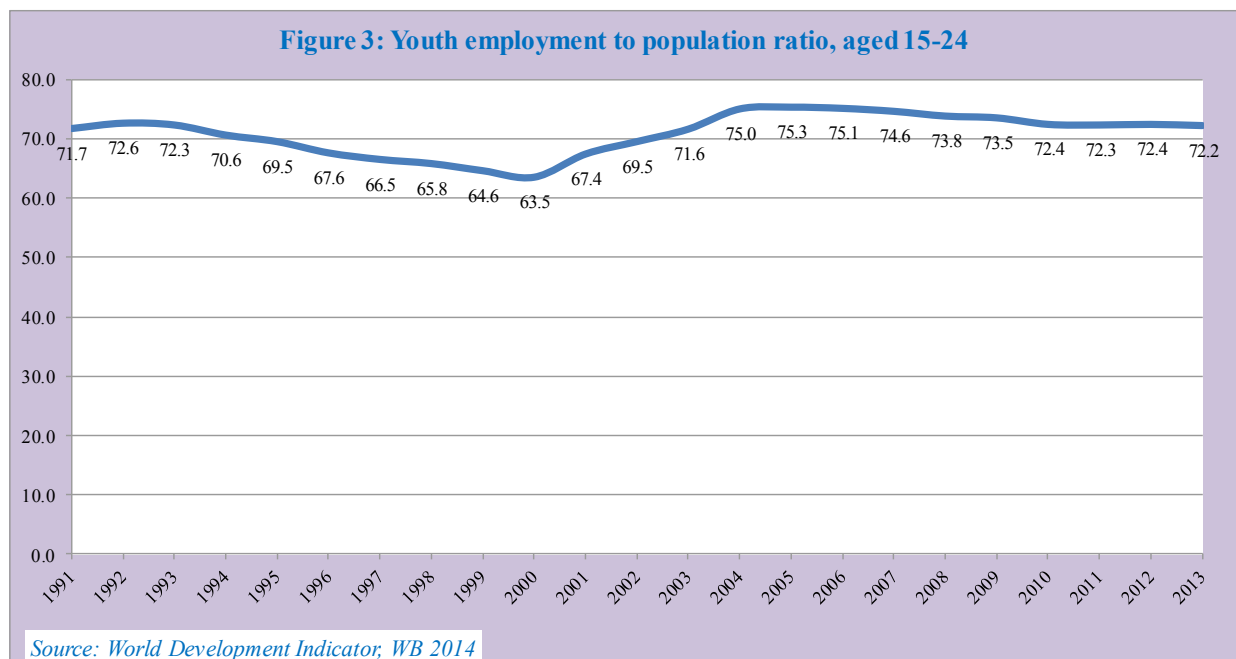
Source: World Development Indicators, WB 2014 as cited in CDRI (2012)

V. CAMBODIA'S YOUTH EMPLOYMENT TREND AND CHARACTERISTICS

As shown in Figure 2, the agriculture is still the leading sector for employment; and the share of employment in agriculture accounts for 51 per cent. However, agriculture sector share of GDP comprises of only 35.6 per cent. The figures indicate that more proportion of workforce aggregate in low value added of agricultural products, due to low technology, outdated techniques, and limited specialist in this sector. The growing of service and industry sectors, as the consequence of regional and global economic integration, contributes to 40 per cent and 24.4 per cent of GDP and creates 30.4 per cent and 18.6 per cent of employment for people; while the share of youth employment to population aged 15-24 account for 72 per cent in 2013 (Figure 3).



By taking a ratio of youth employment to the total population aged 15 to 24 years (Figure 3), the various trends of youth employment can be shown into three periods. Prior to the year 2000, the employment of youth dropped continuously from around 72 per cent to about 65 per cent. In 2000 the figure hit the ground to 63.5 per cent of the youth population. It is arguable whether the drop was resulted from the Asian financial crisis in 1997 or other factors. However, Chan et al. (1999) claims that the Asian financial crisis had negatively impact on total employment especially waged employment. During 2000-2005 the share of youth employment in total youth population, then, increases up to around 75 per cent. Then, from 2006 onward, the trend slightly decreases and remains stable at around 72 per cent. Take a look at another figure of youth employment; according the LFS 2012, the share of youth employment in total employment is about 29 per cent. However, due to lacking of data, comparison from time to time cannot be done relating to the employment of youth in the total employment.



The figures from the population census in 1998 and in 2008 show that the youth unemployment were 12.2 per cent and 3.3 per cent respectively. The figures show the dramatic drop in unemployed youth which could be explained by the growth of industry sector especially the garment sector which absorbed many of young labour. In 2012, the youth unemployment rate further decreased to only 2.1%, which is very low in comparing with global youth unemployment rate in 2012 representing 12.4% as well as the regional youth unemployment rate in South East Asia and the Pacific of 9.3%, (ILO, 2013). However, it is worth-considering that this low proportion of unemployment in Cambodia is due to the definition of “employment” which is defined as having worked even one hour within the past seven day².

² Definition by Cambodia Socio Economic Survey

Based on the labour force survey, 202,304 persons aged 15 or older were unemployed and of that 40 per cent are youth aged 15–24; and this high youth unemployment rates may be due to difficulties in transitioning from school to jobs as the consequence of lacking the skills needed by the labour market, or most likely and skills inadequacies. Since low level of education and skills required become the challenges for youth employment, they would find it difficult to get a better-paid job; and it would be even more difficult to compete for job opportunities with the upcoming inflow of labour from regional countries due to the economic integration of ASEAN Economic Community (AEC).

According to ILO (2013), unemployment period ranges from less than a week to more than one year; within which the proportion of unemployment period between 1-3 months shares the biggest proportion accounting for 32.6 per cent; and followed by 16.8 per cent of unemployed period of more than 1 year. The unemployment period is likely to be associated with education level of workforce and skills required by employers; as the result from school to work transition (SWTS) showed that the obstacle faced by young people in their job search are: “not having enough working experience” and “the requirements of job were higher than the education/training received”, which highlight the issue of mismatch between education and qualifications and job requirements. This result is consistent with finding of the study called “employer skills needs” conducted by the National Employment Agency (NEA), in which the lack of skills & competencies required; the lack of life experience & maturity, and the lack of motivation have been the three areas being critiqued by enterprises, (ILO, 2013). Therefore, some of Cambodia young workforces tend to have better access to garment factory job in which wage and working conditions are becoming the issues being concerned and discussed.

Table 3: Unemployment by job search duration and gender

Duration of Job Search	Total		Male		Female	
	Number	%	Number	%	Number	%
Less than a week	9,164	12.1	5,726	16.2	3,438	8.5
1 week to less than 1 month	12,403	16.4	5,128	14.5	7,275	18.0
1 month to less than 3 months	24,707	32.6	11,757	33.3	12,949	32.0
3 months to less than 6 months	5,849	7.7	1,555	4.4	4,293	10.6
6 months to less than 1 year	10,965	14.5	3,729	10.5	7,236	17.9
More than 1 year	12,726	16.8	7,464	21.1	5,262	13.0
Total unemployed youth	75,814	100	35,359	100	40,453	100

Source: SWTS-Cambodia 2012, cited in ILO, 2013

Table 4: Unemployed youth by main obstacle to finding work

Obstacles	Number	(%)
Requirements for job were higher than education/training received	12,957	17.1
Not enough working experience	20,759	27.4
Not enough job available	4,921	6.5
Considered too young	7,806	10.3
Discriminatory prejudices	1,686	2.2
Low wages in available jobs	11,686	15.4
Poor working condition in available jobs	1,686	2.2
Did not know how and where to seek work	11,220	14.8
Others	3,092	4.1
Total Unemployed youth	75,813	100

Source: SWTS-Cambodia, 2012

VI. CHALLENGES IN YOUTH EMPLOYMENT

Youth employment is not the only concern belonging to Cambodia, but also to ASEAN Community as a whole. In 2013, the rate of youth unemployment is 13.1 per cent (ADB & ILO, 2014)³. Cambodia is one among four countries in ASEAN that have the increasing number of working-age population and young labour force. At the same time, the productivity of Cambodian workers is still low comparing to that of others ASEAN countries.

Although manufacturing sector, particularly the textile, garment and apparel, in Cambodia significantly provides jobs for young workers, the labour productivity is still low compared to Viet Nam. The productivity in this sector is not larger than that in other sectors, especially in agriculture and service sectors, and sometimes even lower (ADB & ILO, 2014). Due to the limited size of the sector, it is still difficult to absorb the number of labour supply in the labour market each year. Hence, economic diversification is an essential and urgent task for Royal Government of Cambodia (RGC) to do.

³ ADB and ILO, “ASEAN Community 2015: Managing integration for better jobs and shared prosperity”, 2014, p.9.

Moreover, education quality and enrolment rate are the main challenges. In 2013, the enrolment rate for upper secondary school is less than 50% (ADB & ILO, 2014). As students leave school so early, there have been an increasing number of low skilled youths entering the market by working on unskilled job and informal employment (CDRI, 2014)⁴. Lacking of job information leads youth to undervalue the education and then quit school too early. Thus, the big challenge for the Royal Government of Cambodia (RGC) is to how to skill those workers to gain decent employment. Education policy must also be well designed to ensure the achievement of 100 per cent of enrolment and completion rate in upper secondary school. Whereas some ASEAN member states focus their educational strategies on primary education, Cambodia needs to move its focus to upper-secondary school, technical education and training and vocational training.

However, according to ILO (2013), youth with vocational education and training as well as university level account for the least proportion compared to youth with primary and secondary education level, showing that as level of education increases, the proportion of youth remaining in higher education decreases. The decreasing number of student remaining in education as well as the low level of education level completed by Cambodia youth are more likely due to the economic condition of especially the poor households in which they are more likely to require their children helping the family; for example, must contribute to household, too poor, too young to attend school, did not want to study, did not do well in school, and must help with household chores, (Kim, 2007). So, it could be assumed from the figures presented above that Cambodia labour force has low level of education; and this assumption is in line with the ILO who posited that “young labour force generally suffers from low and poor levels of education when viewed against the requirements of an increasingly developed economy and external competitiveness” (Lundström and Ronnås 2006), and “the lack of education opportunities among the working-age population clearly contributes to the enabling of unemployment and the weak chances of finding better-paid jobs or jobs with greater security and benefits, (ILO, 2013). Therefore, with low level of education, Cambodia labour force; especially youth, would find it hard to compete for job opportunities with the upcoming of inflow labour from regional countries due to the economic integration of ASEAN Economic Community (AEC) in 2015.

⁴ CDRI, “Cambodia Outlook Brief”, No.2, 2014, p.3.

Table 5: Employed youth aged 15-24, by education level and gender

Educational level	Total	Male	Female	Total	Male	Female
	2,072,173	1,039,732	1,032,440	% of Youth		
None	124,373	68,999	55,374	6.0	3.3	2.7
Primary	860,168	423,159	437,008	41.5	20.4	21.1
Secondary	965,397	485,107	480,290	46.6	23.4	23.2
Vocational	52,714	28,999	23,715	2.5	1.4	1.1
University	69,521	33,468	36,053	3.4	1.6	1.7

Source: Cambodia Labour Force and Child Labour Survey 2012, ILO 2013

At the same time, the qualities both in general education, especially in Higher Education (HE), and in technical and vocational education and training (TVET) have not yet been responsive to ASEAN standards. HE cannot provide a good quality of teaching and sufficient studies facilities. With insufficient quality control, HE management in private universities is driven by the profit rather than the quality (CDRI, 2014). Together with low quality, the number of TVET schools is still marginal in the countryside. People in rural areas can hardly access TVET and even are incapable of supporting fee for services.

“Cambodian graduates with university degrees on average find satisfactory work within two years while those with a secondary education spend an average of nearly five years in this transition. Consequently, there is 50% of youth workers in informal employment and two-fifths are undereducated for the job that they hold.”(ADB & ILO, 2014)

Due to difficulty in finding job, post-graduated or under graduated youths decide to work in the less-skilled jobs which have low-paid and less protected. They end up by working in temporary, part-time, intermittent, casual and insecure jobs in poor working conditions and with little income security⁵. Certain number of them choose jobs that they are over- or under-qualified. As a consequence, those young workers are most likely to continue seeking another

⁵ Elizabeth Morris: “Youth employment – The way forward,” ILO Issues, Vol.3, No. 3, December 2004, p. 6-7.

jobs they are fond of or doing two low-paid jobs at the same time to support their livings. Some youths feel discourage to find new jobs and finally decide to quit job seeking (this is called “underemployment”). “Long term unemployment can lead youth to experience despair and hopelessness”⁶. Likewise, choosing dissatisfied job provokes less productivity, which can be suffered by both employers and employees. According to the ADB report (2014)⁷, about nearly 90 per cent of total employment in Cambodia is in informal sector in which social protection and labour law compliance have not yet been fully respected. 60 per cent of informal workers are self-employed or unpaid family workers, sort of vulnerable job given its informal arrangements, they lack of decent working conditions and social security, and inadequate earnings. Therefore, both informal employment and underemployment are currently the concerns of the RGC. Meanwhile, the emphasis should be made on the career guidance for youth to help them find jobs they like and able to employ their acquired skills and knowledge. Otherwise, there will be problem in term of low productivity, mental discouragement and social exclusion to youths who are in the above situation.

Skilled workforce and young professional in Cambodia have not yet fulfilled the employer’s need (CDRI, 2015)⁸. Whereas job seeker cannot find decent employment, employer finds it so difficult to fill job vacancies. This is called “skill-mismatch”, which skills provided to youth in higher education and TVET are beyond the employer’s demand and “skill shortage”, which is defined on demand side as the situation in which employer can hardly find right candidate to fill job requirement. Such situation needs an immediate reform in curriculum design at HE and further diversification in new training courses that can answer to the labour demand.

Underemployment or unemployment can lead young workers to leave rural communities for urban employment or leave to work as less-skilled worker abroad, where wage is significantly higher than local one. Migrant’s movement gives both gain and loss to the country economy and society. For instance, rural-to-urban migration can pose several problems to young migrants, namely alcohol and drug abuse, gang violence, crime, rape and the risk of HIV/AIDS (CDRI, 2009)⁹. Similarly, although the international migration is largely considered as the source of young employment, non-regularised young workers may suffer from being cheated and work in jobs with health risks. It will be a big challenge if the government has not yet adopted any policies and measures for the returned-migrants for the near future. Furthermore, following AEC 2015, there are more likely international movements of skilled professionals into Cambodia labour market due to skill shortage from employer side (CDRI,

⁶ ILO, “ILO Policy Brief on Youth Employment in Cambodia”, 2007, p.6.

⁷ ADB, “Cambodia Diversifying beyond Garments and Tourism: Country Diagnostic Study”, November, 2014, p.73.

⁸ Khieng Sothy, Srinivasa Madhur and Chhem Rethy, eds. 2015. *Cambodia Education 2015: Employment and Empowerment*. Phnom Penh: CDRI.

⁹ CDRI, “Cambodia Development Review: Youth Situation Analysis in Cambodia: Challenges, Perceptions and Opportunities for Youth by CDRI, Vol. 13, Issue 1, 2009.

2015). This can lead employers to be more dependent to foreign skilled workers. To handle this challenge, migration policies are really needed, especially toward returning migrants. As Cambodia plans to become upper middle income country by 2025, the challenges in youth labour force can lead the country to face the middle-income trap¹⁰. To avoid this trap, Cambodia needs to diversify its economy beyond low cost manufacturing sector so that it can be more competitive comparing other ASEAN countries.

In these recent years, garment sector has facing more violent strikes, which is so harmful to all relevant partners such as workers, employers, international buyers and Cambodian government. That unstable situation gives such bad image to job in garment sector and letting this situation continue can consequently distract the inflow of foreign investments. Finally, low local and foreign investment will suffer to young labour force that will enter the labour market in next following years. Low productivity is a major challenge of Cambodia; diversifying economy, social protection development, education and TVET enhancement are all possible solutions to respond to productivity concern.

VII. VII. POLICIES AND PROGRAMMES FOR YOUTH EMPLOYMENT AND DEVELOPMENT

Cambodia's Education Strategic Plan (ESP)

To respond to challenges, Ministry of Education Youth and Sports (MOEYS) of Cambodia adopts Education Strategic Plan (ESP) to focus on seven key sub-subsectors, among which are Secondary Education, Higher Education, Non-formal Education and Youth development. Indicators of the performance of ESP 2009-2013 show that net enrolment in upper secondary education 2012-2013 is still fairly achieved the target (respectively 18.1 per cent comparing to target of 23 per cent). The completion rates in upper secondary school 2012-2013 is achieved only 27 per cent. To overcome such challenge, MoEYS continues to focus on upper-secondary school to achieve its enrolment rate up to the target.

In addition, to tackle with the quality issue, ESP (2014-2018) sets its qualification framework in order to improve the quality of higher education system and technical/vocational education. Relating to skill mismatch and skill shortage, increasing number and enhancing capacity of students in science, technology, engineering, creative arts and mathematics are to make a reform to higher education in 2014. This reform can help to cut down the excess labour supply in management, marketing, bank and finance etc., and turn to develop human capital in scientific and technical skills of which the demand of labour is significant. Another reform for

¹⁰ “A phenomenon where increases in per-capita GDP remove low-cost labour as a comparative advantage, causing GDP growth to stagnate. Such challenge is already under consideration of Cambodian government” (ADB & ILO 2014).

2016 is to diversify higher education curriculum by including scientific subjects (engineering, architecture, medicine, dentist, nursery, accountant, tourism, profession and foreign language) and important soft skills (Problem-solving, leadership, communication etc.) in line to ASEAN priority curriculum standard.

ESP (2014-2018) has also adopted two main programmes for youth development, namely technical and soft skill development programmes. Prior to higher education, youth can receive short or long term trainings in term of technical and soft skills. Technical skill is provided to youths through short training (foreign languages, computer, Information Technology and telecommunications, agriculture, handicrafts, entrepreneurship, leadership etc.). For soft skills, there are programmes such as study club, camping programme, study tour and scout movement. Together with skills development, information of jobs and careers are also being highlighted as part of youth development programme. As number of self-employment is significant, ESP (2014-2018) also underlines the support to youth to such employment in term of capital and start-up counselling. Youths who lose opportunities or who are illiterates can receive non-formal education of Khmer literature and mathematic foundation, etc.

Cambodia's Industrial Development Policies (IDP)

Industrial Development Policies 2015-2025 (IDP) adopt both short-term and medium measures by focusing mainly on TVET.¹¹ To ensure both quality and quantity of trainers and trainees of TVET, in medium term, IDP plans to promote role of private sector in policymaking, training design, standards setting, assessment, and accreditation. Such cooperation is to match TVET's curriculum to employers' needs and promote its standard. Meanwhile, TVET programme will be more publicised via media, job exhibitions and skill competitions in order to raise public awareness about TVET, especially youths in rural area. Moreover, more entrepreneurship trainings are needed. Such trainings are to ensure creation and sustainability of micro and small enterprises. However, in the present, there has not been any industrial development bank or public SME bank to provide credit for young entrepreneur. Similarly, according to ADB (2014), with limited number of TVET institution in the whole country, there is still no sector-specific training (for instance, no training institute for garment subsectors).

Rectangular Strategy of Royal Government of Cambodia

Government has already recognised the importance of decent work. The third angle of third rectangle in Rectangular Strategy phase II and III has mainly focused on improvement of working conditions, enhancement quality of technical and vocational training, building labour statistics system and setting qualification framework, improvement of labour disputes process

¹¹ "Industrial Policy has seven components: fiscal incentives, infrastructure, export promotion and facilitation, financial support and incentives, public procurement, human capital, technology and research and development." (ADB, 2014).

and Labour Law compliance. To achieve these goals, Government has created National Employment Policy (NEA) under sub-decree no. 67 RNK.BK dated 27 April 2009. Job fair or career forum is created annually by NEA to provide information of job market (recruitment announcement, career counselling etc.) to public, especially youths. During such events, sort of career orientation test can be accessed. The test can help youths to understand clearly their personalities and type of jobs that fit to them. Nevertheless, quality of NEA as public recruitment agency is not yet widely recognised by employers. NEA's services are not well-disseminated to youths in rural areas and then youths in those areas still lack information of job market. Information gap can lead youths to choose wrong careers. The career orientation tests are not yet fully accurate and proved scientifically. In spite of this weakness appears, NEA continues to publish its services on media and starts to cooperate with NGO programme, called "Klahan 9" in order to promote public's awareness of NEA, which the most target people is youth or young labour force. Moreover, NEA has been developing database of labour market statistics under cooperation with other relevant institutions such as NIS, Cambodia Development Council (CDC), Ministry of Industry and Handicraft etc., which play important roles in providing all relevant labour data.

Minimum Wage and Collective Bargaining

Furthermore, in 2015, minimum wage of garment and apparel sector under tripartite working is increased up to 128\$, from 100 in 2014, which is recognized as an amount being able to raise household above the poverty line. Yet, it is important to notice that there is not yet an official study or survey about the effect of new minimum wage on living standard of workers in garment sector and whether minimum wage affects youth employment. At the same time, Ministry of Labour and Vocational Training (MLVT) has been working on union draft law as an efficient collective bargaining to improve working condition. Under suggestion from government, this draft law needs to be published by second trimester of 2015. Both minimum wage and union law are considered as two remarkable contributions to reduce number of strikes in garment which happened significantly in the period prior to the 2012 national election. Some leaders of labour union in the garment sector have tried to promote their popularities toward workers. So, the increasing number of unions per establishment or enterprise can be a factor causing the unstable situation in enterprise. Union law will be able to control that increasing number and partly can raise awareness of workers on how to do legal strike. As long as workers can have that minimum wage and peaceful working situation, they can as a result work more productively. Such consequence can raise the social status of garment sector among youths who are going to enter the labour market and among new investors or international buyers.

National Social Protection Schemes

Cambodia is one of the ASEAN Member States that has the significant proportion of labour working in informal employment (60 per cent are in informal employment, according to NIS data in 2013). ILO and ADB suggest in their 2014 joint report that the social protection for workers should be raised in order to promote decent work. Cambodian government has recognised the importance of social protection system by putting it as a goal of Rectangular Strategy Phase III. Besides the protections to private sector employees in form of employment injury benefits, maternity and sick leave, and severance pay provided by Cambodian Labour Law (1997), the Law on Social Security Schemes (2002) under the National Social Security Fund (NSSF) includes a mandatory employment-based social insurance scheme, occupational injury coverage, medical insurance, and pension benefits to private sector employees. For an example, from 2008-2010, the government's spending on social security and welfare has been increased considerably from KR 159 billion to KR 237.7 billion (ADB report 2014). As Cambodia is likely to be less competitive comparing to other garment exporters countries, setting social protection as one of their prioritize strategic plan 2015-2018 is a way to support financially workers in the sector. They can use this sort of income for further trainings in new or current skills or for returning to education. Consequently, less-skilled youths working in low value-added manufacturing sector as for an example can move themselves to higher value-added manufacturing sector after upgrading their skills. However, this can happen only if Cambodia diversifies its economy from low value-added sector to higher one and increases the social protection system coverage. In the long term, social protection can lead to poverty reduction, productivity growth, inequality and sustainable economic development. This is also the way to attract youth who work in the informal sector to move into the formal one, which the working condition (payment, labour law compliance etc.) would be much better.

“Recognising that social protection is important to combat poverty, inequality and exclusion, certain ASEAN Member States have recently included social protection in their respective national economic development plans – as in Cambodia, Indonesia, Thailand and Viet Nam.” (ASEAN Community, 2015; ADB & ILO, 2014)

Economic Diversification

The economy of Cambodia heavily concentrates in four activities, namely rice, garments, tourism, and construction. Diversifying sector is one way to ensure economic growth. The Rectangular Strategy phase III of RGC aims to promote further investment and add more-value-added to agriculture sector by encouraging more agro-industries, modernising agriculture and increasing productivity. Such investment is really necessary for Cambodia where the majority of labour and the poor are in agriculture (49 per cent employment in agriculture in 2013 according to ADB). The second angle of the third rectangular strategy aims to develop industries and small

and medium enterprises (SMEs). Such two policies are very important to help young workers who are already in agriculture and who will decide to leave agriculture for industries or services. In contrast, diversifying economy can be achieved only if there are necessary fiscal incentives, trade facilitation and production facilities (for example, Special Economic Zones), skilled-workforce available for investors.

VIII. CONCLUSION

The current study has shown that youth employment trend fluctuates over the past three decades. However, it still remains high at about 72 per cent of the total youth population. Youth employment are not significantly different among gender, but the Cambodian female labour force participation rate is found highest in comparison to some countries such as Bangladesh, India, Indonesia, Lao PDR, Malaysia, Pakistan, Singapore, Sri Lanka, Thailand, and Vietnam. The youth labour participation rate is more than 2 million in 2012, representing 63.1 per cent of the total labour force.

Moreover, agriculture remains the major source of employment, followed by service and industry. Majority of youth employment in Cambodia has no education or primary education, while only 3.4 per cent are in university level. This shows that youth employment of Cambodia is workers of unskilled or low-skilled and is more often found working in informal sector where employment social protection is not reached.

The challenges of youth in term of employment associate with low level of education, education quality, and limited accessing to education due mainly to economic condition of the household, especially those who locate in rural areas. Moreover, limited access to labour market information, mismatching between educations, skill trainings in both hard and soft skills, and the required skills in labour market have constituted to undervalue education among youths; and these constrain them in getting employment especially well-paid employment.

Based on these findings, it could be concluded that the challenges of Cambodia's youth's employment is due to the quality of both education and skill trainings which are yet response to the need of labour market, the dissemination of labour market information which is not widely spread especially to youths in the rural areas, and the lack of mechanism to ensure social protection for workers working abroad and to manage those who are the return migrants.

Despite having some limitation, mainly on time, this study, therefore, suggests three policy implications as follow:

1. Education policy should further emphasize on fields of science, technology, engineering, creative arts and mathematics; while the emphasis should also be paid to

entrepreneurial skills, technical skills, apprentice skills, and soft skills which are response to the needs of labour market. However, this policy would not be realized without active participation from related stakeholders including private sectors and development partners. Therefore, they should be invited to work closely with education policy makers for the development of curriculum and the development of skills training programs.

2. Information about labour market and skills training programs should be widely spread to youths and ensure that youths, especially those located in rural areas, can easily access to these information. In order to live up this policy, outreach teams should be set up to disseminate labour market information and skill training programs to youths in rural areas where accessing to these information is not possible.

3. Social protection mechanism for youth employment, both locally and internationally, should be strictly implemented to ensure that workers are free from violence, abuse, and exploitation. In order to efficiently and effectively implement this policy, a safety net should be cooperated and strengthened between labour inspectorates, related authority bodies, and/or owner of the firms.

To tackle youth employment issues in Cambodia and to turn these young people into productive workforce for the development of agro-industry and the development of small and medium enterprises as well as to compete with the incoming flow of ASEAN workforce through AEC 2015, the above suggested policies, in addition to the existing policies, should be strengthened to ensure the wellbeing of workers, the development of productive workforce, and the shift of workforce from low-value added to high-value added production.

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