



វិទ្យាស្ថានបណ្តុះបណ្តាល និង ស្រាវជ្រាវដើម្បីអភិវឌ្ឍន៍កម្ពុជា

CDRI – Cambodia’s Leading Independent Development Policy Research Institute

**បញ្ហាប្រឈមនៃក្នុង
គោលនយោបាយ
ទីផ្សារពលកម្ម**

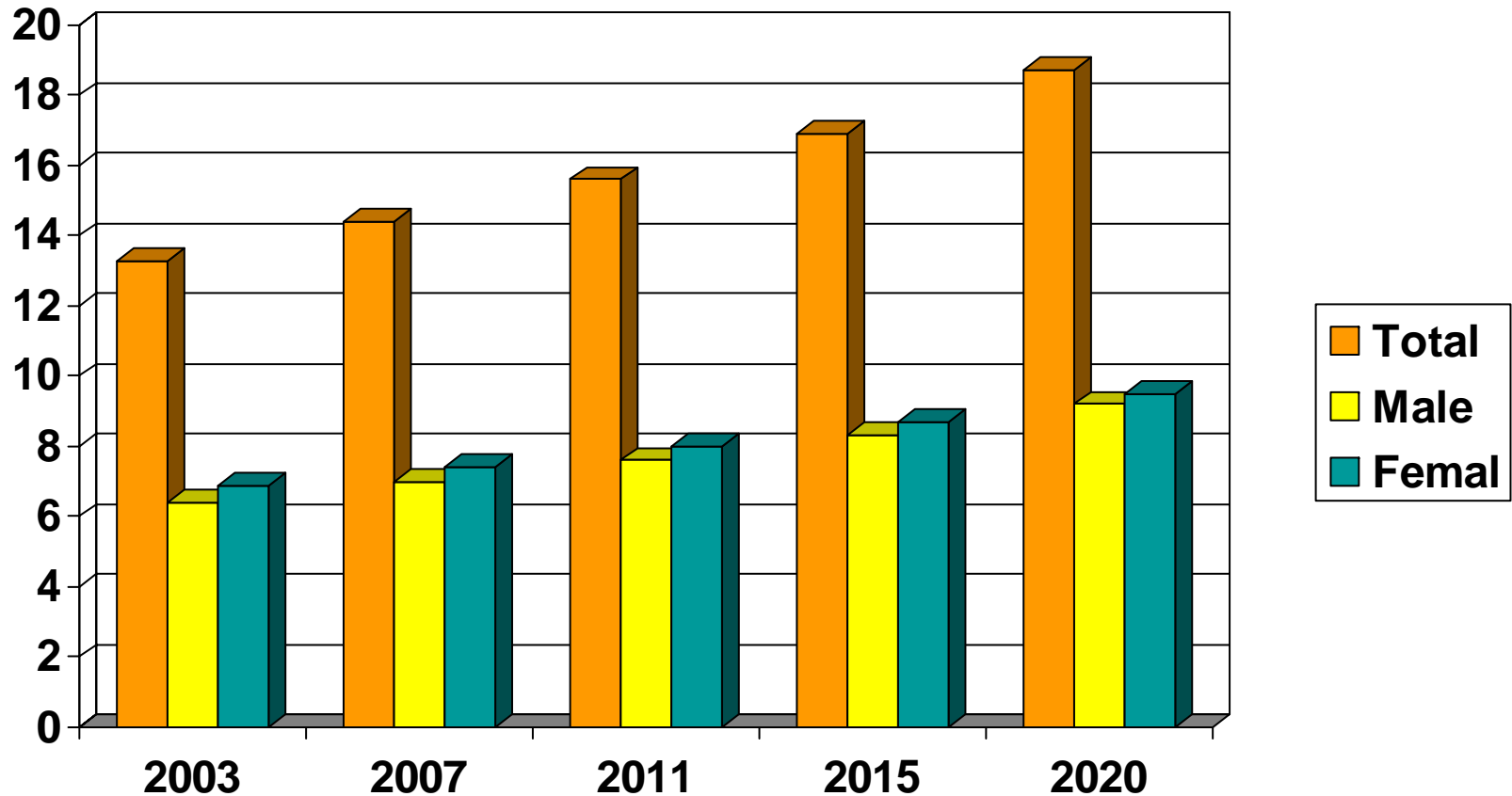
ដោយ លោក ច័ន្ទ សុផល
អ្នកគ្រប់គ្រងស្រាវជ្រាវជាន់ខ្ពស់
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**Labour Markets
Policy Challenges**

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LABOUR SUPPLY: Cambodia's Population Projection (million)

ការផ្គត់ផ្គង់ពលកម្ម : ការធ្វើចំណោលប្រជាជន (លាននាក់)

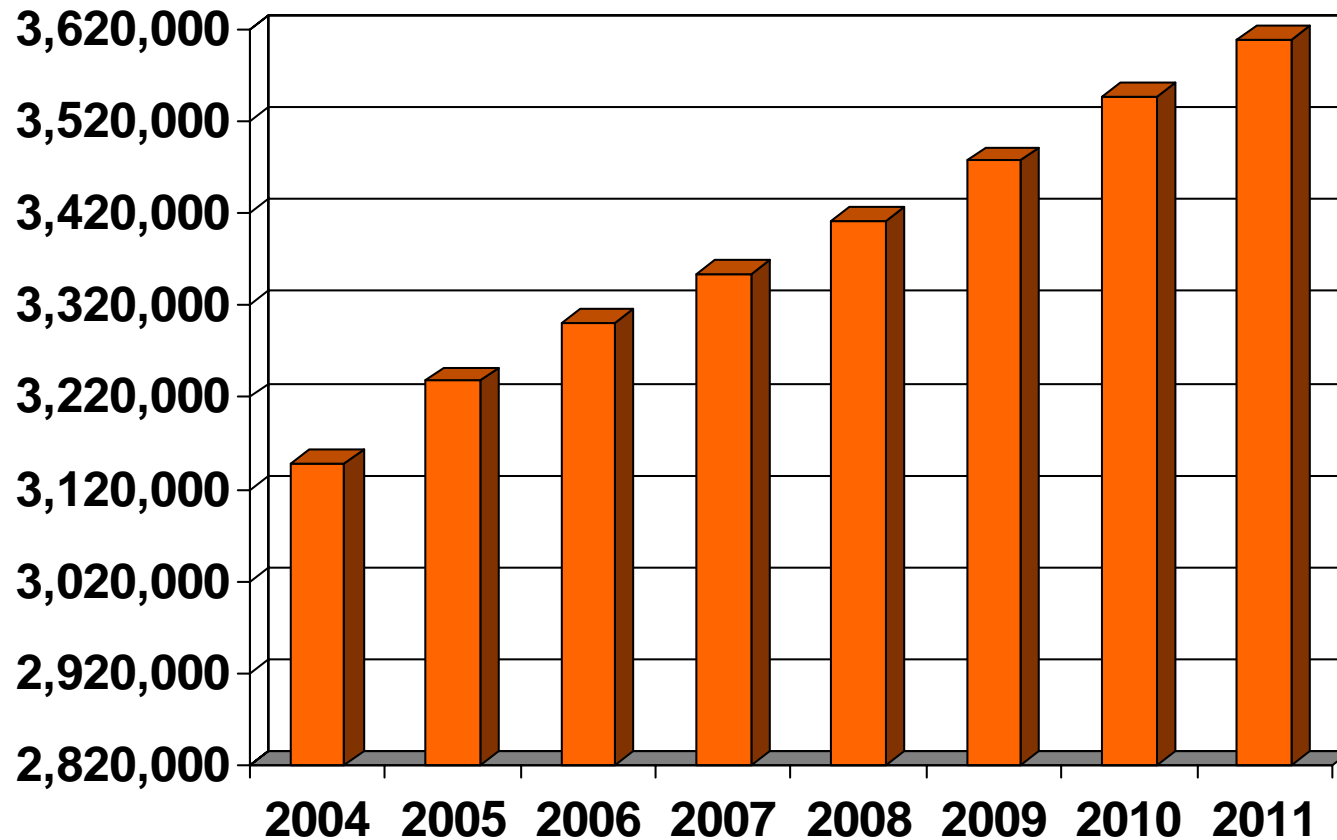


Source: NIS, Statistical Yearbook 2006

Youth population (15 – 24 years)

About 250,000 is added to the labour force annually

ចំនួនយុវជន (អាយុ១៥ - ២៤ឆ្នាំ) : ប្រហែល ២៥០.០០០នាក់ ចូលជាកំលាំងពលកម្មរាល់ឆ្នាំ



Youth Unemployment

(Morris, ILO, 2007)

- Unemployment based on **those not working but available for work** for young people in Phnom Penh was 20.1 per cent in 2004, *quite alarming*
 - 27.8 percent for teenagers 15–19 years,
 - 16.6 percent for young adults aged 20–24 years.
- The growing numbers of young people in need of job opportunities and appropriate skills will continue to be a challenge over the coming years.

Labour Market Policy Challenges

- **Lack of skills including appropriate education**
 - Supply of educational and training services limited
 - Demand for education and skills limited due to overriding short term needs
- **Lack of productive employment creation**
 - Investment climate needs further improvements
 - Contentious land policy—trade off between *forest land* (aimed at 60%) and *agricultural land*—resulting in waste of production potential.
- **Constraints to gaining more from international labour migration**
 - Remittances about \$200 million a year in 2005. Can go up to \$500 million if better managed (Vietnam and Thailand received \$4 billion and \$1.5 billion respectively)

Labour Market Policy Recommendations (1)

- To improve education and skills requires the balance between
 - (1) Increasing supply of education: Education budget was \$136 million in 2007. This annual investment will take 10 years to generate returns.
 - (2) Raising demand for education: Food security and basic needs are to be met first before education is demanded.
 - Policy to raise income for the poor through improving agricultural/land productivity and provision of vocational training.
 - This entails increasing budget for agriculture (MAFF 2007 budget was \$15 million) and vocational training (MOLVT 2007 budget was only \$7 million). Income can be raised in 1 to 2 years.

Labour Market Policy Recommendations (2)

- **Creation of productive employment**
 - Improve investment climate (Government and WB working on improving trade facilitation)
 - Policy to reduce energy and transportation costs
 - **Land and forest policy needs review:**
 - **Need for clear boundaries of state land/forests.**
Technically 80% of country is state land. Too large?
 - **Can forest land be maintained at 60% of the country?**
 - **Land titles and thus land tenure are impossible on new lands for average people when Forestry Administration still claims 60% of Cambodia.**
 - **Non-performing economic land concessions should be turned to social land concessions.**

Labour Market Policy Recommendations (3)

- **Foreign employment will rise.**
 - Since 1998, 10,532 legally sent to Malaysia, 3,984 to South Korea, and 6,114 to Thailand.
 - About 180,000 working in Thailand “irregularly”.
 - Thailand forecasts 6 million labour deficit in 5 – 50 years
 - More employment in Malaysia, Korea, Japan, Singapore
- **Need to lower costs of becoming legal migrants**
 - A need for Prokas (Declaration) to determine the passport fee at a reduced rate of \$40 or lower, and processing time in 10 working days or less.
 - Cost of sending workers to Thailand should be reduced from \$700 to \$300 by Thai and Cambodian governments.
- **Need to have special consideration for female migrants who are vulnerable to abuse and trafficking.**

Labour Market Policy Recommendations (4)

Matching university courses with skills demanded

- Universities provide lots of management, accounting and marketing courses.
- However, given the acute need for development of fundamental factors, skills for the following are badly needed but little provided by universities:
 - Road and bridge construction
 - Building construction
 - Irrigation
 - Electricity
 - Plumping
 - Mechanics

Conclusion

- Young population presents both challenges and opportunities.
- To sustain high growth in the medium and long terms, there is a need to move from “resources based” to “skills based” growth.
- Improvement in quality of labour is therefore needed.
- The means to achieve this should be the balance between long term education investment and short term income/skills raising investment.
- Education investment will yield long term gains only if short term needs can be met.
- Securing food and raising income through improving agricultural and land productivity and increasing technical and vocational education and training are key.
- Thus, more resources should be provided to MAFF and Ministry of Labour and Vocation Training.