

Cambodia Outlook Conference
Cambodia and the Global Crises
Impact, policy, responses, action

Cambodia's Human Resource Development
Building a Skilled Workforce

12 March 2009

Phnom Penh Hotel

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Secretary General, CAMFEBA



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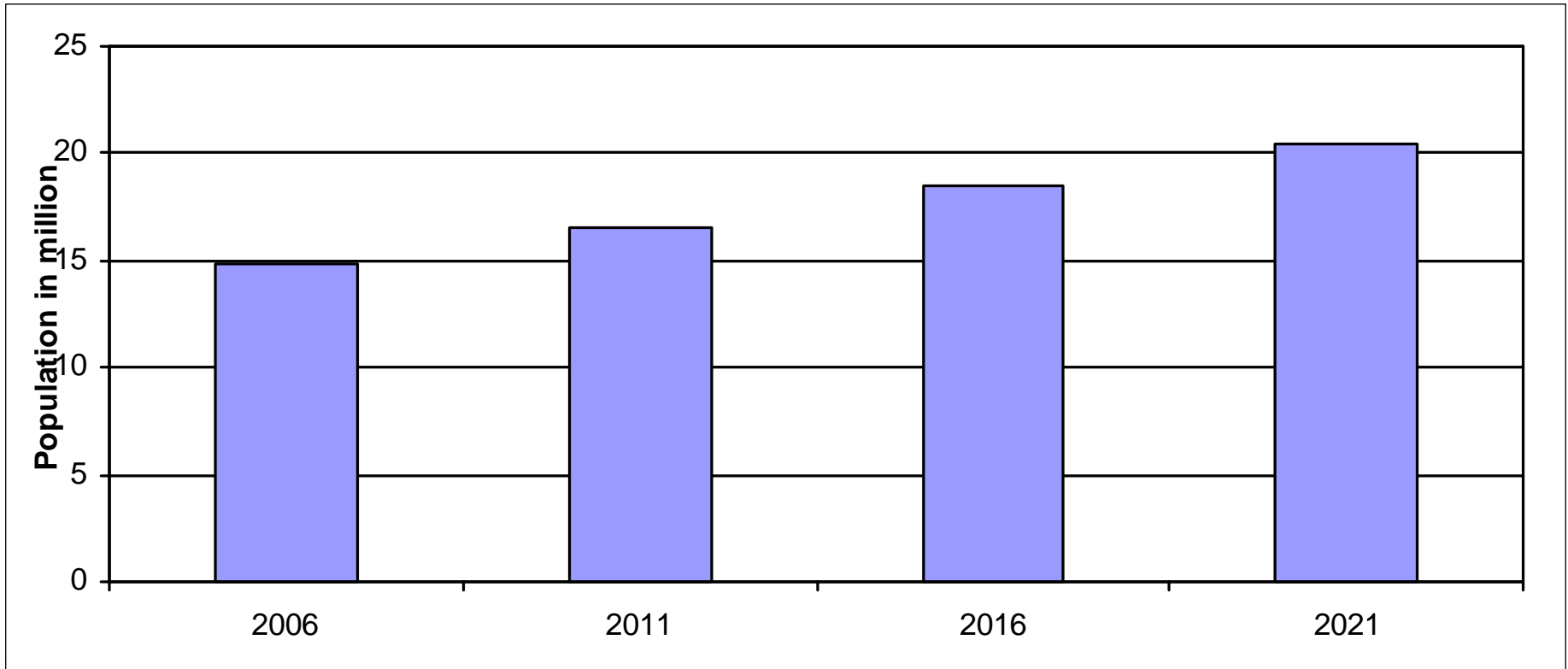
Contents

- Background & Context
- Understanding the education system
- Where's the gap
 - Youth Perspective
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- Making the links: Recommendations



Background: Population

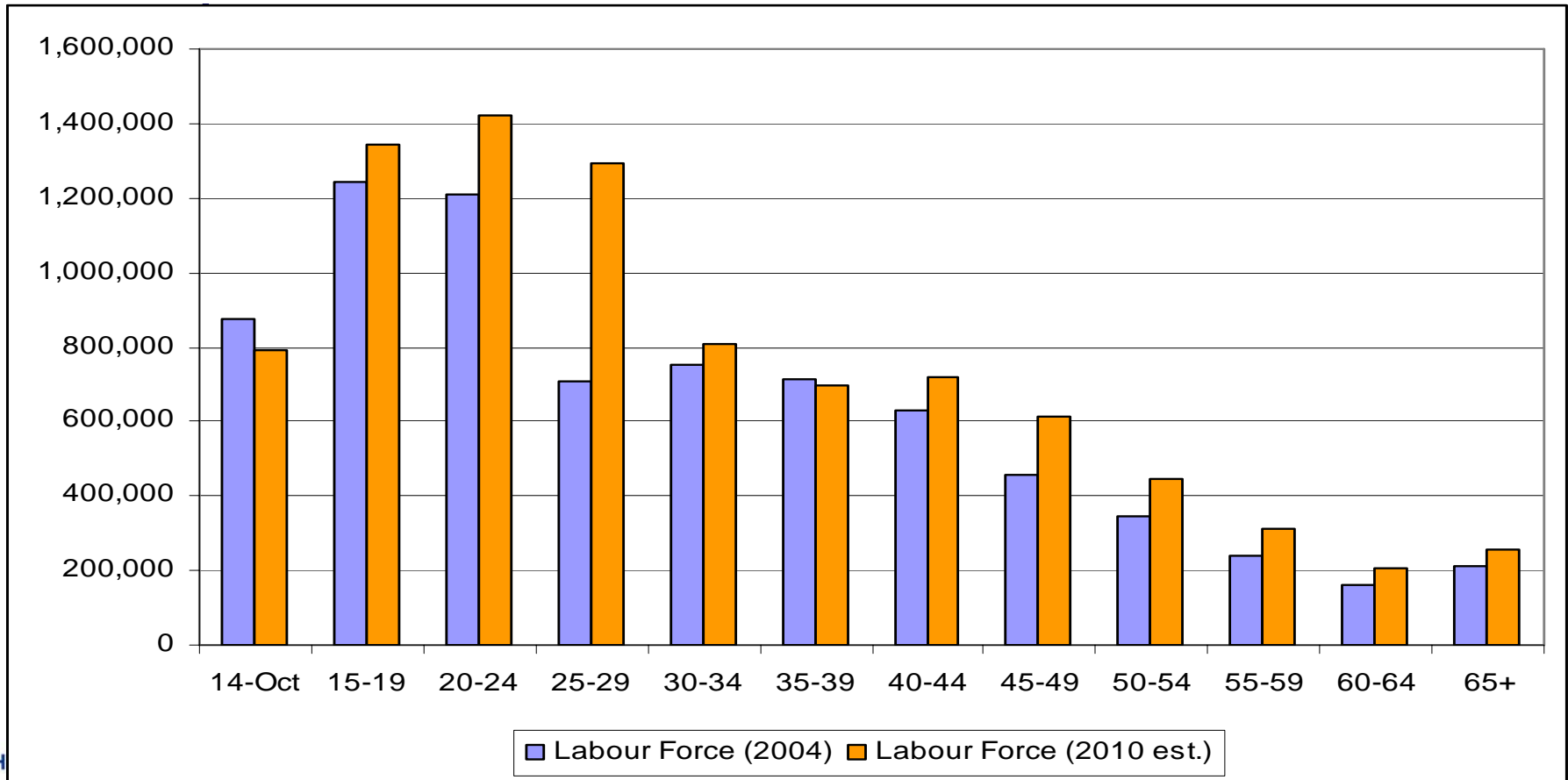
Population statistics and forecasts show in 2006 the Cambodian population was just under 15 million people with a projection of approximately 17 million by 2011.





Background: Population Changes

The change in the age demographics of the population shows that the 1980's baby boom is having a large impact on the number of young Cambodian's entering the workforce – 2004 vs. 2010 (Cambodia Economic Watch, 2006)





Background: Employed Workforce Occupations

The 2004 Cambodia Socio Economic Survey shows that the majority of our employed workforce (10 yrs+) is engaged in agriculture and lower skilled jobs...

Occupation	% distribution by Primary Job
Skilled agricultural and fishery workers	62.8%
Sales workers	12.5%
Unskilled Occupations	8.0%
Craft and related workers	5.7%
Plant and Machinery operators	5.7%
Professionals	3.0%
Legislators, senior officials and Managers	0.9%
Armed forces	0.7%
Technicians	0.4%
Clerk	0.2%
Others	0.1%
Do not know	0.0%
TOTAL	100%



Background: Employed Workforce

*The 2004 Cambodia Socio Economic Survey also shows that of **the employed workforce (10 years and over)**, the majority or the employed workforce are **unpaid family workers**.*

Employed Population	Both Sexes	Men	Women
Paid Employee	20.0%	23.3%	16.6%
Employer	0.1%	0.1%	0.1%
Own account worker/ Self Employed	34.4%	39.7%	28.8%
Unpaid family worker	43.3%	34.8%	52.0%
Other	0.5%	0.6%	0.3%
Not Available	1.8%	1.4%	2.2%
Total	100%	100%	100%

NIS, Cambodia Socio-Economic Survey, 2004



Background: What skills do we need?

A presentation by MoLVT on “responding to changing labour market needs” articulates quite simply and very clearly what types of skills we need to develop for Cambodia’s workforce...

Skills Level	Relative Quantity	From whom
Higher level skills (mainly urban)	Few	Emerging modern industries
Basic skills (mainly rural)	Very Many	Communes to increase rural incomes

Source: 'Responding to Changing Labour Market Needs', November 2008; MoLVT.



Background: Where are the jobs?

The 2001 NIS workforce assessment shows that the majority of jobs remain in Agriculture....

Classification	% Workers	Total Numbers
Agriculture, hunting, forestry	66.0%	4,123,888
Wholesale, retail, repair	10.3%	644,307
Manufacturing	8.7%	544,832
Fishing	4.2%	261,062
Transport, storage and communications	2.7%	169,307
Public Admin and Defense	2.4%	149,382
Construction	1.5%	94,077
Education	1.4%	88,446
Health, Social Work, community services	1.3%	80,241
Household staff	0.4%	28,019
Real estate, renting	0.3%	16,374
Mining and Quarrying	0.2%	13,525
Hotels and Restaurants	0.2%	10,412
Foreign NGO's and Agencies	0.2%	6,800
Financial	0.1%	6,119
Electricity, gas, water	0.1%	3,795



Background: Where are the jobs?

More recent data from EIC in 2007 and the TVET development Plan (2008) consolidated shows the same need for agriculture workers. Number are provided in '000's

Industries	2004	2005	2008	2009
Garments	288	271	232	??
Food Beverage, Tobacco	85	86	90	??
Other manufacturing	57	58	58	??
Electricity, gas, water	8	9	10	??
Construction and Mining	145	144	139	??
Agriculture				
Paddy	2857	2936	3162	??
Other Crops	496	511	554	??
Livestock	387	398	430	??
Fishery	254	256	262	??
Rubber, Forestry	33	34	37	??

EIC: Cambodia Economic Watch, April 2007 and National TVET Development Plan 2008



Background: The Economic Crisis

A rapid assessment on the impact of the financial crises by the Cambodia Institute of Development Studies estimates the following job losses in important economic sectors....

Sectors affected	2008 Jobs lost / absorbed	2009 jobs lost to date ^[1] / absorbed	Comments & Reactions
Textiles and Clothing	27 000 jobs lost	19 000 jobs lost	<ul style="list-style-type: none"> – An average of 80 dollars income per month per employee – Labour Demand: cut working hours and overtime, shorten duration of contracts, delay payments, mass layoffs, factory closures – Labour Supply: Voluntarily resign with no layoff compensation, more strikes
Construction	36 500 jobs lost	25 600 jobs lost	<ul style="list-style-type: none"> – An average of 100 dollars income per month per employee – Labour Demand: Workers laid off rather than cutting working hours or reduce daily wages – Labour Supply: Return home or rest to informal jobs such as the restaurant, carwash, moto repair, coconut seller



Background: The Economic Crisis

A rapid assessment on the impact of the financial crises by the Cambodia Institute of Development Studies estimates the following job losses in important economic sectors....

Sectors affected	2008 Jobs lost / absorbed	2009 jobs lost / absorbed	Comments & Reactions
Tourism	16 614 jobs absorbed	12 698 jobs absorbed	<ul style="list-style-type: none"> – An average of 80 dollars income per month per employee – Labour Demand: No massive layoffs but underemployment like as sector will grow at a slower pace. Most activities are self employed in this sector – Hotels & Guesthouses: Jobs stable at moment unless tourism numbers continues to slow – Restaurants, Massage & Casino: Approximately 25 000 workers (February 2008 saw the close of CAMBO Six, Cambodia’s largest betting agency with an approximate job losses of 500 – 800 across the country (HRINC estimates) – Tuk Tuk: 14 000 drivers of which 6000 in Siem Reap are experiencing a much lower incomes
Agriculture	650 000 jobs absorbed	203 200 jobs absorbed	<ul style="list-style-type: none"> – An average of 50 dollars income per month per employee – Subsistence Farming will absorb workers that have been retrenched in other sectors. Agriculture production may increase but per capita incomes may be reduced – Business Farming may see a reduction in employment and wages being depressed due to drops in sales and prices amid decline in global demand.



Summary Questions and thoughts?

- The majority of jobs lost are to illiterate or semi literate part of the population, how easy will it be to “migrate” to a new sector?
- Are we able to up skill or re skill the work force to remain economically active in the formal market?
- Are we able to keep our workforce skilled if industries will regain strength and momentum “post economic” crises?
- Can our education systems cope with an ‘influx’ of people to be trained?
- Mass migration back to the provinces where workers have lost jobs, could have a substantial negative impact on the population
 - Funding of family members going to school has ceased
 - More “mouths to feed”, less income unless safety nets are in place to boost economic diversity in the provinces



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The Education System

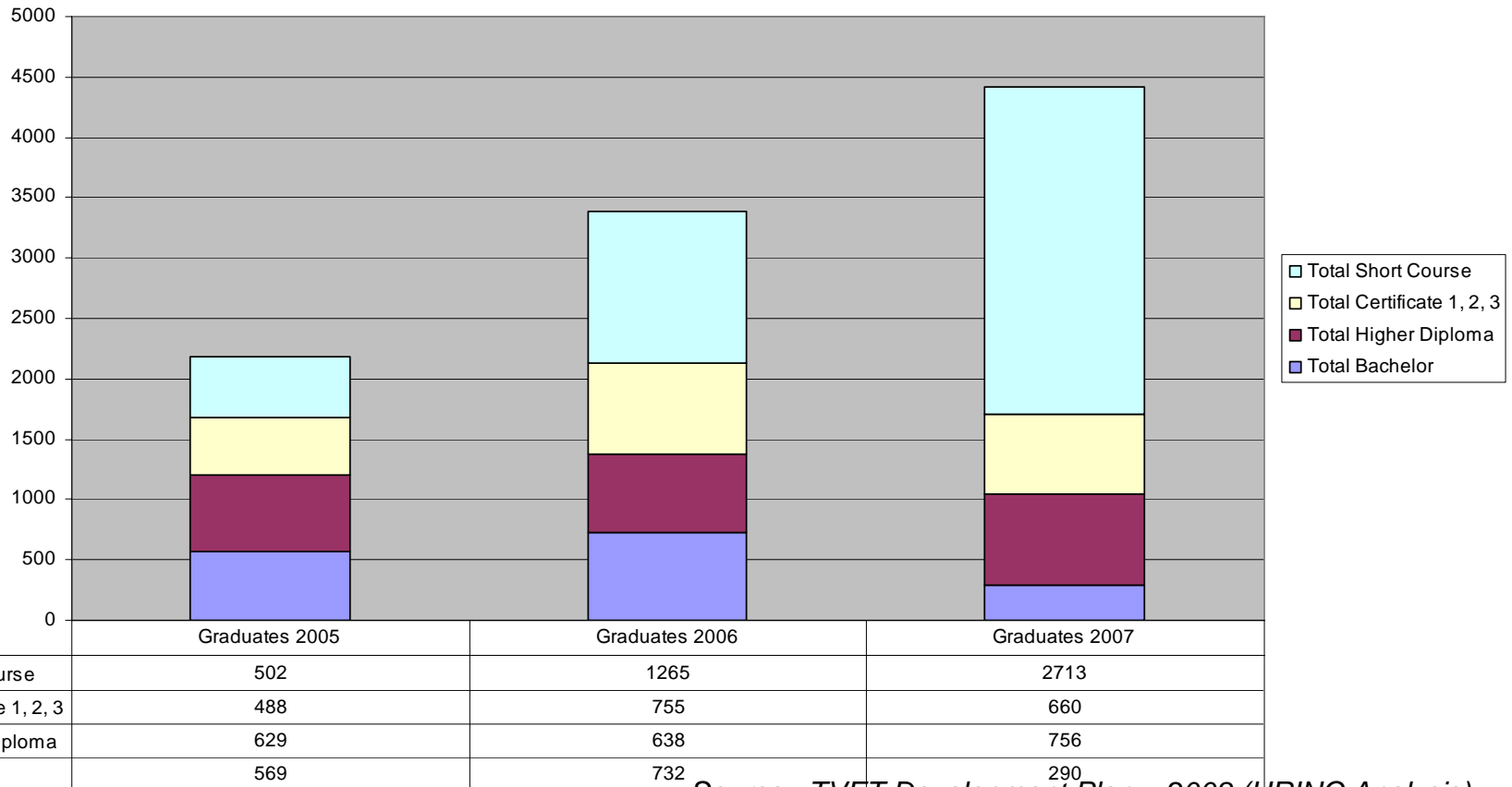
The education system consists of three streams of which General Education is compulsory for all Cambodians...

Level	General Education System	TVET System	Higher Education System
7		PhD in Technology / Business	PhD (Specialisation)
6		Master Degree in Technology / Business	Master Degree (Specialisation)
5		Bachelor Degree in Technology / Business	Bachelor Degree (Specialisation)
4		Higher Diploma of Technology Higher Diploma of Business	
3	Upper Secondary School Certificate	Technical Vocational Diploma Level III	
2		Technical Vocational Diploma Level II	
1		Technical Vocational Diploma Level I	
Entry	Lower Secondary School Certificate	Vocational Training Certificate	



The Education System: HE Vs. TVET System Addressing the labour market needs?

There are approximately 200 000 graduates coming out of university every year compared to 4419 out of the TVET system...



Source: TVET Development Plan – 2008 (HRINC Analysis)



The Education System: TVET Schools

Addressing the labour market needs - forecast

The TVET system aims to increase the number of its graduates every year but is this sufficient given the labour market needs?

Year	Target Student Number
2012	16 144
2013	15 875
2014	18 048
2015	19 005

Source: the 'Labour Market and Youth Employment', 2008. MoLVT.



Summary Questions?

- Is our education system focusing on addressing the right skills for the market and general population?
- Is our education system competing with itself and duplicating efforts?
- If employed population is 10 years and over, is our education system training the right “core skills” for youth to transition into the workplace smoothly?



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The Gap: CAMEBA YEP Market Study

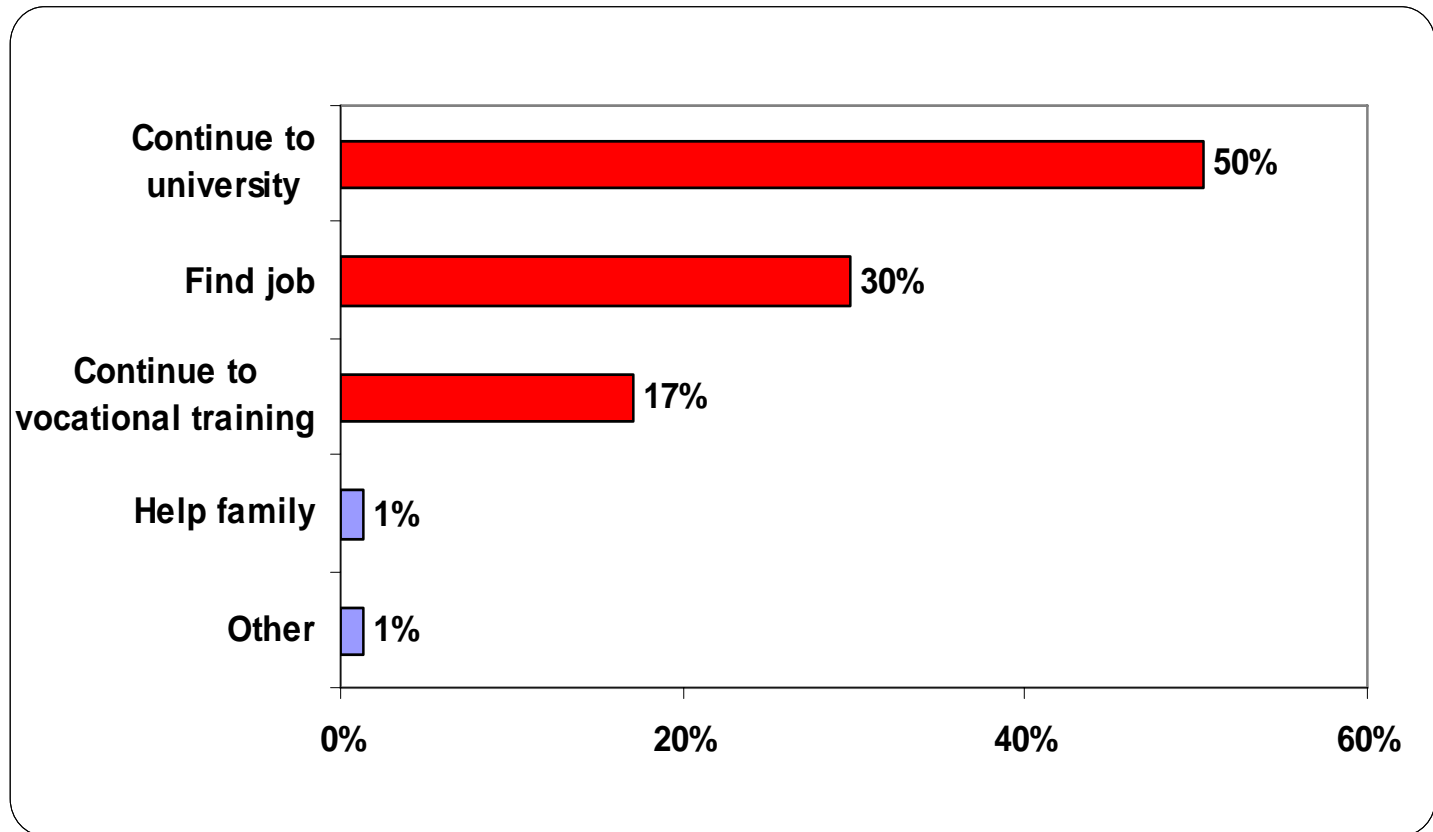
The CAMFEBA YEP project conducted the first ever study on identifying the skills mismatch in the market.

- Focussed on Employer and Youth Target groups
 - Youth: **2,194**
 - Employer: **220**, from different sectors
- Target areas **5 provinces**
- **Youth were divided into the following groups**
 - High school students
 - University / Vocational Training
 - Employed
 - Unemployed Youth



The Gap: Youth Perspective High School Students

The majority of high school students want to continue studying at university with 30% intending to find jobs after high school.



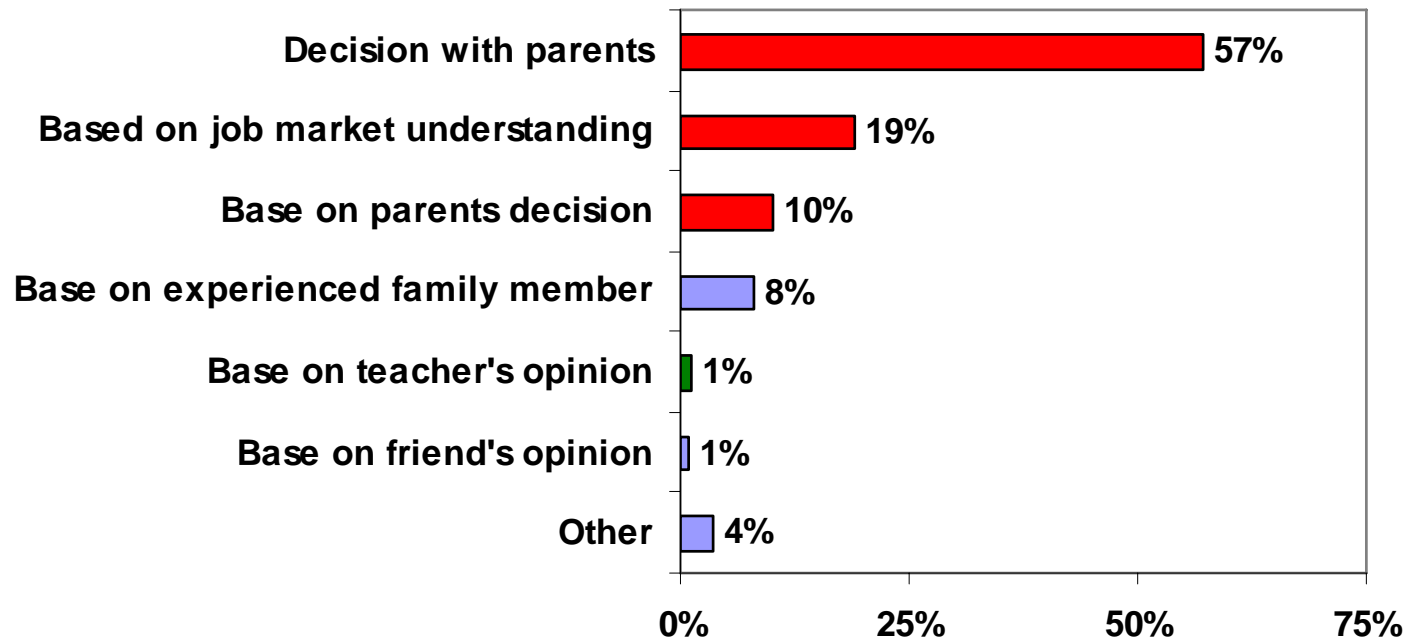
Questions: Why is TVET not perceived as prestigious as university?



The Gap: Youth Perspective

High School Students: Decision making

Almost 60% of students make higher education decisions with their parents and only 19% based on their understanding of the job market. Teachers had very limited inputs into assisting high school students.

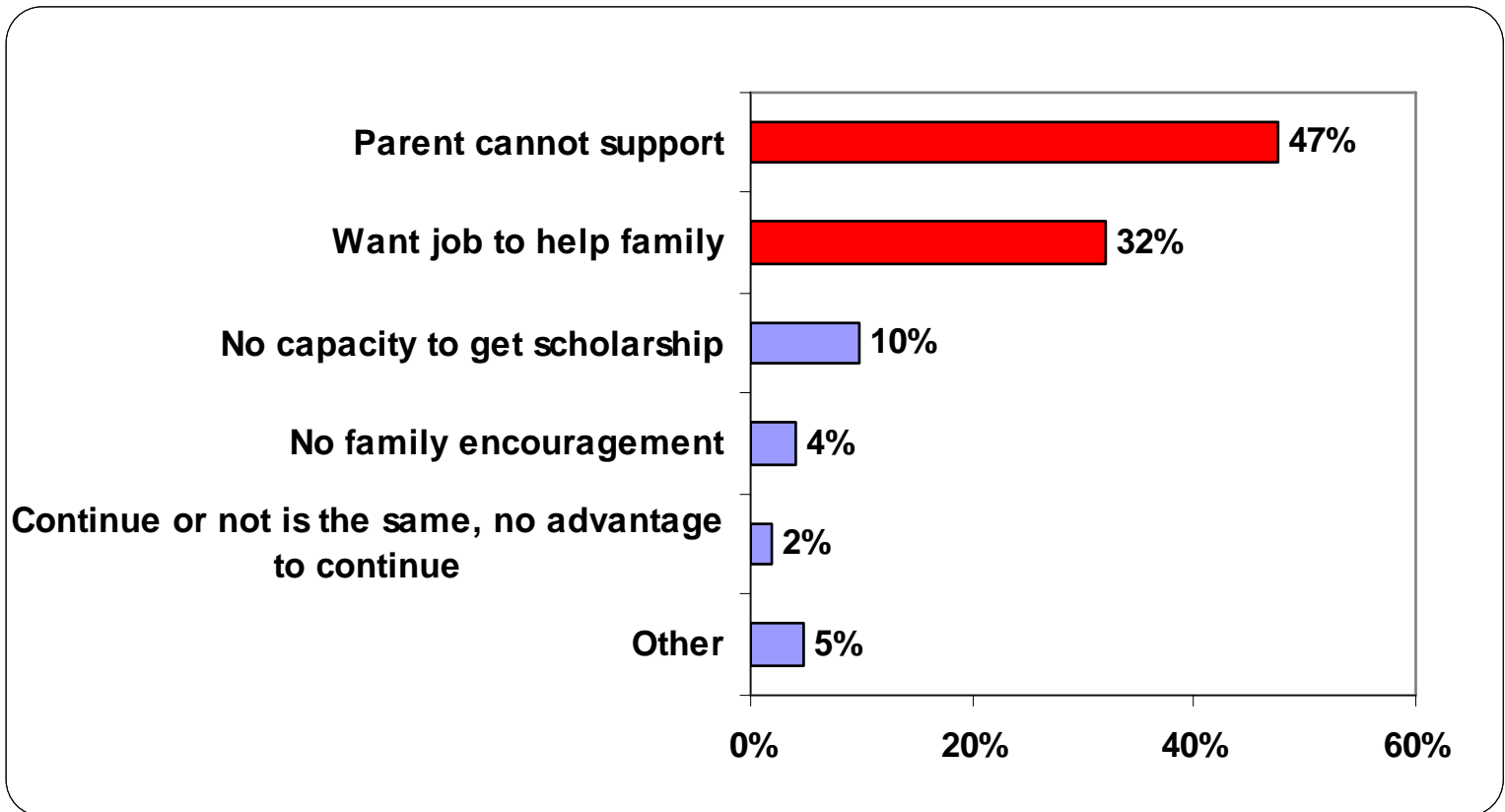


Questions: Do youth and their parents have access to the right information to make informed choices?



Youth Survey: High School Students Reasons for Not Continuing with University

Almost 50% of High School Students stated that their family financial conditions would stop them from continuing their studies. It is encouraging that only a minority of youth think that further study is “useless”

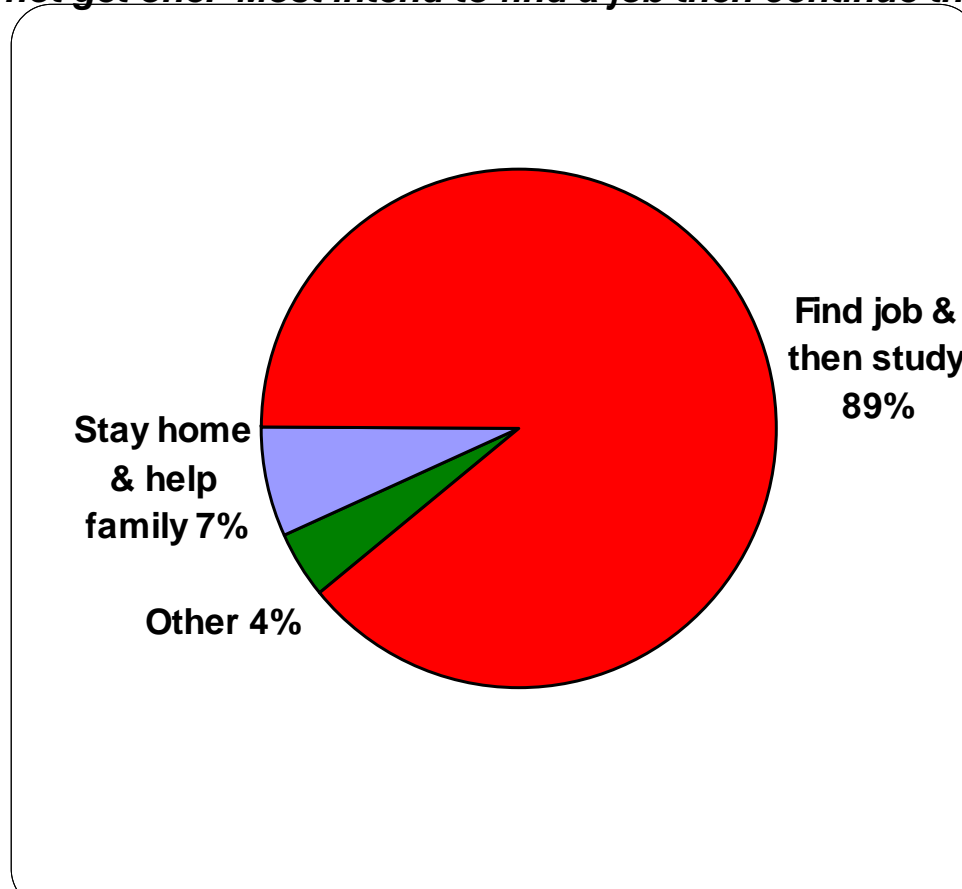


Questions: Should we be looking at safety nets such as loans to go to school and acquire relevant skills?



Youth Survey: High School Students Scholarships and Implications of Not Getting One

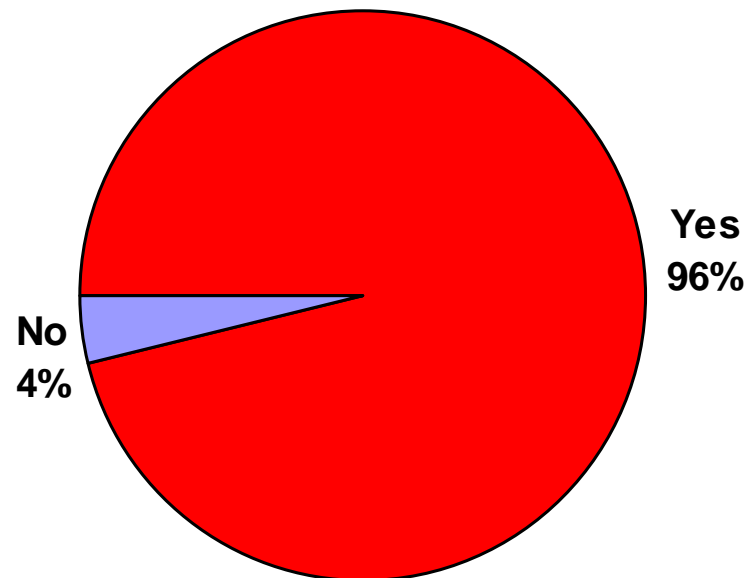
Students who intend to rely on scholarship for higher education remain positive if they do not get one. Most intend to find a job then continue their studies



Questions: *Are the TVET programmes provided in secondary school addressing the need for youth to acquire the skills they need to get a job to support their studies? Should other TVET programmes be developed?*

Youth Survey: High School Students Skills Needed to Get Employment

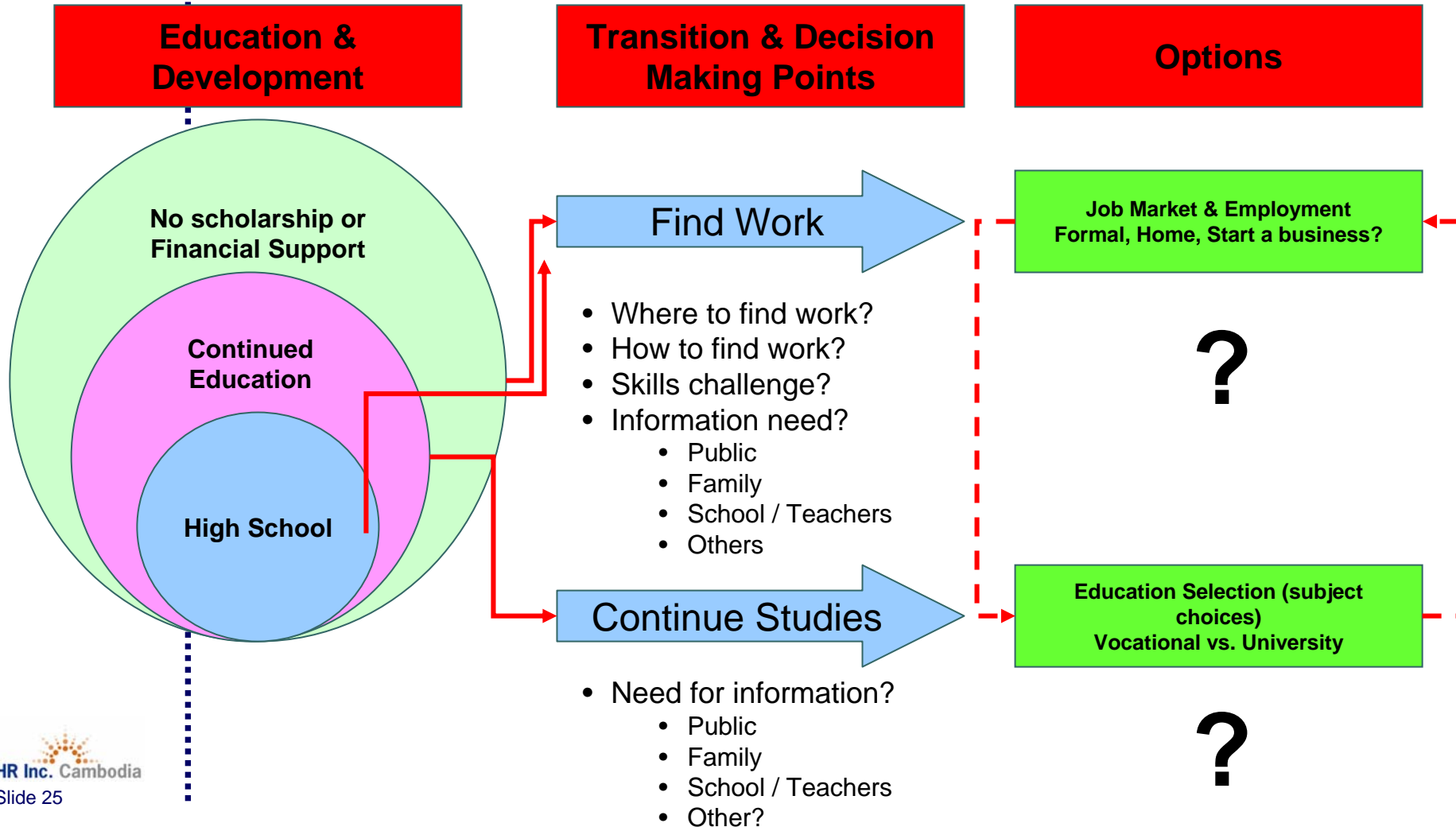
The majority of high school students felt that they definitely do need more skills if they want to find a job after high school



Questions: are the TVET programmes provided in secondary school addressing the need for youth to acquire the skills they need to get a job to support their studies? Should other TVET programmes be developed?



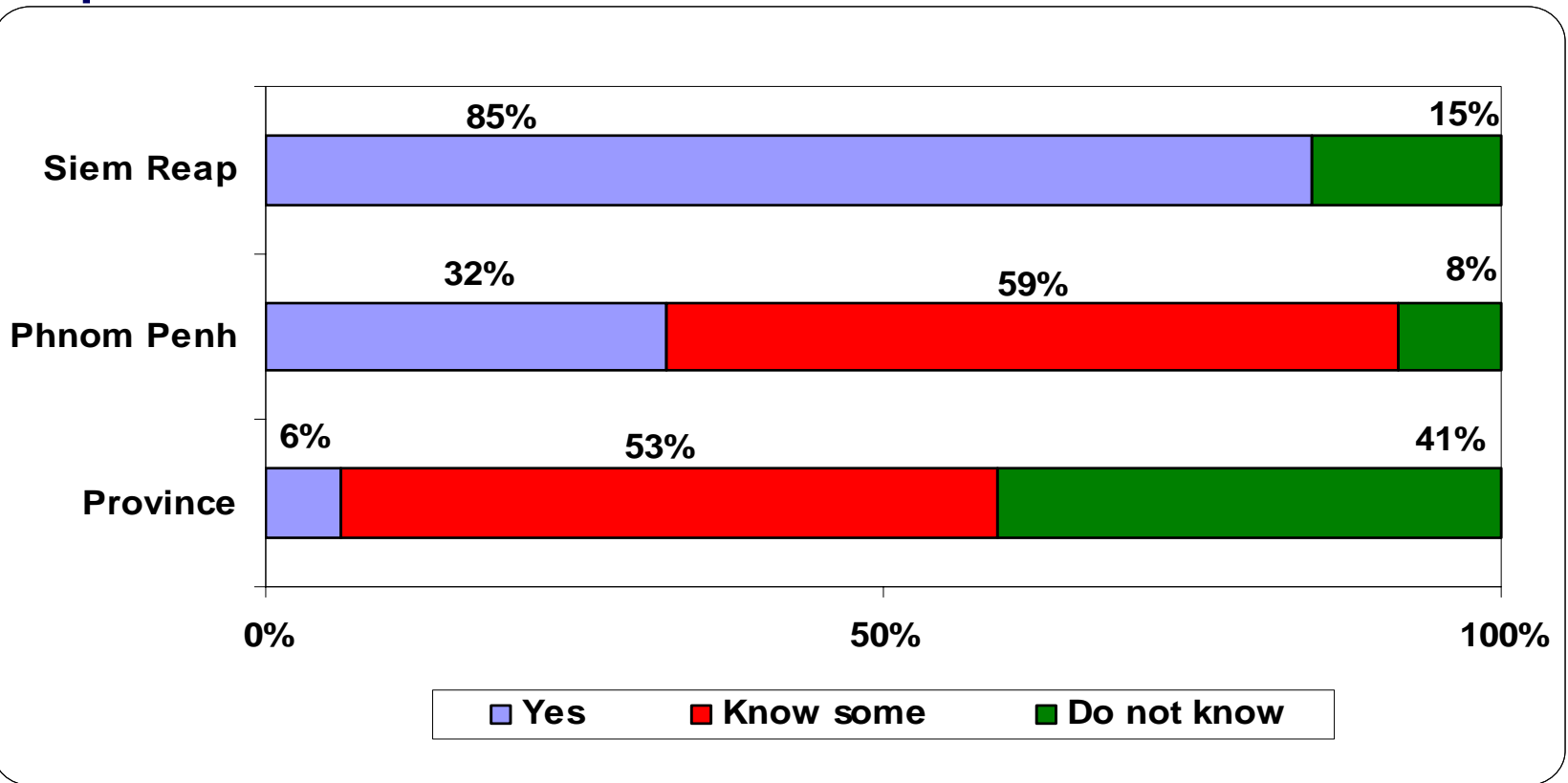
Youth Survey: High School Students Summary





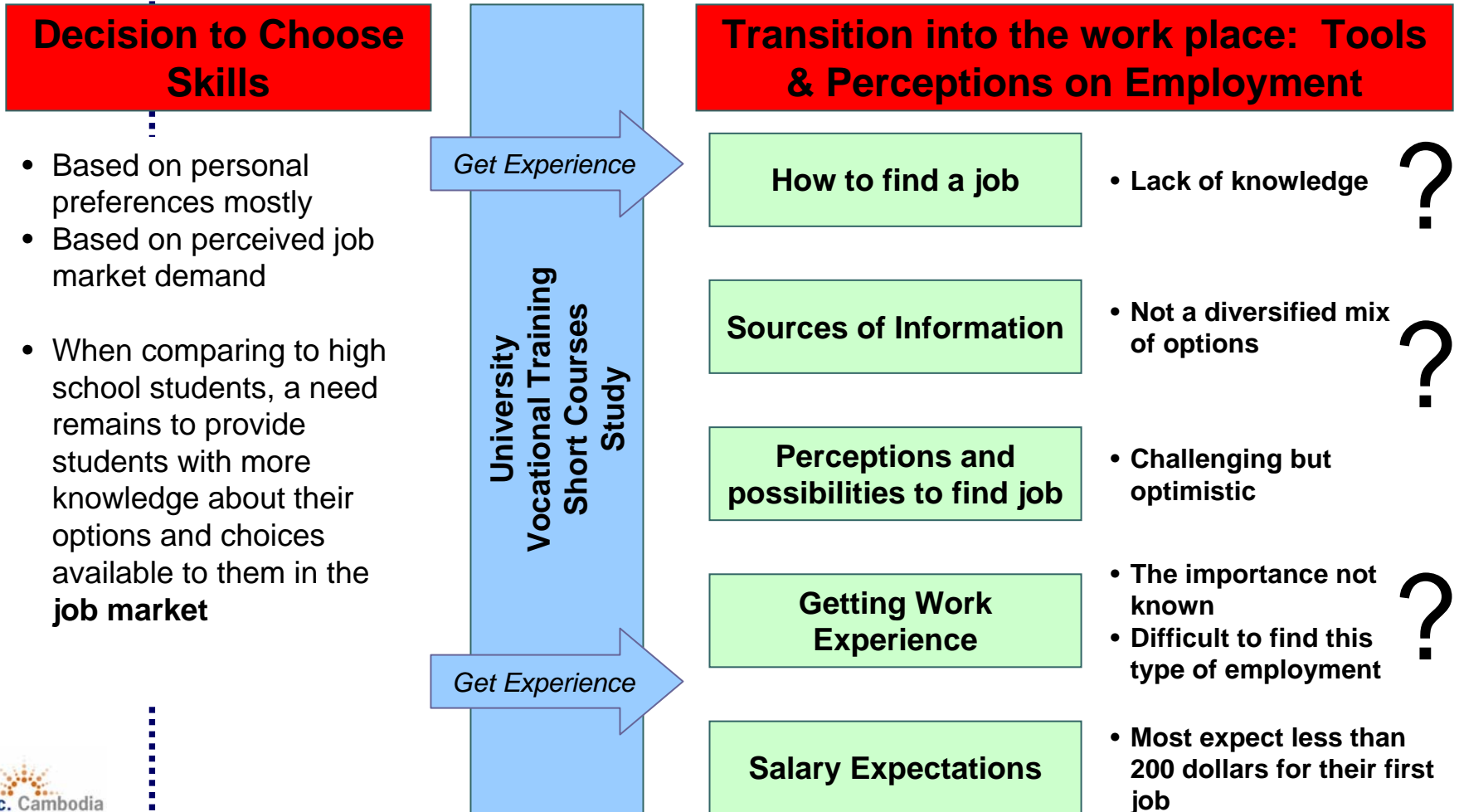
University and Vocational Training Students On How to Find a Job?

The survey showed that youth in the provinces have more challenges relating to finding a job. Encouraging 34% of youth said they know how to find a job, however, the majority, lacking the skills and knowledge about accessing the job market.





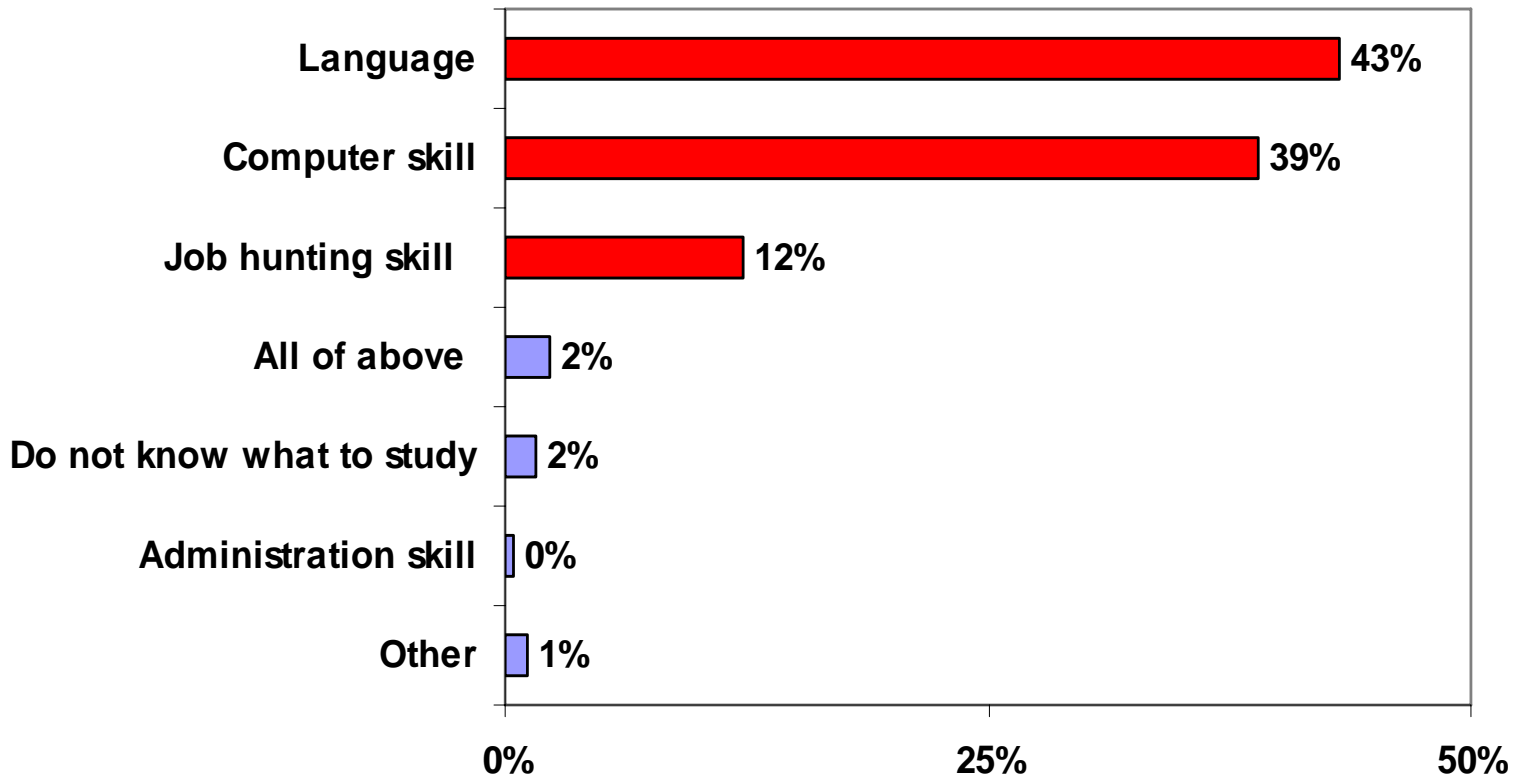
University and Vocational Training Students Summary & Main Findings





Unemployed Youth Further Skills Needed to Find a Job

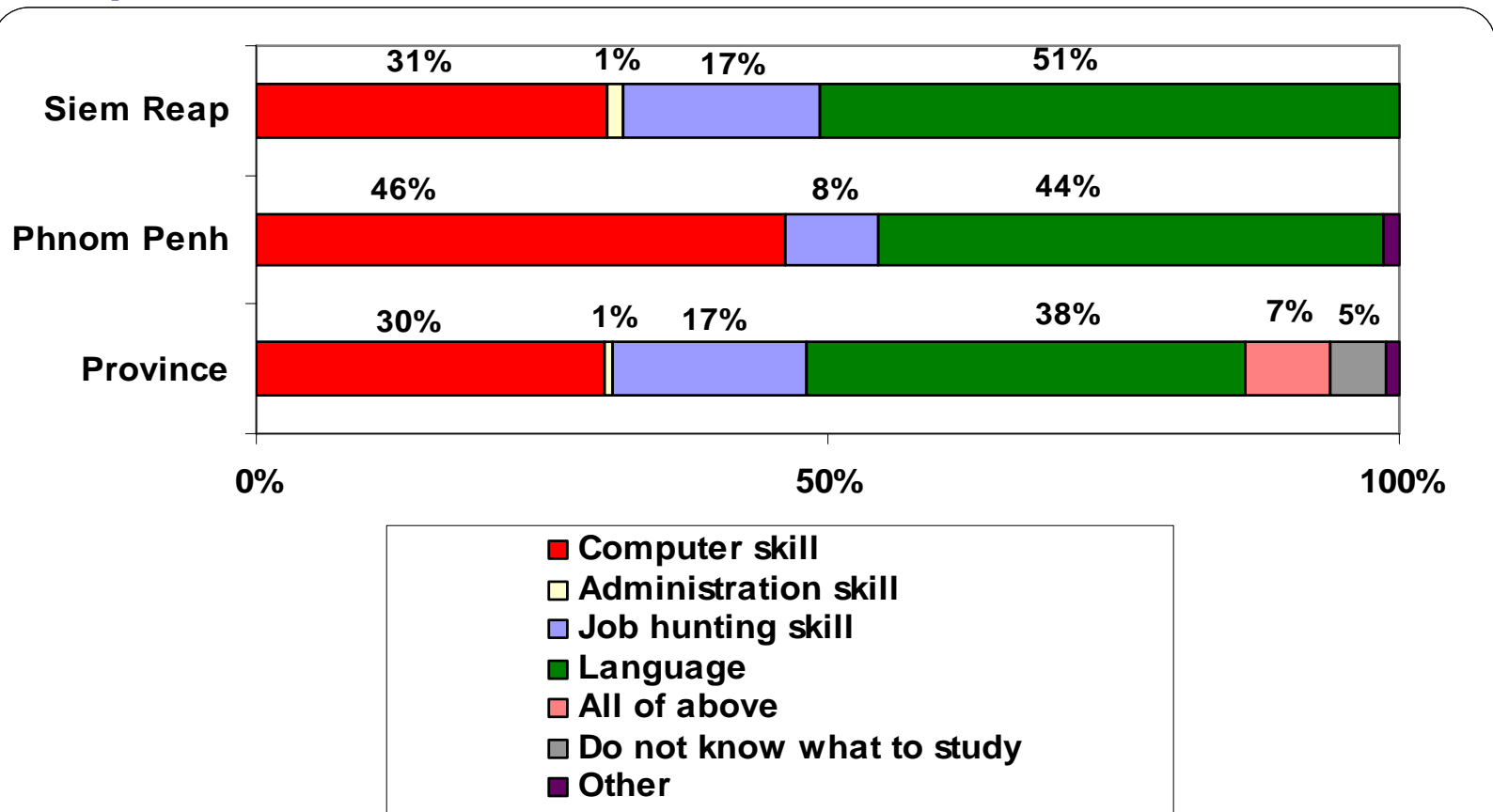
Most unemployed youth we surveyed highlighted languages and computer skills as the skills they felt would help them to find a meaningful job.





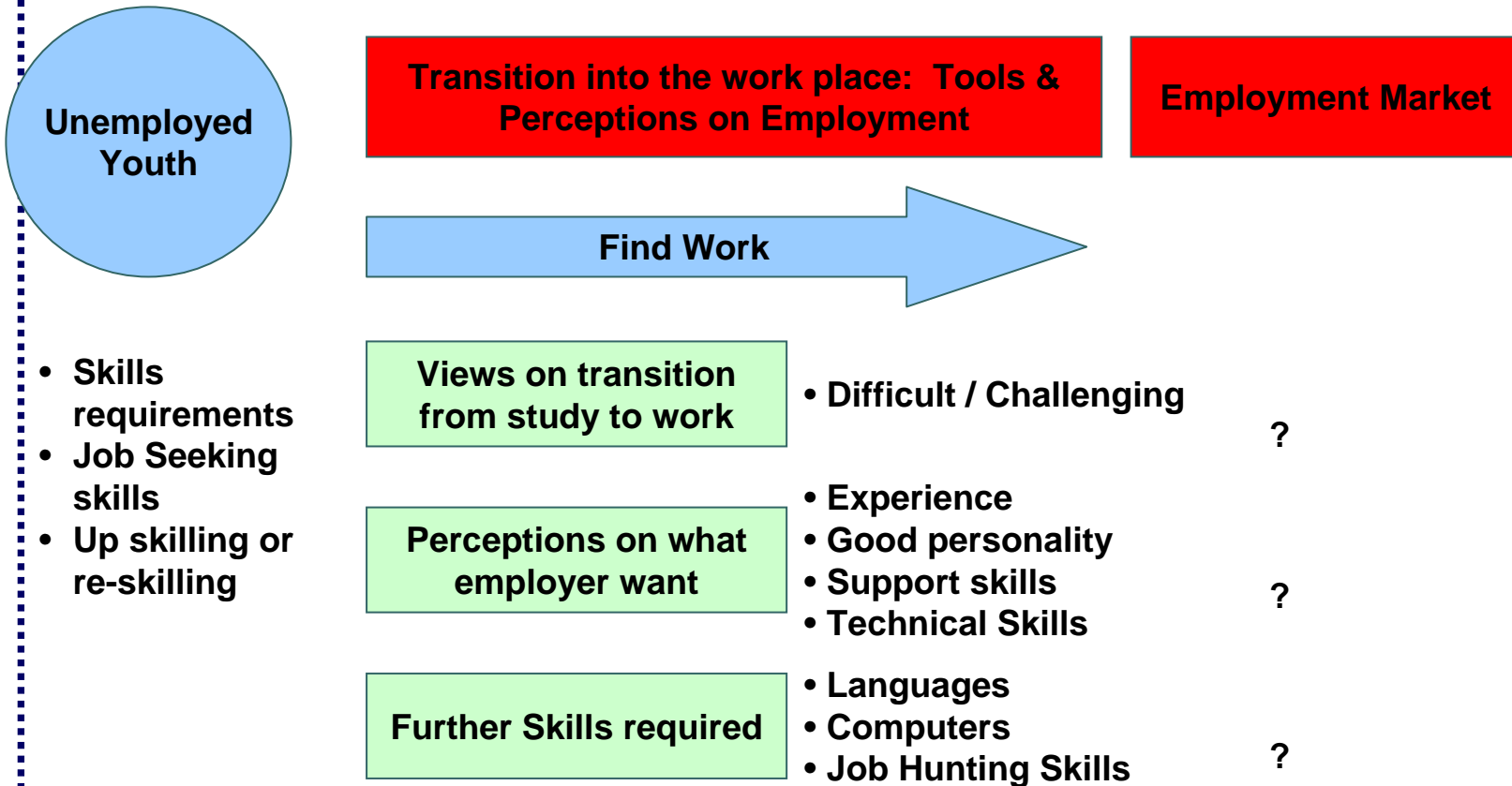
Unemployed Youth Further Skills Needed to Find a Job

Looking at a provincial breakdown – language skills dominated in Siem Reap. Computer skills slightly higher in Phnom Penh and other provinces also sighted languages as their main barrier to successful employment.





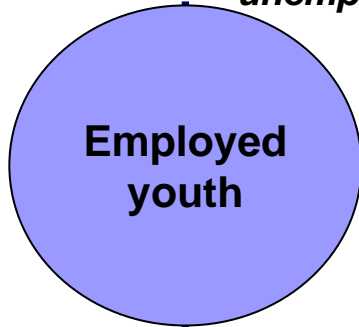
Unemployed Youth Summary and Conclusions



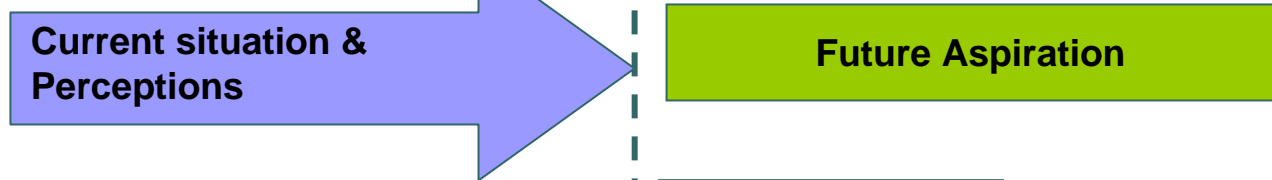


Employed Youth Summary

Employed youth provided inspiring messages to youth in general today – whether unemployed, studying or currently working!



- Study profile
- Personal quality
- Experience
- Job sources
- Job application
- Interview
- Career goals
- Commitment



Current salary

Less than USD300

Expected salary

– USD300 – 800

Factor considered to change jobs

Better working condition

5 year personal plan

- *Build or buy house*
- *Start own business*

Importance of work experience

Very helpful

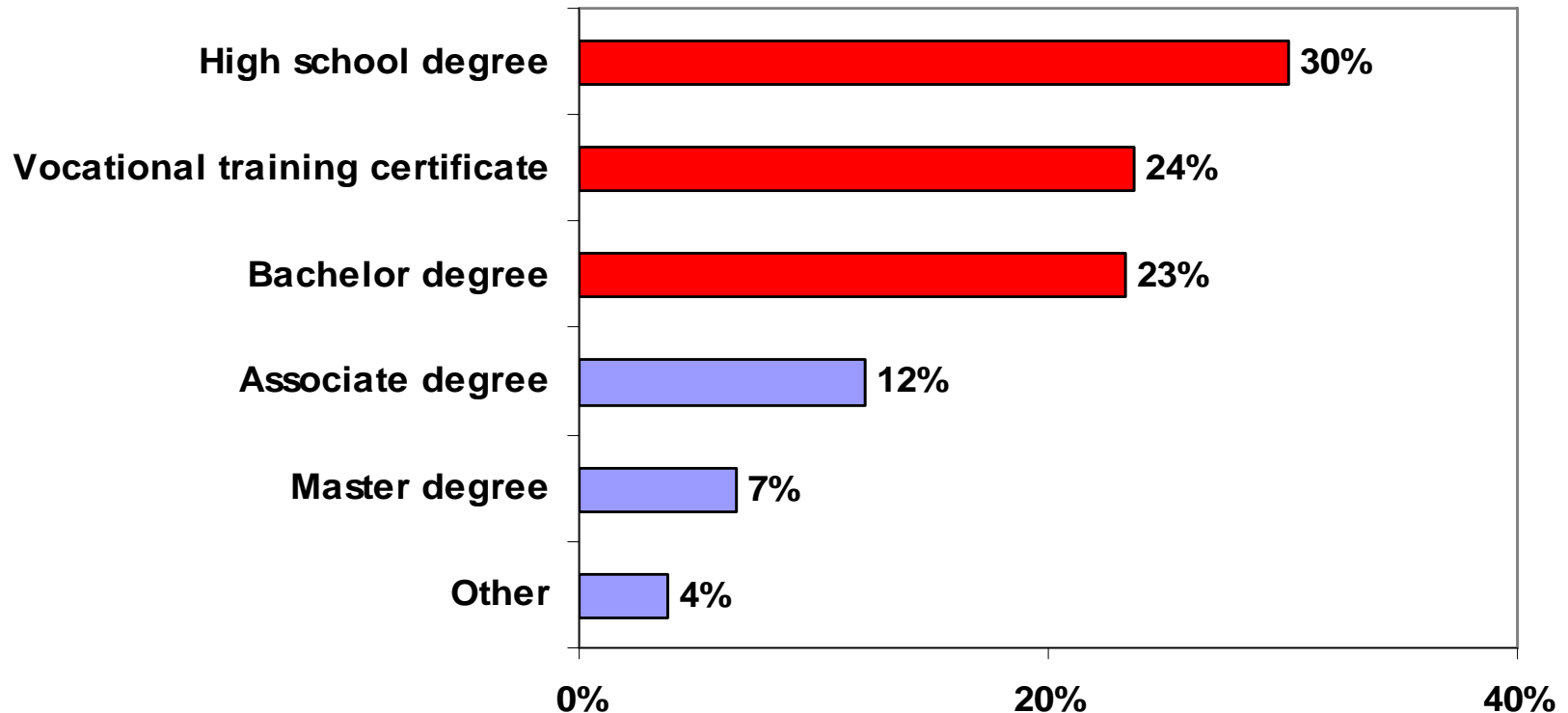
5 year professional plan

- *Start own business*
- *Further education in Cambodia*
- *Move in current job*



Perspectives and Challenges: All Youth On Minimum Education for Finding Employment

All youth stressed the importance of completing high school. The importance of Vocational Training and Bachelor's degree, i.e. further training is also important to gaining employment. Getting a Masters degree did not feature as important to gaining employment.





Perspectives and Challenges: All Youth Summary of Challenges

The challenges that youth have summarized reflect the research conducted. Information remains a key constraint in addressing youth challenges.

- Lack of information about further education and job
- Lack of experience
- Lack of knowledge about how to find a job
- Lack of the right skill demanded by the potential employers
- Lack of other support skills



Perspectives and Challenges: All Youth Suggestions to Stakeholders (1 of 2)

Youth were provided an opportunity to provide suggestions to all stakeholders – government, employers and education institutions on what they think the priority needs are for the future.

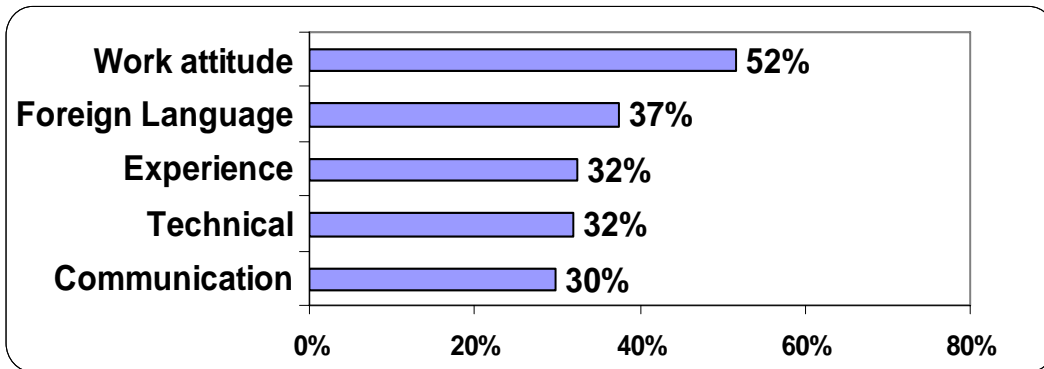
- *Suggestions to **government***
 - **Economic diversification, and provincial work**
 - **Standard and quality** of education needs to be improved
- *Suggestions to **education institutes***
 - **School curricular** needs to **respond to the market** and be **updated**
 - more analytical skills required (through apply research study, case study analysis)
 - **Strengthen quality**: give positive impact on student work attitude
 - Quality of education overall: quality of teachers and introduce professional guest speaker
 - **School counseling unit**: inform student about the opportunity existing
- *Suggestions to **employers***
 - Build relations with **education institutes**
 - Allow company visits to learn
 - Allow more internships
- ***General***
 - Relation between the relevant stakeholder is very important to them
 - Improve youth network/association: give voice to youth as well as sharing experience, information



Employer Survey: Skills Most Difficult to Find

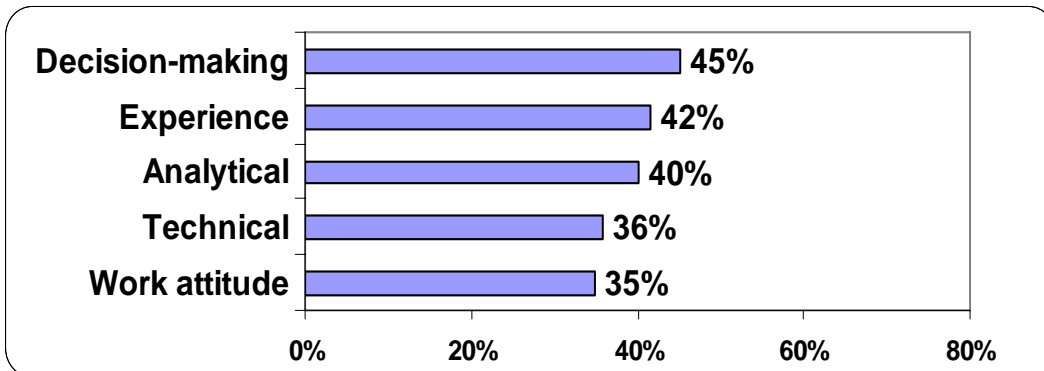
Worker:

Workers with good work attitude difficult to find



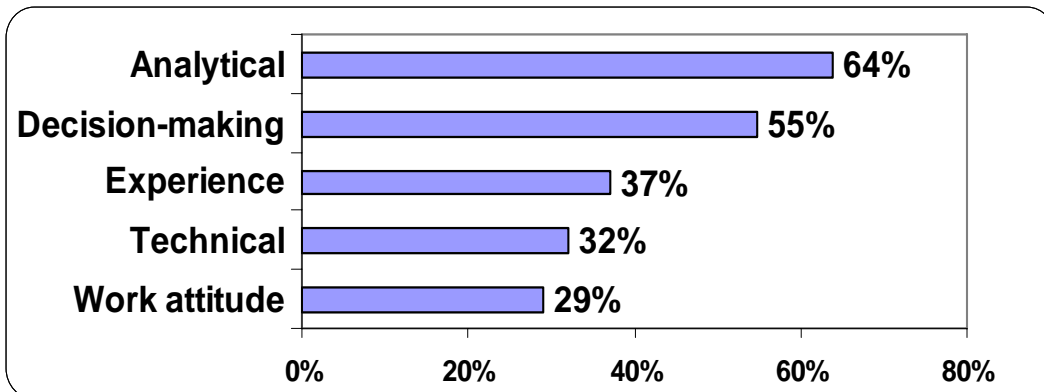
Specialised Worker:

A broad mix of skills are difficult to find, especially decision-making



Professional Staff:

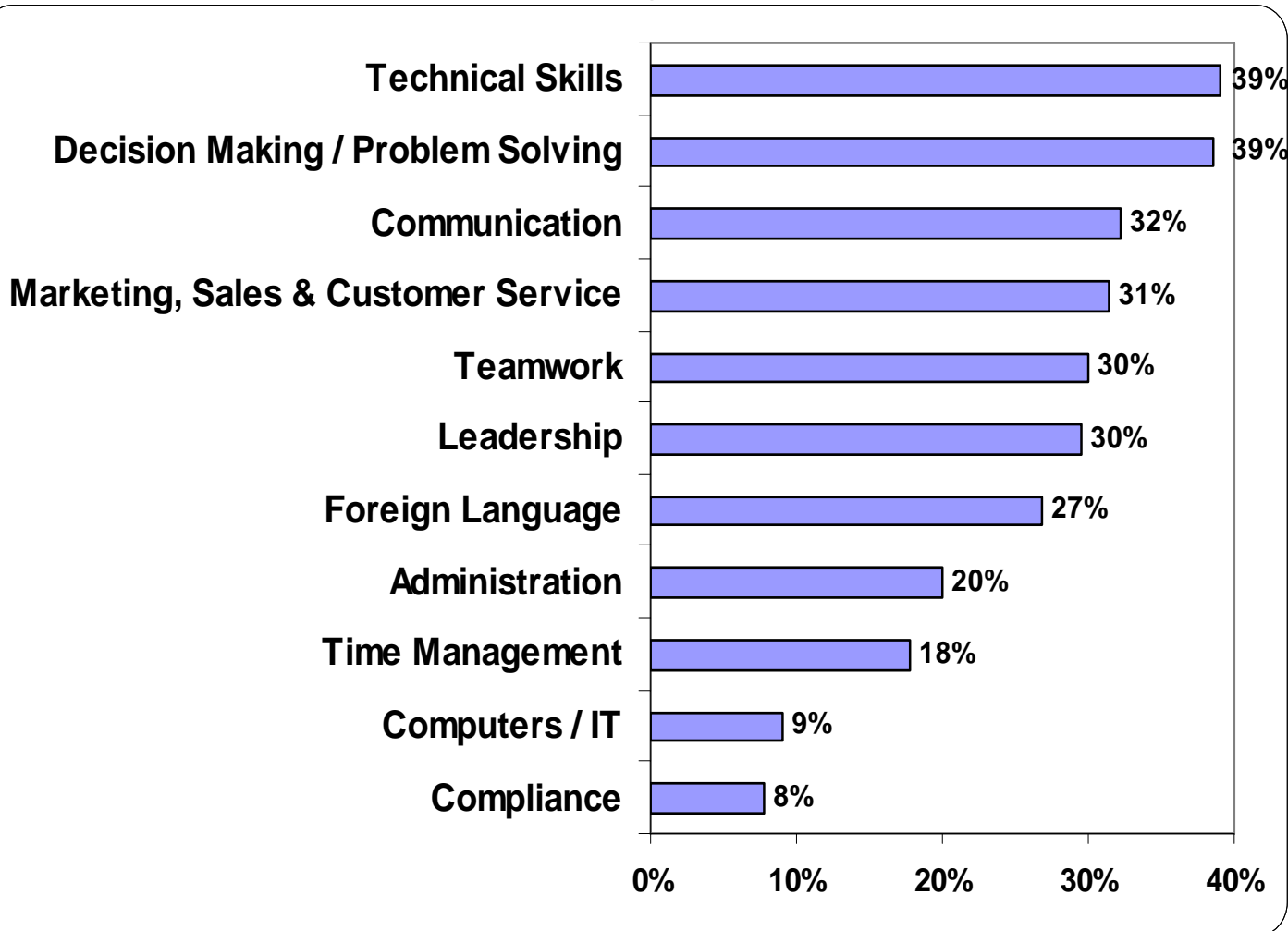
Analytical and decision-making skills are most difficult to find





Employer Survey Training Topics

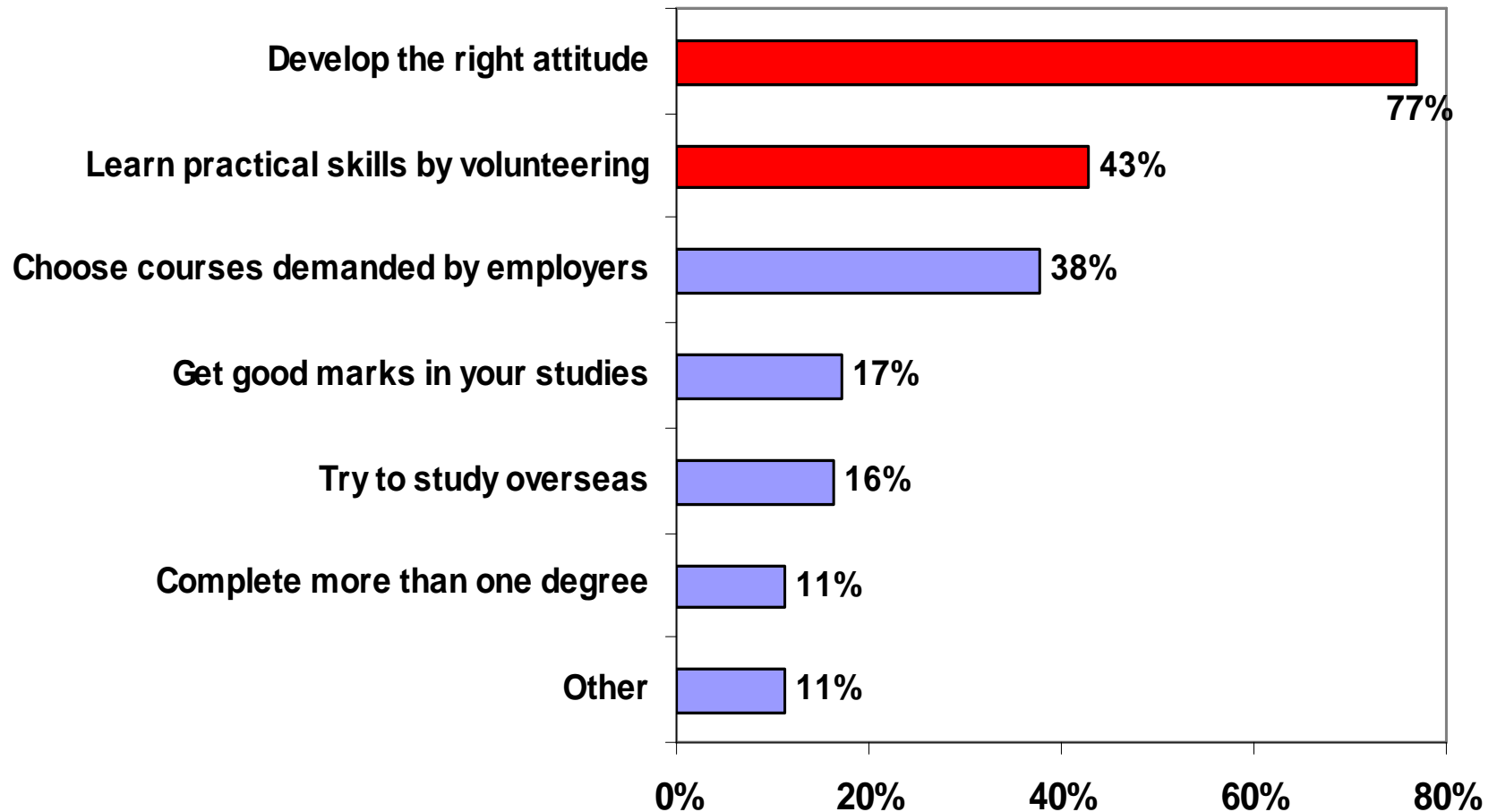
Employers tend to have “soft skills” as the majority of their top priority training in the work place. Differences exist amongst sectors...





Employer Survey Advice to Youth

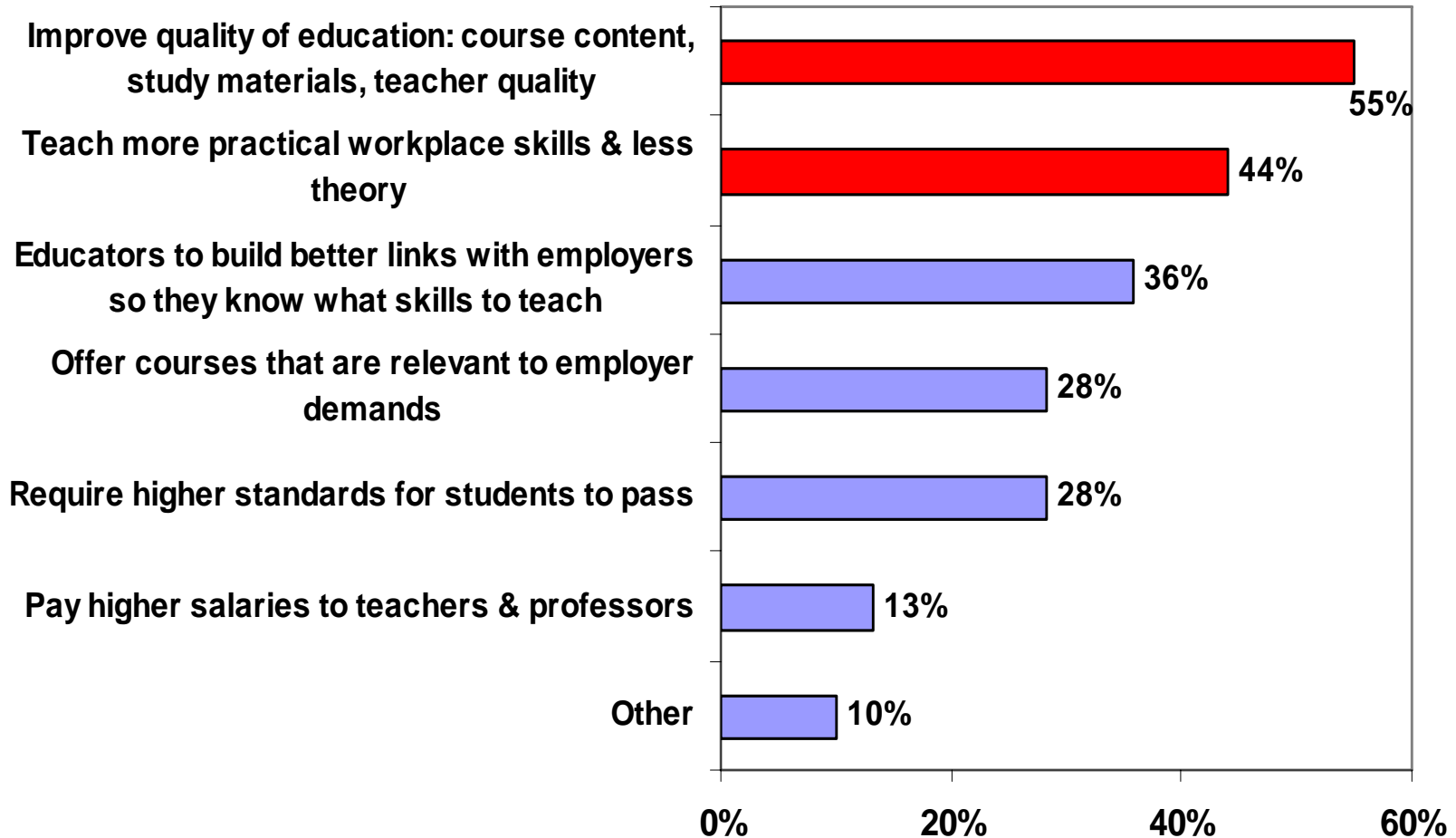
Practical and relevant advice by employers to youth includes, most importantly, developing the right attitude.





Employer Survey Suggestions to Educators

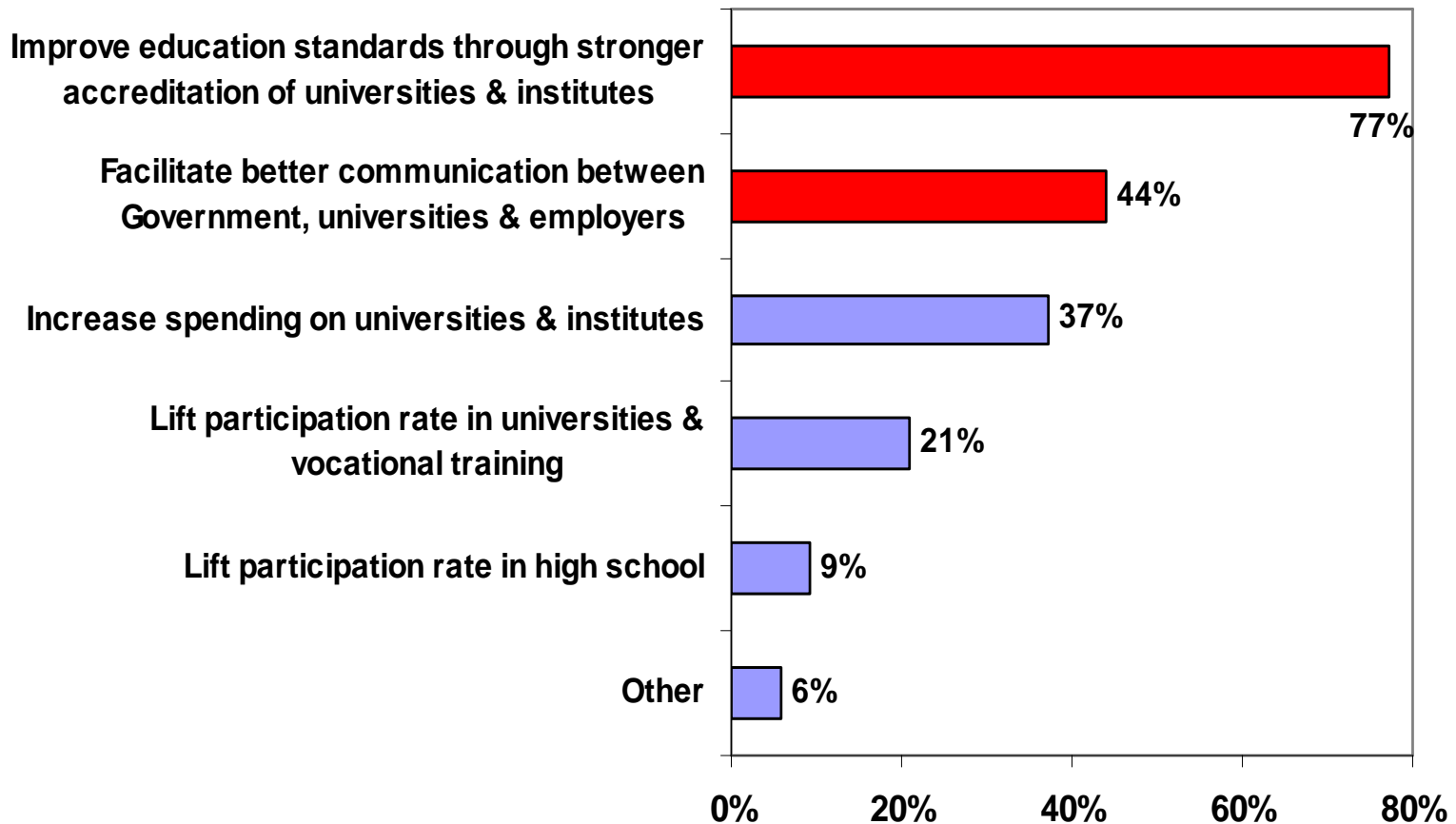
Similar to youth suggestions, employers focus on quality of education and the importance of practical workplace skills.





Employer Survey Suggestions to Government

Similar to youth suggestions, employers focus on education standards and accreditation as well as better coordination amongst educators, employers and government.





Education institutions

Preliminary High level Findings

A study reviewing 3 sectors and an indepth look at the vocational training & higher education offerings, is currently being completed. High level challenges for education institutes are listed below...

- **Most significant challenges faced by Education Institutions**
 - Finding qualified lecturers
 - Coordination amongst stakeholders
 - Linkages with industry
 - A need to upgrade infrastructure
 - Upgrading of curriculums
 - ...
- **Higher Education – overarching perceptions...**
 - “Universities are a business, not about education...”
 - Too much theoretical work and not industry linked skills
 - ...
- **Vocational Training – overarching perceptions..**
 - “Standards are not high enough...”
 - A lot of *internal training* is still necessary to close the skills gap
 - It would be very useful if TVET providers could research and study their industry labour *market need*, to design *curricula* that fits the employer demand
 - When there are fee contributions, students do not complete their studies (especially second chance youth) – flexibility is needed to earn incomes and study
 - ...

Education institutions

Preliminary High level Findings

A consistent message coming through emphasises the need for soft skills trainings

- Problem Solving skills
- Communication & taking initiative
- Language & IT skills
- Professionalism
- Attitude & commitment
- Interpersonal qualities
- Enthusiasm and dedication



The challenge in Education, is not only the curriculum and types of courses that are provided, a large part of the challenge is “HOW WE TEACH”. We need to build in the basics from the beginning....



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Human Resource Development

- Is a continuous process, not a quick fix
- Is a process needs to be driven off sound data and information:
 - Appropriate labour market information systems that link to other national statistics
 - Understanding and forecasting of economic diversity
 - Needs to be proactive, not reactive, and need to be current
- Needs to be robust yet flexible to adapt to a changing globalised world and local economic environment
- Needs to ensure that realistic expectations are set and that expectations are met
 - Developing skills and ensuring there are jobs to move into, is important
- Education and development means little without the real opportunity of increased future earnings and a brighter future
- Education and development will not have an impact if those who are learning, do not have access to the facilities and support they need to learn
 - “10.7 million Cambodians live without proper sanitation” Phnom Penh Post, 9 march, Page 5.
 - Access to water? Access to electricity? Access to information?
 - ...



Government, Policy and Strategy

Supply

Matching Supply and Demand

Demand

Fewer People
Prof & Manage
ment Level
Highly Skilled

Active Labour Market Players
Matching Supply & Demand

Current
and Emer'ing
Industry

Many People
Basic Technical level Skills
Entry Level – Supervisors in
Industry

TVET Focus

Current and Emerging
Industries

Majority Workforce
Lower level Skills
Rural and Provincial Areas
Agriculture and home based

Active Labour Market Players
Matching Supply & Demand

Agriculture & Home Based
Current and Emerging Industries

Other Stakeholders: Donors, NGO's, Associations, Unions etc.



Recommendations: Strategy & Vision Government

The ability to create more jobs and ensure the development of the workforce is critical to the development of the education system overall

- What is our workforce strategy & vision?
 - Is it driven by Cambodia and how we want to drive the economy, or is it driven by emerging industries and opportunities?
- Government coordinating bodies such as the NTB need to be become more active
 - Set up a 9th PSWG to address education and build the links between private sector, government and education institutions
- Education and training needs to be core topic of discussion on every ministry agenda – whether supply or demand. Better coordination
- Needs to place more emphasis on quality of education, than on quantity
 - Accreditation of schools and curriculums
 - Curriculum coordination and standardization
- Create more jobs
 - focus on provincial development
- Increase public-private partnerships in TVET systems
- Are budget allocations relevant between TVET and higher education given the needs of the market.
- Provide the right incentives for work force development, to all sectors
- Strengthen accreditation of institutions and curriculums



Recommendation: Supply Side General Education

The general education system has made huge strides in enrollment of students but needs to continue addressing quality and skills...

- High school and literacy is very important
- Increase teachers salaries
- Needs vocational training skills to be increased and materialised in reality
- Needs basic facilities to ensure access to information such as computers and access to labour market information
- Needs to address the core basic skills lacking in the workforce today
 - Languages, pride, commitment, curiosity, problem solving and thinking skills, understanding of opportunities in the market, access to information, more “worldly wise” etc.
- ...

Recommendations: Supply Side

Technical vocational education and training

The TVET system is in its infancy and requires attention, and coordinated efforts to address the market needs. It needs to focus on skills development and not compete with Higher Education

- Prioritise industry sectors based on economic growth and what already exists in terms of training providers in the market
- Co-ordinate and consolidate current curriculums and update with private sector
 - Needs to ensure that schedules are flexible enough to allow students to earn an income and study
- Start implementing new curriculums (end of 2008)
- Set a marketing strategy in place for TVET – increase the number of graduates
- Address
 - Funding and diversified teaching facilities
 - Increase number of teachers – link to private sector for guest lecturers
 - Improve quality assurance with curriculum development
- Requires more private sector/industry inputs and cooperation



Suggestion: Start with the Hospitality Sector and leverage off existing institutions. It appears to be the “best developed to date” with significant experience
Ensure incentives for the sector – both employers and increasing the number of tourists to Cambodia. Strategy for lower airfares...



Recommendations: Labour Market Players

- Labour Market information systems essential
 - Need synchronised data (industries, subsectors across ministries)
 - Need more up to date information
 - Needs to be more proactive, not reactive
 - Requires close cooperation of industries and possible private sector implementation and reporting?
- Access to information is important
 - Private sector recruitment agencies to play a bigger role and receive better support to help address the needs of the market
- Unions and Employers
 - Need increased economic dialogue to mitigate stresses
 - Need to work closer together



Recommendations: The Economic Crises Garment Sector

- Many workers with real experience who could be selected to be trainers – do we have a possible pool of trainers that can be built up for the TVET system – certificate or other industry courses?
- Difficult to transfer from ‘manufacturing’ to another sector when majority of workforce is illiterate or semi literate.
 - Significant attitude change
 - Significant skills change if out of manufacturing into other formal sectors
 - Even for working abroad an additional language will be required.
 - Basic Literacy skills must be developed
- “Saturation of certain skills and small businesses already exists in provinces.”
 - Hairdressing, mechnics, making clothes
 - Business skills but with a focus on economic diversification including support to start up new activities
- Foundation skills need to built
 - Literacy, soft skills, communication, listening, assertiveness, language skills, professionalism, reading & writing, team work etc.
- The workforce must remain competitive if the garment industry does recover.



Recommendations: The Economic Crises Job Creation

- Building public infrastructure
 - Can certainly absorb significant jobs
 - A need to ensure that the workforce benefits appropriately
 - Inclusion in National Social Security especially in construction
 - Appropriate wages
- Provincial Strategies are becoming significantly more important
 - What is our provincial focus and economic opportunity?
 - What is the economic diversification plan and strategy for each province and how is this linking to education development?
- Agriculture Development overall
 - We need to grow what we grow well, we cannot all grow the same produce
 - How do we move from subsistence farming to coordinated efforts of “higher quality production with sufficient outputs”



Closing remarks

- We have the information we need to start making change to address the challenges in our workforce development
- Immediate actions will have little immediate impact
- We need to manage expectations
- There is a need to prioritise and implement

Thank you