



USAID
FROM THE AMERICAN PEOPLE

JOBS FOR THE 21ST CENTURY: CAMBODIA ASSESSMENT



Young woman selling
silk products at a market
in Siem Reap

photography by Karl Grobl

Table of Contents

TABLE OF CONTENTS.....	I
TABLE OF BOXES, CHARTS, FIGURES, AND TABLES	III
EXECUTIVE SUMMARY AND RECOMMENDATIONS	2
<i>Key Questions and Methodology</i>	<i>2</i>
<i>Main Findings.....</i>	<i>3</i>
<i>Summary of Recommendations</i>	<i>4</i>
SECTION I: YOUTH LABOR MARKET EXPECTATIONS.....	6
<i>Youth Focus Group Summaries</i>	<i>8</i>
SECTION II: UNDERSTANDING THE DEMAND SIDE.....	11
Part One: An Overview of the Cambodian Economy	11
<i>Jobless growth: What does it mean for the employment of Cambodians in the formal and informal economies?.....</i>	<i>11</i>
<i>The poverty trap: Is this a permanent condition for rural Cambodians?.....</i>	<i>12</i>
<i>Unlike more modern economies, Cambodia has very limited “economic safety valves” and thus fewer available policy options.....</i>	<i>15</i>
<i>Tourism is growing as an employer of youth in one region, but even this industry carries dangers.</i>	<i>16</i>
<i>There are other potential “safety valves,” but they may offer only limited real-job opportunities in the near and medium future.....</i>	<i>17</i>
<i>While economic growth is likely to continue, it will be limited by key political and economic factors.....</i>	<i>17</i>
TABLE 1. PERCENTAGE CONTRIBUTION OF KEY ECONOMIC SECTORS TO GDP	18
<i>Governance practices and corruption—both real and perceived—are major barriers to sustained economic growth.</i>	<i>18</i>
Part Two: Labor Force Demographics.....	19
<i>Official statistics are hard to come by, and of questionable reliability or policy utility.</i>	<i>19</i>
<i>What do the available data tell us about the operation of the Cambodian labor market?.....</i>	<i>19</i>
TABLE 2. LABOR PARTICIPATION RATES, CAMBODIA, BY GENDER AND AGE 20	20
TABLE 3. YOUTH EMPLOYMENT (2003-2004 DATA)	21
<i>Going beyond the official reports: How did we assemble and analyze raw data for the assessment?.....</i>	<i>21</i>
<i>So what of job opportunities and earnings?.....</i>	<i>22</i>
TABLE 4. VALUE CHAIN EVALUATION OF CAMBODIAN INDUSTRIES.....	23
<i>What are the entry points and career paths for youth?</i>	<i>24</i>

TABLE 5. ENTRY-LEVEL POSITIONS FOR YOUTH, BY EDUCATION, EXPERIENCE, AND OCCUPATION 24

What can micro- and small enterprises offer in terms of job creation?25
Promising (current) small and medium enterprise initiatives: Can they be viewed as potential “job creators”?26
Are micro- and small enterprises Cambodia’s future?27

SECTION III: UNDERSTANDING THE SUPPLY SIDE: FORMAL AND NON-FORMAL EDUCATION..... 29

Part One: Existing Education Institutions29

Educational progress is bound up with the nation’s history, particularly the war and conflict periods.....29
Basic education has made some progress, but has far to go.....30
Despite improved enrollment, school completion lags seriously32
The shortage of and distribution of teachers reflect (and compound) the differences between wealth and poverty.....33
For poor families, the costs of educating children can be a significant deterrent.34
Vocational and technical education is a case of (yet) unfulfilled promise.34
In contrast to the very large but disappointing technical and vocational system, the smaller non-formal education program shows current and near-term promise.36
What is the future of education as preparation for work in Cambodia?37

Part Two: Existing Non-Education Workforce Institutions38

Profiles of two promising and effective initiatives and projects that link economic development with job creation38
Profiles of three promising education, training, and service organizations43

SECTION IV: BUILDING A USAID CAMBODIA WORKFORCE STRATEGY 47

Recommendations for Immediate Action by USAID/Cambodia.....47

Strategic Recommendations50

References51

Abbreviations and Acronyms53

Table of Boxes, Charts, Figures, and Tables

Box 1. The Voices of Young Cambodians	7
Box 2. The Case of Prum Phalla	8
Box 3. The Economic Outlook of the Asian Development Bank	12
Chart 1. The Poverty-Education-Job Cycle	13
Table 1. Percentage Contribution of Key Economic Sectors to GDP	18
Table 2. Labor Participation Rates, Cambodia, by Gender and Age	20
Table 3. Youth Employment (2003-2004 Data)	21
Table 4. Value Chain Evaluation of Cambodian Industries	23
Table 5. Entry-Level Positions for Youth, by Education, Experience, and Occupation	24
Figure 3. Distribution of School Goers by Age and Sex (Cambodia Child Labor Survey)	33

Map of Cambodia



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EXECUTIVE SUMMARY AND RECOMMENDATIONS

The United States Agency for International Development has supported a wide variety of important initiatives in Cambodia, focusing especially on democracy and governance issues, economic development, and global health. Within its economic development priorities, the Cambodian mission has made significant contributions to basic education through curriculum development, has supported private sector competitiveness in the burgeoning garment industry, and has provided technical and financial assistance to develop micro- and small enterprises to support household income in this very poor and very rural Southeast Asia nation.

Key Questions and Methodology

In this context, the USAID/Cambodia mission supported this rapid assessment of “Jobs for the 21st Century,” with technical assistance provided by Education Development Center, Inc. (EDC), contracted through the Global Workforce in Transition financing facility. The assessment was guided by the oversight of the USAID Asia and Near East Bureau (USAID/ANE). A six-person EDC team, including two Cambodian nationals as full members, conducted an intensive in-country review during a three-week period (17 July–4 Aug 2006). They examined a great deal of published and unpublished material, interviewed more than 75 people in 30-plus government agencies and non-governmental organizations, and conducted formal and informal focus groups with more than 200 young people. The assessment was intended to develop recommendations for further action, based on a fact-finding review of factors influencing *demand* (the present state and future projections of the Cambodian economy as it pertains to the creation of employment opportunities) and those influencing *supply* (the present and future capacity of the educational and other systems and programs to meet the demand for skills, educational levels, and location of the labor force).

The assessment posed three questions, drawn from the methodology of similar USAID assessments in other nations:

- ❖ *Will young Cambodians be prepared for and able to adapt to the changes in the society and in the economy and to the demands of employers?*
- ❖ *Are there, or will there be, “real jobs” in the Cambodian economy, and will they be sufficient to the supply of labor?*
- ❖ *Do the institutions and service institutions (government and non-government) have the means and systems to meet the demands of the future economy?*

A fourth question is suggested by the interest of the USAID/Cambodia mission in making future investments in youth employment and/or school to work transition:

- ❖ *Are there tactical or strategic investment options that the USAID mission can use to improve the match between young people and the evolving society and economy?*

This report addresses all four questions, in succession. Driven by the need to make recommendations, the body of the report focuses as narrowly as possible on the questions. However, a more comprehensive review of the economic context is appended for the interested reader, along with a bibliography, a list of persons consulted, and various displays and technical recommendations.

Main Findings

Cambodia is a “young society.” With around 50 percent of the entire population under the age of 25, Cambodia is often depicted as the young society. Youth, age 15-25, represents around 32 percent of the total 7.5 million people in the country. *This youth bulge adds 300,000 new entrants to the Cambodia labor market every year. Most of these are rural youth, of whom 80 percent are either self-employed or unpaid family workers.*

Urban and rural youth have surprisingly similar aspirations regarding employment. There are more similarities than differences between urban and rural youth’s employment aspirations and potential. In general, both have enrolled, studied, repeated, struggled, and failed within the formal basic education system. They share a severely limited view of the job spectrum and its relationship to education level. Both groups have primarily agrarian families, have worked in agriculture as children, and continue to survive as farm laborers for their families or others.

Jobless growth and limited “safety valves” mean few entry points for youth employment. Formal employment is extremely limited in Cambodia: “Roughly 300,000 people are added to Cambodia’s labor force every year, and economic growth generates formal sector employment between 20,000 to 30,000 new jobs per year.” (World Bank, 2005) The key “safety valves” of employment are the garment sector, representing 250,000 workers, and the tourism sector, hiring 70,000 employees.

Landedness and stagnant agriculture require essential policy reforms. Eighty percent of Cambodians live in rural agricultural areas, yet landedness and declining conditions for agriculture have made for little productive jobs creation in rural areas. This poor performance by the agriculture sector—a critical sector of employment in rural economies—is largely due to a *failure to adopt a policy framework in land ownership and investment policies that promote competitive agriculture. Agricultural modernization, particularly in irrigation policy and practices, is essential to reactivate the agricultural sector; it would also encourage productive employment for youth in the rural areas.*

Promising practices in agribusiness and micro-enterprise offer pockets of job growth. Promoting transformation within the rural economy is the agribusiness sector. Types of labor-intensive activities in the rural areas include rice-milling, small-scale rural electric enterprise, fishing and fish processing, silk-making, and cotton-spinning and -weaving. These potential pockets of job growth are largely tied to micro- and small enterprises in the rural sector. The current Development Alternatives, Inc. USAID-financed project provides excellent examples of how to build value chain projects to promote income and employment in the rural economy of Cambodia.

Despite improvement in basic education enrollments, school completion lags seriously. Increasing numbers of children are entering school and spending some time there. Yet most of the recent gain in primary net enrollment is due to the net gain in the proportion of children that enter school, most of whom are over age, rather than youth staying longer in school. Only 35 percent of those who start school actually complete the basic education cycle. Over-age enrollment is a major factor in explaining high dropout rates.

Vocational and technical education is a case of unfulfilled promise. In 2004, the newly formed Ministry of Labor and Vocational Training was mandated to bring together all the technical and vocational education and training (TVET) activities of government agencies under one ministry. Asian Development Bank financed this new educational system with a \$30 million loan. This

system is designed for around 25,000 enrollees, but actually services only 4,000 students. The limited enrollments are largely due to fiscal budget constraints.

Non-formal education and non-profit organizations show promising practices. The Assessment evaluates existing non-formal education (NFE) and non-profit institutions and projects. Several projects show promising practices: the Digital Divide Data project of social entrepreneurship for jobs creation; the World Education anti-trafficking child labor project with job placement services to rural female youth; and the community centers of the Non-Formal Education Department of the Ministry of Education and Youth.

Summary of Recommendations

Recommendation: Address the mismatch between current and future supply and demand in youth employment through creation of a *youth opportunity network*. This network would use existing community-based centers to provide youth development services with an emphasis on workforce education and employment in key rural provinces of Cambodia

Recommendation: Deepen support of capacity-building efforts in micro-, small, and medium enterprises, to promote their role in job and household income production and to encourage their involvement with the proposed youth opportunity network.

Recommendation: As it supports implementation of the Ministry of Education’s new basic education curriculum, USAID should incorporate other new Ministry institutions, such as the TVET and NFE, in the proposed youth opportunity centers.

Recommendation: Promote youth workforce development in a large-scale, labor-intensive agricultural modernization initiative focused on irrigation and other agricultural innovations.

Recommendation: Identify key policy actions to address agricultural and enterprise development, to encourage employment and economic growth in these key rural sectors, and to reduce instances of official corruption; improve government policy tools, such as the labor market information systems.

Major donor investment in capacity-building in vocational training could form a basis for partnerships in many provinces to tie basic education and vocational training together as part of a “school-to-work transition” initiative, tied to the proposed youth opportunity network, especially in Phnom Penh and four targeted provinces.

A note about methodology and approach

A three-week rapid assessment is just that: rapid. Five team members assembled by EDC (and a sixth for the first week) planned and executed a rigorous schedule of interviews (more than 75 people from over 30 separate governmental and non-governmental organizations). We were labor market economists, educators, and policy specialists with extensive experience both in the United States and abroad. We were three Americans, one Filipino, and two Cambodians. We reviewed literally hundreds of documents, analyzed a great deal of statistical and demographic data, and spoke with more than 200 young people in nine separate meetings. Guided by the advice and conceptual framework of Seema Agarwal-Harding of USAID/ANE, and by the resident wisdom and contacts of Lynn Losert and her colleagues in the USAID/Cambodia mission, the team asked

questions, probed, questioned politely, made site visits to observe programs first-hand, and enjoyed lively conversations with groups of young Cambodians. We began our analysis and reporting while still in Cambodia and finished it after our return. We mean to be action-oriented, not academic, although we trust the analysis that leads to our recommended action steps is rigorous and scrupulous.

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SECTION I: YOUTH LABOR MARKET EXPECTATIONS

- ❖ *Will young Cambodians be prepared for and able to adapt to the changes in the society and in the economy and to the demands of employers?*

To clarify and understand how Cambodian young people perceive the labor market in relationship to themselves, their education, skills, and work preferences, the assessment team met with nine youth focus groups. The groups, organized by local programs and NGOs, ranged from 15 to 45 members. More than 200 youth participated in all. Groups were led by Assessment Team members, assisted by local interpreters or Khmer-speaking team members. Group discussions lasted on average 1½ hours, guided by a common set of questions. We wanted to know:

- youths' ages (they ranged from 11 to 25, most were 16-24)
- where they lived (one group was in Phnom Penh, the balance in three provinces)
- their school status
- their families' occupations (for the commonest case, agriculture, we wanted to know what they produced and how products were sold, if they were),
- what they thought about their futures, especially where they wanted to live and what they wanted to do for work
- what they knew about jobs and pay, and how they found out what they know
- whether anyone advised or guided them—any adult, any place to go for help thinking about or finding jobs, or any other resources

The group sessions are summarized in Appendix A of this report. Several common themes emerged from the group discussions; with one or two exceptions in each group, most of the youth involved held the following views.

Education and employment: Most were enrolled in ninth grade and above; a few, part-time at an institute or university; and two groups were engaged in vocational training. (Note: The majority of Cambodian youth have already left school before ninth grade, so the results of these informal conversations may be skewed toward a more advanced educational level.) All felt that education was important, but most were unclear as to how different education levels might translate into job qualifications. Many were unsure how far they could continue their own educations because of direct and indirect schooling costs.

Occupational preferences: Those still pursuing higher secondary education appeared to have given little thought to the type of work they would like to do after completing the most advanced grade they were able to achieve, either for academic or economic reasons. Exceptions were those enrolled in teacher training institutions, who were clearer about their job futures. Many others expressed hopes to become doctors, veterinarians, lawyers, and NGO workers. Almost all, however, had only a vague understanding as to what kinds of skills and education were demanded by these jobs or how they could be obtained. Of the few who identified tourism as a work area of interest, only one had very specific plans and a concrete understanding of qualifications and job conditions, based on the experience of a close relative.

Almost all of the group members continued to work in agriculture while in school or looking for other employment, working either on their families' farms or as paid laborers on other farms, usually planting rice, vegetables, and tobacco. Few saw continuing in agriculture as a desirable work alternative, but most recognized it as fall-back employment if other work could not be found or if their education was cut short.

Box 1. The Voices of Young Cambodians

“I want to be a tourist guide and work in Siem Reap. I have a cousin who does this and makes good money.” Girl, 20, Kampong Cham Province

“I want to be a teacher in my province, but I need to go to school more myself.” Boy, 22, Phnom Penh (from Prey Veng Province)

“I want to be a doctor . . . (later) . . . no, maybe a vet. How to study? I do not know. So maybe I’ll get a moto, and drive for money.” Boy, 19, Phnom Penh (from Kampong Thom Province)

“We don’t have (any) place to go to find jobs, or to know what we should study to qualify.” Girl, 20, Kampong Cham Province

“We all want to stay here, and grow rice and pigs, but who will buy them?” Boy, 21, in young farmer’s group, Prey Veng Province

“I want to make clothing and sell it in the market, but I will need a sewing machine and they cost too much.” Girl, 19, Svay Rieng Province

“We can’t compete with anybody for good jobs anyway, so why go to school?” Girl, 17, Kampong Cham Province.

Source: Interviews conducted by Assessment Team, August 2006

Interestingly, when groups were questioned about possible interest in learning more about modern methods of farming, processing, and marketing, many youth reacted with enthusiasm. They saw this as a possible way to remain with their families and villages and to increase their income, but did not have information about what skills were needed or how or where they could be gained.

Work location preferences: For the most part, group members preferred to remain in their own provinces and close to home, but they were realistic about the severely limited job possibilities at the local level. Provincial centers were the next choice, with Phnom Penh last. However, the garment factories, tourism, and construction industries of Phnom Penh were recognized as providing work opportunities unavailable elsewhere.

Occupational counseling, skill training, and job search: With the exception of the girls learning sewing and tailoring, group members expressed surprise at the idea that there might be resources to help them learn about and find appropriate jobs. None had had any assistance in this from school personnel. The girls learning to sew planned to return to their own villages to begin a business, once they were able to gather the necessary start-up capital. One young man searched the newspaper in Phnom Penh for job opportunities; another called companies listed in the Yellow Pages.

Even in Phnom Penh and the provincial capitals, group members showed a surprising lack of information about what different jobs entailed and what kinds of skills were needed. Many, including the girls learning to sew, were interested in establishing their own micro-businesses, but realized they needed small-business skill training that was simply unavailable. *The idea that there*

might be a central resource to provide job counseling, training, and placement opportunities was very appealing, but completely outside of their experience.

Box 2. The Case of Prum Phalla

Prum Phalla is the 20-year-old daughter of an eight-member family living in the rice-farming village of Trapaing Steang, Kak Commune, Po-nhea Krek District of Kampong Cham Province. Like many other young girls in her village, Phalla was struggling to finish her study at primary level. Her father died several years ago, and circumstances have been difficult as a result. Now however, with the support of Kampuchean Action for Primary Education (KAPE), she is likely to be the only child of her family who will finish lower secondary education. Without KAPE, she says she would have decided not to continue her study at low secondary school in 2003, because her family could not afford her continued study at lower secondary education, and it looked like she would have to quit school and work to make income to support her single mother and other members of the family. Phalla's younger sister dropped out of third grade in 2001 and her younger brother left school after second grade several years ago. Neither had the benefit of a program like KAPE, and they have remained out of school. Her two elder sisters have also left school.

Phalla was selected by the school (she did not know her principal teacher or the school principal who shared her profile with KAPE) to be granted a scholarship to continue her secondary education. With KAPE's support, she was able to continue her study at lower secondary education and successfully passed the lower secondary education level exam in 2005. After achieving that level, she was selected by KAPE for a scholarship to attend a six-month vocational skills-training at the Training Centre of the Cambodian Association of Women for Peace and Development in Ta-Bong Khmoum District of Kampong Cham Province. She dreams of applying her vocational skills to run a small tailoring shop in her village. She is learning the tailoring skills, but is worried whether she will have enough capital to start and run her business. She dreams of further upgrading her skills when she has a real chance to run her business.

Source: Interviews conducted by Assessment Team, August 2006

Youth Focus Group Summaries

In all, the assessment team met with seven groups, ranging in size from 15 to 45, speaking cumulatively with over 200 young people—25 in Phnom Penh and over 180 in three provinces. Appendix A presents detailed findings of the seven group meetings located in the following regions:

- Group 1: Meeting at Phnom Penh offices of the Youth Council of Cambodia
- Group 2: Meeting at Kampong Cham office of Youth Council of Cambodia
- Group 3: KAPE scholarship students, at Kuntha Bopha High School/Prey Chor District, Kampong Cham
- Group 4: District Vocational Center run by Tbong Khmum Women's Association, Kampong Cham

- Group 5: KAPE scholarship students, at Tbong Khumum High School/Suang, Kampong Cham
- Group 6: Vulnerable Children’s Assistance Organization (VCAO) Kampong Cham
- Group 7: Young farmer’s group hosted by CEDAC, Prey Veng Province

The urban and rural youth are more similar than different in their aspirations and potential. In general, both have enrolled, studied, repeated, struggled, and failed within the formal basic education system. They share a severely limited view of the job spectrum and its relationship to education level. Most have little concept that progress up the employment ladder involves more schooling and preparation.

Both groups come from primarily agrarian families, have worked in agriculture as children, and continue to survive as farm laborers, for their families or others. Many rural youth would choose to remain close to their families and continue in agriculture but recognize that the family and local economy cannot offer them more than subsistence living.

Urban and rural youth have surprisingly similar aspirations regarding employment. They could make good use of similar strategies to help them reach their goals.

The only truly urban area of Cambodia is Phnom Penh; most of the young job seekers there began as rural or provincial-capital children. Those who grew up there are likely to have achieved slightly higher levels of basic or secondary schooling than their rural and provincial cousins. However, whether born in the city or migrated there in search of jobs, the young people of Phnom Penh want to advance themselves and support their families but have minimal information or resources to assist them.

Rural youth come to provincial capitals or to Phnom Penh with the hope that whatever education they have achieved will qualify them for work. In general, they may hope to further their education but few have considered preparing for specific careers; they are drawn to the city by its commerce and industry and the potential for immediate employment. The lucky ones have family or family friends to receive them; the others may fall prey to the city’s illicit trades—sex traffickers, drug dealers, other criminal elements. The safety net of their rural family is no longer available to them.

Those who succeed in finding steady work may curtail their own food and housing needs in order to send money to their families. Rural youth in the city face the same issues as young people everywhere, but in a more extreme form—how to make a life for yourself, how to help your family, and how to return to them. Some NGO programs provide assistance in these areas, for the youth who are fortunate enough to connect with them.

Urban youth—for our purposes, those who grew up in or have spent extended periods in Phnom Penh—have more knowledge of the spectrum of jobs in factories, construction, tourism, and small businesses, but they are unable to access specific job opportunities except through personal contacts. They may have more street smarts than the rural migrants and be able to piece together short-term work on a daily basis, but they are equally unable to access long-term employment.

The primary issue for both groups is that there simply are not enough formal jobs for those seeking work; while the capital appears to offer more opportunities, too many are competing there for work in all sectors of an economy that is not growing fast enough. Moreover, both

groups—the already-urban and the newly urban—have no idea how to look for work or to assess their own readiness. *Counseling, specific job preparation/training, access to information about job opportunities, assistance with assessing other income-generation options, and skill training for them would benefit rural and urban youth and would relieve some of the pressure from an economy that is growing but cannot keep pace with its young would-be workers.*

The assessment team's experience with these young people contributed to our analysis of present and future employment trends in both formal and informal sectors; our growing understanding of the status of education in rural and urbanized areas leads us to recommend the introduction of a new institutional arrangement to operate at the margins of the existing systems.

Recommendation: Address the mismatch between current and future supply and demand in youth employment through creation of a *youth opportunity network*.

Notwithstanding long-term structural challenges in both economic development and in education in Cambodia, there is a near-term need to introduce a new kind of institutional arrangement into the transition from youth to adult status, from student to worker, from school to work. We recommend creation of a low-cost network in existing community-based centers, staffed modestly, that will become the basis for rectifying the present information deficit exhibited by youth, and in the long term become a permanent system of school-to-work transition. These would not merely be providers of labor market information, but would focus on youth development with an education and employment emphasis. The *youth opportunity centers*, as envisioned, could become an organizing force for collaboration among and with NGO efforts in economic development, linking them with the youth labor force, present and future.

We recommend that USAID pilot these centers for two or three years, in four provinces and in two more urbanized communities, then consider whether to recommend nationwide expansion. This is our most important recommendation for USAID immediate action.

SECTION II: UNDERSTANDING THE DEMAND SIDE

- ❖ *Are there or will there be, “real jobs” in the Cambodian economy, and will they be sufficient to the supply of labor?*

Part One: An Overview of the Cambodian Economy

The assessment team sought to understand the implications of changes and trends in the general economy for the future labor force. The Cambodian population—and thus its labor force—is very young, due both to the extraordinary events of the Pol Pot era, which resulted in the genocide of nearly a quarter of the total population, and to the “baby bulge” affecting many developing nations worldwide. But unlike many other developing nations, Cambodia appears to suffer from two other phenomena, which profoundly influence the labor demand/labor supply calculus: First, the recent trend of overall economic growth appears to be jobless; that is, job creation and job demand appear largely immune to economic growth. Second, unlike most modernizing nations, Cambodia seems never to have made the connection between education and employment. These two factors dominate the analysis of youth employment in Cambodia.

Jobless growth: What does it mean for the employment of Cambodians in the formal and informal economies?

The nominal Gross Domestic Product (GDP) per capita of Cambodia is US\$ 6.1 billion (or Riels 24.6 trillion) and per capita GDP in 2005 is estimated at US\$ 448. Starting from a low economic base, GDP per capita has almost doubled since 1993. In real terms—in constant 2000 prices—GDP per capita increased from US\$ 286 in 1993 to only US\$ 385 in 2005. The increase in GDP per capita allows for greater levels of consumption. Average monthly per capita consumption expenditures in nominal terms rose from Riels 52,000 in 1993 to an estimated Riels 126,000 in 2005. (See Appendix B for detailed economic statistical data.)

That is notable economic progress, worth celebrating. But evidently it is not as good news as one might expect for the labor force. One widely quoted pair of numbers illustrates the dilemma:

According to the World Bank, roughly 300,000 people are added to Cambodia’s labor force every year. The Economic Institute of Cambodia estimates that the country’s economic growth generates only between 20,000 and 30,000 new jobs each year. (Hagenlocher and Rith)

This phenomenon of jobless growth occurs frequently in developing countries; it is often intractable. For example, investments in equipment may raise productivity but use less labor. Labor-saving occurs as agriculture becomes agribusiness, as output transfers from small farms to large plantations. In Cambodia, jobless growth seems connected to pent-up consumption from existing household incomes that grew slowly over time. It is also connected to a small industrial base and an agricultural base that is growing erratically (and in some respects also shrinking), coupled with widespread corruption and the concentration of wealth that has resulted.

The macro-economic estimates of the World Bank indicate that *agriculture* accounts for 71% of the labor force but contributes only 31% to GDP. Industry hires only 8% of the labor force,

although it contributes 29% to GDP, while services account for 31% of the labor force and contribute 35% to GDP. As presented in Appendix B, the share of agriculture in the GDP of Cambodia declined between 1994 and 2004 from 46% to 31%, while the share of industry in the GDP doubled from 14% to 29%, albeit from a smaller base. However, the more relevant statistic is the percentage of the labor force in agriculture—70% as of 2004. Industry employs only 11% of the work force, despite its rapid growth and contribution to GDP. So the bulk of the labor force is “trapped” in the shrinking sector of the agricultural economy.

GDP increased from US\$ 5.1B in 2005 to US\$ 6.1B in 2006 (around 20.0%)—largely due to plentiful rains and the subsequent good harvests. Once again, the relevant statistic is the percentage growth of agricultural output. The data from 2002 to 2005 highlight the erratic growth of agricultural output—alternating between low and high growth. The implication, given the high percentage of the labor force in agriculture, is for continued instability of rural employment and incomes, resulting in high rural poverty.

Box 3. The Economic Outlook of the Asian Development Bank

The Asian Development Bank (ADB), in its recently published Outlook 2006 on Cambodia, provides further cautionary remarks:¹

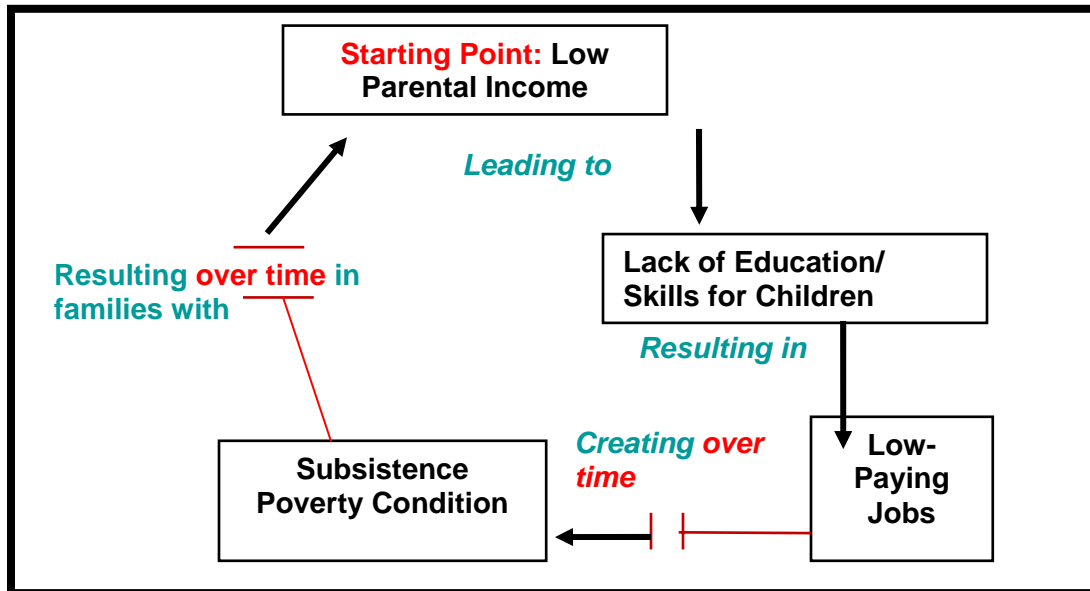
. . . GDP growth is likely to average around 6.3% in 2006–2007. Growth in agriculture will return to more normal, lower rates after the rebound from drought in 2005. The safeguard measures against PRC clothing exports imposed by the EU and US for this period suggest that manufacturing in Cambodia can continue growing, but not at the pace seen in recent years. Tourism is likely to keep expanding robustly. . . . The biggest risk to achieving the growth and poverty reduction targets in the NSDP [National Strategic Development Plan] stem from delayed or half-hearted implementation of reforms. In particular, foreign and domestic investment on the required scale may not be forthcoming without progress in legal and judicial reforms to ensure a more predictable regulatory environment. Failure to develop rural areas and promote agriculture, especially in the context of land ownership becoming more concentrated, could exacerbate the urban-rural divide and lead to social unrest.

Source: (<http://www.adb.org/Documents/Books/ADO/2006/cam.asp>)

The poverty trap: Is this a permanent condition for rural Cambodians?

Cambodia ranks 130th out of 173 countries on the United Nations Development Programme 2002 Human Development Index. A Cambodia Development Resource Institute (CDRI) paper (Acharya, Sedara, Sotharith, & Yady, 2003) cites the senior author’s remark in an earlier CDRI paper that: “For every 10% growth in national income, poverty was reduced by a mere 1.4%.” Cambodia appears caught in a *long-term poverty trap*—a vicious cycle that keeps a significant proportion of the population at or below the poverty level. One variation of the poverty trap is illustrated below, together with a quotation from a focus-group discussion. The illustration and quotation imply that education—broadly defined to include aptitudes and skills—is one important but long-term solution to the problem. As Chart 1 suggests, education, including relevant skill-training, represents the long-term solution out of Cambodian poverty. The more critical problem for Cambodia is that lack of access to education—due to poverty, for example—will make it more difficult for Cambodia’s laborers to make the transition to better paying jobs.

Chart 1. The Poverty-Education-Job Cycle
WHY EDUCATION MATTERS



Because we are poor, our children quit school at an early age or after only one or two years in order to help us earn a living. Unfortunately, they cannot go as far as the rich do in obtaining skills to earn a living. Because we are trapped in illiteracy, we have poor knowledge and are without ideas, remaining short-sighted and powerless.

Source: Focus Group Discussion, Kampong Thom, Moving Out of Poverty Study—MOPS, from CDRI.)

The *causes of poverty* emanate from a variety of elements—bad weather, natural calamities, intensive deforestation, low productivity, uneven land distribution, lack of public infrastructure (such as farm-to-market primary and “feeder” roads), and inadequate irrigation. These factors combine with a large rural population to create especially high levels of poverty.

. . . although the country experienced some economic growth (about 6% per year on average during the last 10 years), the poverty rate has not been perceptibly reduced. . . . [It] grew from 36.7% in 1996 to 45.5% in 2003 . . . the number of poor in Cambodia consequently increased . . . from 4 million in 1996, to 5.8 million in 2003.

Unfortunately, the *traditional sub-division* of land with each generation further shrinks the already small Cambodian farms. The children of farmers have to find employment elsewhere. Unfortunately, support for the rural population, according to Economic Institute of Cambodia (EIC) estimates, is (again) inadequate: “The Cambodian agricultural sector can efficiently support only about one to two million people; currently about four million are employed”—or more likely underemployed. Rice is the major crop in the Cambodian countryside but estimates of irrigated land range from 7% to 12%, resulting in low productivity.

Finding work—as opposed to getting a job, with its implications of stability and a potential career—is the overriding concern of the Cambodian labor force or, more generally, the country’s

population, because the national statistics define the employable population as age 10 years and older, a definition reflecting the reality of Cambodia as an impoverished country.

Cambodia had an average of 150,000 new entrants to the labor market per year between 1994 and 1998. New entrants numbered approximately 200,000 per year for the period 1999 to 2003. For the period 2004 to 2008, an estimated 230,000 people per year will enter the labor market. This expansion of the labor pool could be a driving force for economic growth or a significant burden if adequate employment opportunities are not created. (Economic Institute of Cambodia, 2004)¹

On the other hand, the World Bank reports (Feb. 2006) some progress: In the decade from 1993-94 to 2004, poverty was estimated to have fallen by 12%, while household consumption in real terms rose 32%.

Migration is the result of a stagnant agricultural sector, sometimes seasonal after the rice harvests and sometimes semi-permanent; more workers try to find jobs in the Cambodian garment industry and stay in the city. The capital city of Phnom Penh is still the primary source of jobs in industry; however, the government is attempting to develop the “outskirts” of Phnom Penh and the nearby provinces for industrialization, sometimes through Special Economic Zones. The alternative route for migration is to “go west” into neighboring Thailand.

Youth and young adults are disproportionately represented among migrants. The relatively high number of female migrants to Phnom Penh in recent years reflects the rapidly growing job opportunities in light manufacturing. [However] this shifting population has many implications, including increased vulnerability and isolation away from the extended family. (USAID/Cambodia, *Development Challenge*, retrieved 3 August 2006 from http://www.usaid.gov/kh/development_challenge.htm)

To conclude, assuming *a total workforce of over 6 million*, around 80% start from the agricultural sector, and represent over 40% of the population.² Most of the agricultural labor force remains in the countryside in a state of underemployment; the balance seeks work elsewhere. The government and the industry “safety valves” (described in the next section) make up the difference.

Recommendation: Promote youth workforce development in a large-scale, labor-intensive agricultural modernization initiative focused on irrigation and public works.

A public works program, employing large numbers of under-employed rural agricultural workers in a public-private endeavor to create a modern irrigation system for improvement in agricultural productivity could produce both economic and employment benefits. It would require a multi-national commitment. While it is somewhat beyond the scope of this Assessment, team members are convinced that if political considerations could be accounted for, such a project might be the single most significant development to undertake for the long-term economic and workforce health of Cambodia.

¹ CDRI and EIC are two “local” and reputable institutions that undertake economic research and analysis. Unless otherwise noted, the indented quotations below come from EIC studies.

² Cambodia’s employable population starts at 10 years of age, a number that probably reflects the reality of the needs of the household to survive. However, the more conventional definition of a potentially employable person starts at 15-24 years of age, the “youth cohort.”

Unlike more modern economies, Cambodia has very limited “economic safety valves” and thus fewer available policy options.

In Cambodia, the principal “safety valves” are the garment and tourism industries that “pick up” the surplus labor from the countryside.

Cambodia is known for its garment manufacturing industry; it provides much opportunity, but there are significant “downsides.”

At around a quarter-of-a-million workers (up to 300,000 by one estimate), about 85% of whom are women and 90% are rural in origin, the garment industry “accounts for about 70% of total employment in the manufacturing sector. But it represents only about 4% of the total labor force, as Cambodia remains largely an agricultural-based economy.” (Acharya et al, 2001) Moreover, the annual growth in jobs in this industry ranges from 15,000 to 40,000 depending on global demand and supply.

Working in a garment factory fits the classical definition of a “dead-end job,” and its status is exacerbated by the low educational levels of its workers. According to a CDRI survey of young female garment workers, “61% attended primary school, 31% attended secondary school, and (only) 8% attended high school.”

It is noted that one of the major constraints for rural productivity and poverty is the low level of skills. It is further noted that 75 per cent of rural workers have primary education or less and no skills-training other than family tradition in agriculture. Income generating skills are seen as the major intervention to address rural poverty. While addressing basic education will have a long term impact on poverty, skills-training is the primary medium term (5 years) tool available to Cambodia. (Abrillo, 2004)

On the other hand, a recently completed study commissioned by USAID (Salinger & Seanghorn, 2006, pp. 15-18) on the state of the garments industry provides a more optimistic perspective on the young garment workers’ situation:

Factories surveyed for this report confirmed that production workers can earn \$80 to \$120 per month . . . inclusive of overtime and production incentives. This compares with \$25 per month for school teachers and annual gross national per capita income of \$350. . . Total demand for skilled worker positions in Cambodia’s garment industry is on the order of 15-17,000 skilled workers.³ Salaries for skilled labor positions in the factories range from \$200-400 per month for Khmer production supervisors to much higher figures in tandem with increased training and skill levels, i.e. up to \$1000-2000 per month, depending on area and level of responsibility.

Another aspect of the “dark side” of the industry is the suspicion, noted in a CDRI report (Abrillo, 2004), that the garment workers:

. . . remit a very large proportion of their wages to their families, often at the cost of their own current consumption. Thus, despite earning what is in Cambodian terms a good salary, many live at a subsistence level with consequences for their health and well-being. On top of this, their social status is ambiguous. The ADB PPA [Participatory Poverty Assessment] studies found that rural men reportedly often expressed a preference not to

³ Numbers are estimated from data provided in interviews with factories for this assessment and data collected by the 2005 productivity survey.

marry a woman who has worked in the garment factories in Phnom Penh, based on general suspicions of the morality of those who have lived in the city for extended periods.

Nevertheless, over a decade, the industry grew from US\$ 26 million in 1995 to US\$ 2 billion in 2004, making up 80% of the country's merchandise exports. Factories grew tenfold, from 20 to 206, and employment expanded even more rapidly, from 18,000 in 1995 to 246,000 (more or less) in 2004. (US Embassy in Cambodia)

The *end of the quota system* is bringing change to the industry. While the garment factories are hardly a workers' paradise, sweatshops are becoming the exception rather than the norm, as laborers agitate for better pay and working conditions. (BBC News, 22 December 2004 and 10 February 2005) However, as the ADB Asian Development Outlook reports, Cambodia's garment industry "dodged the Chinese bullet" when China in essence agreed to restraints, following complaints from Europe in 2005 over "dumping" of low-priced Chinese products—from garments to footwear—to the detriment of local producers. Fear persists that the reprieve afforded by that development will be short-lived.

Tourism is growing as an employer of youth in one region, but even this industry carries dangers.

With respect to tourism, the Angkor Wat complex in Siem Reap remains a unique resource. Unfortunately, a study in December 2002 suggested that only 30% of foreign tourist spending in Siem Reap benefited Cambodia.

The tourism industry as a whole includes hotels, restaurants, bars, travel agencies, and guides; it is estimated to have employed about 70,000 people in 2002. However, only about 7,000 workers in the hotel industry and 3,000 in guide and travel agencies are well trained and well paid. The other 60,000 workers take in meager earnings from jobs at restaurants and related tourism-focused businesses . . . about 60% of tourism sector employees are female [most are also in the "youth cohort"]. (Archarya et al., 2001)

Moreover, tourism has its own "dark side":

There also has been a rise in sex tourism, and most disturbingly, child sex exploitation . . . While Thailand and the Philippines used to be known destinations for sex tourists, both countries have made notable progress in reducing and controlling sex tourism. This means that sex-seeking tourists simply travel to poorer neighboring countries for their satisfaction . . . One-third of all sex workers here are estimated to be children, mostly ages 12 to 17, but some are even younger. (Archarya et al., 2001)

Thus, the labor-absorptive capacity of Cambodian industry in general, and of the garment and tourism industries, in particular, is limited. There are at least two key constraints:

According to a World Bank study (2006), 40% of Cambodian products will compete head-to-head with China, which has comparative advantages through a better-skilled labor force and cheaper raw materials. It can export better quality products to the world's large markets, including the United States and Europe.

One example of this export potential is the nascent craft-production movement that creates products for export and tourist sales. Significant skill development and household income production are accomplished through hands-on training and production through organizations like *Artisans d'Angkor*, the Grassroots Business Initiative of the International Finance Corporation (IFC), and *Wathnakpheap*. These initiatives should be supported for greater growth; they are detailed in Section IV of this report.

There are other potential “safety valves,” but they may offer only limited real-job opportunities in the near and medium future.

The service industry may be seen as the third “safety valve” to employ surplus labor. According to EIC (2006),

Its share of total GDP increased from about 35% in the early 1990s to about 50% in 2003. The service sector is estimated to employ about 1.2 million people, representing about 20% of the total labor force . . . compared to the agriculture sector that employs 80% of the total labor force but can only manage an annual output of less than 30% of GDP.

The rest of the manufacturing sector, while growing, is still too small to provide suitable employment opportunities. Aside from the few large multinationals and utility firms and state-owned enterprises, the industrial sector comprises many modest, medium-size firms, with most of the activity centered in Phnom Penh.

To conclude, the labor force is in a dual bind. Workers and potential workers are caught on the proverbial horns of a dilemma—staying in the countryside offers only stagnant prospects, but migrants fare not much better by moving to the city.

While economic growth is likely to continue, it will be limited by key political and economic factors.

Cambodia's GDP continues to grow, and it seems likely to continue to do so, albeit at a more modest rate. The prospects outlined are excerpted from a TVET document, released on 1 March, 2006, that in turn derived from the articulation of the government's “National Strategic Development Plan 2006-2010,” released in 27 January 2006. A complete compendium of economic statistical data is presented in Appendix B of this report.

Gradual growth is forecast in the tourism sector and in agriculture, especially in organic agriculture for export. Fisheries export growth is possible, if current catches set a pattern. Recent changes in export markets have given an extended opportunity in garment manufacture although it is unclear if this will lead to expansion. As wage levels increase in other Asian countries, some manufacturing and sub-assembly growth is possible, and there is some evidence of interest at this time from countries such as Korea. (This quote is excerpted from the paper—TVET Development Framework, submitted to and endorsed by the National Training Board by the Directorate General, March 1 2006.)

This growth *will not be evenly distributed over all economic sectors* (see Table 1). Although the percentage share of GDP contributed by agriculture will shrink, this sector employs by far the greatest proportion of the population (in excess of 65%), and its net contribution to the economy

will increase. Improvements in quality and productivity in this sector will have the most rapid and far-reaching impact on the economy and on poverty reduction. (National Institute of Statistics, 2001)

Table 1. Percentage Contribution of Key Economic Sectors to GDP

Sector	% of GDP 2005	Forecast % of GDP 2010
Agriculture	19.50	17.03
Fisheries	8.30	6.97
Industry	22.60	23.82
Tourism	5.00	6.22
Construction	6.80	8.06
Services	6.40	7.30

Source: National Strategic Development Plan (2006-10)

Governance practices and corruption—both real and perceived—are major barriers to sustained economic growth.

A discussion of the future growth of the Cambodian economy is not complete without noting the influence (and costs) of corruption, especially in the government sector. The issue is the subject of several reports from several sources, including donors. A study by EIC for USAID and others indicated the following:

In total, the private sector pays about US\$ 330 million for corruption a year. This amount is equal to about 50% of the total government budget revenue in 2005 and is about 6% of GDP . . . The amount of corruption paid by the private sector is more than enough for the government to raise the salaries of its 300,000 civil servants (including teachers, nurses, policemen, soldiers, etc.) to a decent level of US\$ 130 to US\$ 150 a month on average . . . The potential losses of tax revenue are about US\$ 400 million per year. (Economic Institute of Cambodia, 2006)

The realities and fears about corruption have also influenced the major international donors. The emphasis of the international donor community is on the standard development approaches such as building infrastructure, improving agricultural productivity, and industrialization (through special economic zones, for instance). These activities will undoubtedly increase jobs, but primarily as a by-product. Job creation targets are not explicit, although the government acknowledges the “generally accepted” numbers of 250,000 new entrants and only 30,000 jobs in the formal sector, and private research entities estimate industry growth—in garments, for example. A cynical view is that given the pervasive corruption, except for “ghost payrolls,” job creation is not as “lucrative” as other activities. For example, while one might choose to make an investment in labor-intensive development (such as irrigation modernization, as recommended, above), the fears about the impact of corrupt practices appear to have a chilling effect on donor investment in such an enterprise.

Part Two: Labor Force Demographics

Official statistics are hard to come by, and of questionable reliability or policy utility.

The National Institute of Statistics (NIS) is the government's data-gathering agency. NIS ran the 2003/2004 Cambodia Socio-Economic Survey (CSES) that included a labor force survey.

The survey provides up-to-date information subject to two constraints. The NIS Director General noted in a paper (NIS, 2005, p. 2) that:

A person is considered employed even if s/he worked as little as one hour in the last seven days. Note that s/he is considered "employed" even if s/he did not work at all in the last seven days but has a job from which s/he is temporarily absent because of illness, labor conflict, bad weather or other. A person, who is considered "employed" according to this definition cannot then be counted as "unemployed."

This results in a very low recorded unemployment rate for Cambodia—less than 1%. While this must surely have political usefulness, it is less helpful for analysis. The assessment team found that it had to seek more direct sources of data and analysis, being unable to perform the needed analysis from official reports.

Moreover, "employment age is delimited in different ways in different parts of the world, often 15-64 or 15-74 . . . the NIS has adopted 10 years and over as the population of working age . . . in accordance with the prevailing conditions of our country." While this raises issues of child labor, it also expands the economically useful population well above the proportions even of other developing countries.

Data reliability is the other constraint. With few exceptions, respondents indicated that the NIS in general and the interviewers in particular, especially in the rural areas, do not have the discipline to conduct rigorous surveys and that "dirty data" from responses is the norm rather than the exception. The appropriate methodology breaks down in the field, where surveyors are underpaid, undertrained, overworked, and usually on double jobs. This opinion was confirmed through field observation, though the evidence seems anecdotal.

Future policy and programmatic work will be greatly enhanced by key changes in data collection and analysis procedures, which by definition are governmental functions.

Recommendation: Identify key policy actions to address agricultural and enterprise development, to encourage employment and economic growth in these key rural sectors, and to reduce instances of official corruption; improve government policy tools, such as the labor market information systems.

What do the available data tell us about the operation of the Cambodian labor market?

The *labor force*—defined as the economically active population above 10 years of age—increased significantly at the turn of the century as the growing young population who were born during the 1980s and 1990s baby-boom periods reached working age. Today the labor market participation is extremely high for young and old alike. (See Table 2).

Table 2. Labor Participation Rates, Cambodia, by Gender and Age

Age	Labor Force Participation Rates (in percent)		
	Total	Males	Females
15+	76.6	79.3	74.2
15-24	64.4	60.0	68.8
15-64	79.2	80.8	77.8
25-54	91.2	96.8	86.3
25-34	90.2	95.6	85.0
35-54	91.9	97.6	87.2
55-64	73.6	86.9	64.5
65+	30.2	43.6	23.3

Source: International Labour Organization, 2003

As expected, the labor force participation rates of youth and the elderly are lower than for the adult population. Female youth actually join the workforce earlier than male youth, with 69% of female youth in the labor force compared to 60% of male. However, between the age of 25 and 34 years, males have higher rates of labor market participation—at around 96%—compared to females at 85%.

A second trend, largely explained by the demographic structure of the country, is the growing number of new labor entrants. The total country labor force rose by 19% or 1.2 million between the beginning of 2001 and the end of 2004, a four-year period. In other words, 300,000 new workers entered the labor market each year during the four years of 2001 to 2004. *Rural areas* still dominate, with the share at over 80% in 2004 in spite of a slight decrease from 85% in 2001. Disaggregating the total labor force by sex, males accounted for 51% in 2004, rising from 48% in 2001. The female labor force, which used to have a larger share as result of the substantial number of men killed during the war, now appears to decline due to the increase of male young labor entrants.

Although the rate of unemployment is very low, this does not mean that everyone—especially rural dwellers relying heavily on subsistence agricultural farming—can engage in productive and remunerative jobs that can ensure a decent standard of living. To capture the real situation of the labor force, one must examine the *underemployment rate*—defined as employed persons who expressed the desire to have additional hours of work in their present job or in an additional job or to have a new job with longer working hours.

Unfortunately, the most recent attempt to estimate this rate was in 2001, when the countrywide labor survey was conducted.⁴ In 2001, the National Institute of Statistics of the Ministry of Planning estimated approximately 38% were underemployed. There were no attempts in recent years to estimate this rate. However, it is believed that rate of underemployed is still very high since only 15% of workforce have jobs in the formal economy in 2004. (NIS, September 2005)

⁴ An attempt to estimate the underemployment rate was made only two times in 2000 and 2001. In 2000, 28 percent of the labor force was reported to be underemployed.

It may be helpful to juxtapose the preceding discussion on youth unemployment with Table 3 below on youth employment, reflecting that it is possible to tease out useful numbers from much existing data, (German Agency for Technical Cooperation, October 2003)

Table 3. Youth Employment (2003-2004 Data)

Age-group	Unpaid family workers	Own account worker	Total
10-14	189,550 (98% are rural)	168,393 (93% are rural)	357,943
15-24	892,808 (95% are rural)	793,155 (89% are rural)	1,685,963

Source: NIS, 2003-2004

Of the 2.4 million youth aged 15-24, 71% or 1.7 million work as unpaid family workers or “own account workers”—a euphemism for irregular and uncertain day-to-day activity such as selling fruits or even begging. Estimates vary, but every year between 90,000 and 110,000 drop out from school to enter this (mostly informal) labor market. Furthermore, many young students are in school on a “start-and-stop basis” according to their parents’ financial condition or, more precisely, the household level of poverty. So in addition to working as unpaid family workers or as own account workers, the youth receive little or no schooling.

The NIS data on employed population by *type of work* do not break down types of work by age groups. However, 78.8% of rural males and 83.2% of rural females are either self-employed or unpaid family workers. The “self-employed” category ranges from a person with no permanent job to someone with a small business. In contrast, in Phnom Penh, 56.3% of males and 39.1% of females are paid employees, compared with 19.1% and 14.3%, respectively, for rural Cambodia. If “real job” means being a paid employee, then prospects are poor for rural Cambodia in general and for the youth in particular.

It comes as no surprise that agriculture and fishing are the major industries in rural Cambodia, or that many females in Phnom Penh work in the garment factories that constitute much of manufacturing. Employment in households is high in Phnom Penh relative to the rest of the country, and that suggests a small “safety valve” for the rural poor working as maids, baby-sitters, and servants in the city households, where the middle class and expatriates live. The government (public administration) is not a significant employer, except in the capital city. Neither is the donor community a large employer, despite the amount of funds invested in Cambodia, although it does show up in the statistics.

Going beyond the official reports: How did we assemble and analyze raw data for the assessment?

The assessment team sought to identify data in categories that would be more useful for our analysis than publicly available reports seemed to be. The following data and analysis come from tables in Appendix B that were obtained from such raw data mined for our purposes from the NIS data files. The statistician who collected the information cautioned that the reliability of even this raw data varies by province. For example, he suggested that the data gathered from Mondol Kiri,

a small and isolated area, are probably less dependable than data from Kampong Cham, a much larger (and more economically important) province closer to Phnom Penh, and therefore subject to more regular head-office follow-up and scrutiny. Given appropriate caveats about variability, we nonetheless found the enterprise useful, and developed a picture we believe to be more complete and accurate—given our focus on the youth labor market—than publicly available reports.

Very roughly, of the 13.1 million people in Cambodia, 7.5 million (57% of the population) are *employed*, with 6.2 million (47% of the total population and 83% of the total employed population) employed in agriculture—although many of them are unpaid family workers or “own account workers.” Out of 7.5 million, 32% or 2.4 million persons are in the youth group—ages 15 to 25; 2.0 million of them live in the rural areas. The four provinces in the USAID Development Alternatives, Inc. project employ 2.2 million out of the 7.5 million employed population. There is no breakdown for the 15-24 age group, but if the same proportion of 32% of population distribution is used, then around 700,000 of the employed are youth.

Going back to unemployment and using the NIS “extracted data,” as noted earlier, the absolute numbers are too small, but the percentages may prove suggestive. While 58% of the total unemployed are youth, 71% of the youth in Phnom Penh are unemployed compared with 53% in the rural areas. One implication is that rural youth are in a better position to “know where to look” for jobs—presumably within their own communities—than are the youth in the capital city. In general, employers prefer a secondary-education graduate with some years of work experience, who has already been “hired and fired” and therefore has a more “realistic” attitude and expectations than a first-time newly hired youth. Therefore, this desirable cohort of educated and experienced older youth, 25 to 34 years old, has an unemployment rate of only 17%.

So what of job opportunities and earnings?

Unlike developed nations, where a much larger share of total employment is in the organized, or *formal*, sector of the economy, a substantial portion of Cambodia’s working population relies on household income, which is mostly derived from subsistence agriculture and other participation in the *informal* economy.

To reiterate from a CDRI paper (Acharya et al, 2003):

The size of the formal sector labor force (i.e. where wages are regulated) is only about 5% of the total workforce . . . This picture has been virtually unchanged through the 1990s. Of about 200,000 joining the labor force each year [as of 2002], only about 15,000 get formal sector jobs; the rest have to accommodate themselves in the informal sectors, essentially subsistence agriculture.

The CDRI report analyzed *selected labor-intensive industries* in the rural areas:

- *Rice-milling* occurs in two areas in the west and southeast, made up of over 400 large and 1000 small mills.
- As of 1998, only 15% of households were connected to an electricity grid, giving rise to small-scale rural electric enterprises.
- Fishing and fish-processing are seasonal subsistence activities that complement rice farming. Total “production” ranges from 290 to 410 thousand metric tons valued at US\$ 100 to 200 million annually, equivalent to around 7% of GDP.

- Brick-and-tile-making is relatively new, centered around Phnom Penh and the nearby provinces as well as around the other main cities. Vietnam produces better bricks, and a porous border allows easy transport into the country.
- Silk-making has a long tradition in Cambodia. Weaving occurs 10 months of the year, for a daily wage of 4,000 to 6,000 riels. Cambodian silk-makers must compete with Thai and Vietnamese silk, and yarn comes from Viet Nam.
- Cotton spinning and weaving earn less than silk-making but the market is competitive and growing, as replacement demand remains high in the local market. Power looms are being introduced to improve productivity.
- Finally, Cambodia produces several kinds of handicrafts—from straw, rattan, clay, and marble. Mechanization and modern technology, for instance, for stone-cutting and -chiseling, are improving labor productivity and product quality.

There are potential *pockets of job growth* as indicated by a study (Emerging Markets Consulting, 2005) on industry value chains. The summary analysis in Table 4 below suggests that different industries display different levels of employment potential.

Table 4. Value Chain Evaluation of Cambodian Industries

Evaluation Criteria (Comparative)	Agricultural Processing	Aquaculture Fisheries	Construction	Handicrafts	Manual Labor Services	Security Services	Semi-Skilled Tourism Support Services
Size of Industry	High	Medium	High	High	High	Low	Medium
Industry Growth Prospects	High	Medium	Medium	High	Low	Medium	Medium
Value Chain Strength	Low	Low	Medium	Medium	Medium	High	High
Level of Support Infrastructure	Medium	Medium	Low	High	Low	Low	High
Employment Potential for Disadvantaged Youth	Medium	Medium	Low	Medium	Medium	High	High
Recommendation	High Potential	Medium Potential	Low Potential	High Potential (Specific, low skill sub-sectors)	Low/Medium Potential	Medium Potential	High Potential

Source: Emerging Markets Consulting, 2005

These findings are further detailed in Appendix C and provide information for the seven sectors on the types of jobs available, the skill requirements, the recruitment procedures, and barriers and opportunities for disadvantaged (uneducated and unskilled) youth. For example, recruitment may be controlled by an informal word-of-mouth system—in the security services and construction industries, for instance. On the other hand, the large number of “cheap” hotels in Siem Reap and Sihanoukville makes it easier for the youth to find jobs, but these jobs are low-paying and irregular, relative to the larger hotels—where facility with English becomes a factor for entry. Agricultural processing is a growth industry in terms of employing labor, and its skill requirements are few. It is semi-rural in the sense that agro-industries tend to locate near large towns and provincial centers; so it represents a transition in behavior and work ethic from farm to

factory—a milder transition than in the garment industry, where displacement for the young females from their families is socially traumatic.

There are areas of *opportunity for jobs* even though the Cambodian economy overall does not generate enough jobs despite reasonable annual percentage growth. *Part of the problem is that the youth do not have sources of information in order to search for jobs.* The informal word-of-mouth network thrives—for instance in the garments and construction industries, where young workers are often related to one another or come from the same village or district. However, finding jobs requires a system, especially if the youth are to realize their dreams about jobs. For example, the table from the sector study suggests that there are agro-processing jobs but that access is not automatic. Some system is needed to match the youth with the potential jobs.

What are the entry points and career paths for youth?

The presumption is that certain entry points offer better opportunities for “real jobs”—with a regular salary subject to increases, a career path, and lateral and upward mobility. These real jobs are limited in Cambodia, given the small size of the formal sector. The level of education then plays a key role in the entry-level jobs. Uneducated and unskilled waiters/waitresses and garment workers learn their skills on-the-job, not as part of education or organized training. Table 5 presents some entry-level positions for youth, which can be distinguished by level of education, experience, and type of entry position.

Table 5. Entry-Level Positions for Youth, by Education, Experience, and Occupation

Type of Job	Past Experience	Education	US\$ Daily Wage (or Equivalent in Salary)
Management	no	Masters degree	16.60 to 41.60
Management	no	Bachelors degree	6.80 to 9.00
Technical	no	TVET Bachelors degree	6.80 to 9.00
Company driver	yes	Basic Education	6.81 to 17.00
Office janitor	yes	Basic education	4.00 to 8.00
Garment worker	no	Basic education	2.30
Taxi drivers	yes	Basic education	2.22
Waiters/waitresses	no	Basic education	1.17
Rice field workers	yes	Basic education	1.03

Source: Interviews and information collected by Assessment Team August 2006

From this table, various observations can be made on the quality of entry-level positions for youth. Working as a driver or janitor for a company offers higher pay but not necessarily job security, and some literacy and communication skills are needed. A graduate from a vocational training university may receive a lower starting salary than a management graduate from a reputable Cambodian university, but personal skills—communication, attitude, etc.—suggest that the two categories are not far apart. Finally, “white collar” jobs presume a degree, and prior experience helps in starting at a relatively higher rate. Finally, there appears to be some premium for a person with a graduate (Master’s) degree. The want ads placed in the English-language

Cambodian Daily imply that English proficiency is one cut-off factor, and the job requirements invariably include completing an undergraduate degree plus three years of work experience. Given the relatively small (but growing) industrial base, another way to “grow jobs” is to build small and medium-scale enterprises—the subject of the next section.

What can micro- and small enterprises offer in terms of job creation?

According to the World Bank report (2006) on “Halving Poverty by 2015?”

Agri-business consists primarily of tens of thousands of micro-enterprises, a few hundred small and medium enterprises, and only a handful of companies with more than 100 employees. Only about 1.5% of the labor force is involved in agribusiness, with the average micro-enterprise consisting of 2-3 workers. Among the small and medium enterprises (SMEs), rice milling is by far the most common activity, while other grain mills such as bean and potato powders are a distant second . . . Three provinces account for 95% of total output: Kampong Speu (70%), Svay Rieng (16%), and Battambang (9%) . . . agri-business has underperformed over the last decade or so, growing by an average of 2.7% per year, and its share of GDP has declined from 5.2% in 1994 to 3.3% in 2004 . . . the agri-business sub-sector has not yet played a key role in forging and expanding the links between farming and industry . . .

A 2003 Mekong Private Development Facility (MPDF) paper (Harner, 2003) on bank-lending in Cambodia suggests that lack of access to the banking system is a significant barrier to the new growth and expansion of small and medium enterprises (SMEs) in the country-side. Some of the problems identified by the MPDF reflect both issues for both borrower and lender:

- inadequate laws and a weak judicial system
- inadequately trained bank staff
- inappropriate risk pricing by banks
- accessibility only in major centers
- banks’ minimum lending criteria and loan processes
- shortage of long-term borrowing
- shortage of loan officers
- “informal” credit market is more efficient (faster processing)
- preference to lend to individuals

Corruption is also an issue in this environment. A recent corruption report prepared for USAID (Calavan, Briquets, & O’Brien, 2004, p. 12) notes that an indirect consequence of corruption is that “local entrepreneurs who are energetic and creative, deliberately keep their businesses small and ‘under the radar’ of comprehensive corruption.”

According to the EIC (2006), the private entrepreneur cannot escape corruption:

Micro-enterprises, SMEs and large enterprises pay unofficial fees of about 1.8%, 2.5% and 4.1% of their annual sale, respectively . . . According to enterprises, inspections are often made by the tax department, police, local authorities, fire and building safety department, environment standards and labor department . . . Entrepreneurs believe that there is corruption because the law enforcement is so poor, public officials have low salaries, the judiciary is ineffective and lacks independence, corruption is a habit and has become part of the culture, and there is no effective anti-corruption mechanism. Micro-enterprises say they pay unofficial fees to maintain good relations, because they often

deal with public officials. SMEs and large enterprises mention, however, that they pay unofficial fees mainly because they want to receive public services. Maintaining good relations with public officials is less important . . .

Promising (current) small and medium enterprise initiatives: Can they be viewed as potential “job creators”?

There are clearly barriers to building the SMEs. However, there are also several initiatives taking place with support from several donors. According to CIEDC (the Cambodia India Entrepreneurship Development Centre), the following organizations have or had some form of SME project:

- Mekong Private Sector Development Facility
- German Agency for Technical Cooperation
- Asian Development Bank
- United Nations Development Programme
- United Nations Industrial Development Organization
- Asia Foundation, New Zealand
- Department for International Development (United Kingdom)
- Canadian International Development Agency

There are also local entities, such as SME Cambodia, a Phnom Penh-based SME Association.

Two initiatives, Development Alternatives, Inc. (DAI), and the Cambodia India Entrepreneurship Development Centre, are described in more detail in the following section of this paper. Both, in our view, show promise as either *purposeful* or *de facto* (incidental) job creation engines that might expand on that part of their purpose with a greater focus on jobs—or, certainly, household income—as an outcome. Others, supported in many cases by other donors, also show promise, such as the German Agency for Technical Cooperation with its support of agricultural modernization, the IFC-supported Grassroots Business Initiative with its craft and retail operations, the *Centre d’Etude et de Developpement Agricole Cambodgien* (CEDAC) with its support of young farmers in many villages, and *Wathnakpheap* (Communities Build Cambodia) with its focus on village-based entrepreneurial activities; all might usefully be examined for job creation potential.

- DAI is implementing a USAID project on strengthening “Micro, Small and Medium Enterprises” (MSMEs). According to the DAI Web site

MSMEs comprise 99 percent of all Cambodian businesses . . . more than 5 million people—36% percent of the population—live below the poverty line. The lack of sustainable commercial and financial services limits the ability of MSMEs to improve and thus break the cycle of poverty . . . focusing on four provinces . . . DAI will identify critical gaps in vertical and horizontal value chain linkages, then facilitate the services and support needed to address these gaps and foster a more conducive enabling environment that permits the value chains to function more efficiently and productively. Each project component is geared toward creating sustainable commercial and financial services that provide value-added services and information to MSMEs in the target provinces by empowering associations, producer groups, business service providers, and MSMEs to upgrade on a continuous basis.

- CIEDC’s project focuses on training and development. They aim to assist budding entrepreneurs in starting up new businesses and to provide management consulting services in order to “grow” existing enterprises. CIEDC runs a New Enterprise Creation Program for start-ups, a Performance Improvement Program for existing entrepreneurs, and a Competent Management Assistant Program (for SMEs) open for fresh graduates—such as the educated unemployed youth.

- The IFC-supported Grassroots Business Initiative (GBI)
 - . . . aims to support businesses that create economic opportunities for the poor and marginalized. Grassroots Business Organizations are socially-driven ventures, whether for-profit or not-for-profit, that empower and engage those at the ‘base of the pyramid’ as entrepreneurs, suppliers, consumers and employees. . . . GBI is seeking to achieve a mix of 1) “retail” projects providing support directly to promising small-scale social enterprises and 2) “wholesale” projects strengthening and scaling up local institutional capacity to provide appropriate and sustainable services to a greater number of enterprises than GBI can support directly. (retrieved 3 Aug 2006 from <http://www.ifc.org/ifcext/gbo.nsf/Content/EastAsia>)

In Cambodia, GBI’s retail initiatives are in handicrafts—through the Khmer Silk Processing Association (KSPA) focusing on employment for poor women, the National Center for Disabled Persons, and NYEMO—and in information technology—through Digital Divide Data and Cambodian Health Education Development. GBI works with the Swiss-based NGO Hagar to produce and export silk products, to produce soy milk for the local market, and to offer a meal service to factory and hotel workers in Phnom Penh—activities that can be scaled up if successful. GBI’s wholesale initiatives are in handicrafts—with Craft Network in both Cambodia and Indonesia—and in microfinance with the Association of Cambodian Local Economic Development Agencies. GBI partners are NGOs and small businesses with social as well as profit-making objectives. Craft Network Cambodia is a design and export promotion center for Cambodian handicrafts. As a “wholesaler,” Craft Network cooperates with KSPA and Hagar. The expected outcome of a combination of retail and wholesale initiatives is sufficient synergy to expand the different existing businesses, and to attract and link other like-minded small enterprises to achieve scale in terms of more revenues and better bargaining power to secure better prices for the enterprises and their beneficiaries.

The preceding description indicates different approaches to developing and growing MSMEs. The advantage of the MSME in Cambodia is that it is “naturally” labor-intensive and tends to employ youth, usually starting with members of the household, especially if the MSME is the starting point for building the enterprise. The MSME is at the threshold between a subsistence “mom-and-pop” operation and a potentially profitable, cash-generating business. The DAI approach selects “serial entrepreneurs”—families with several small businesses in simultaneous if not continuous operation (due to seasonality, for instance)—and allows the alternative of focusing on the single “winner” or at least forcing a focus on fewer activities in order to grow specific businesses.

Are micro- and small enterprises Cambodia’s future?

To repeat the quotation from the World Bank report, there are “tens of thousands of small and medium size enterprises, and only a handful of companies with more than 100 employees.” The implications are that there is no sizable middle class—since medium-size enterprises in particular are associated with the middle-class who are not employed in companies or as professionals—and

that wealth is concentrated in the small “handful” of large firms. *The MSME therefore appears to the Assessment Team as an appropriate vehicle for building an entrepreneurial lower-middle class, improving household income and de facto employment in the process:*

Recommendation: Deepen support of capacity-building efforts in micro-, small, and medium enterprises, to promote their role in job and household income production, and encourage their involvement with the proposed youth opportunity network

Both rural (DAI, CEDAC, *Wathnakpheap*) and urban (CIEDC) NGO-developed programs can be productively expanded, and tied to rural and urban initiatives to create better matches between youth and educational and employment opportunities.

SECTION III: UNDERSTANDING THE SUPPLY SIDE: FORMAL AND NON-FORMAL EDUCATION

- ❖ *Do the educational and service institutions (government and non-government) have the means and systems to meet educational/workforce demand?*

Part One: Existing Education Institutions

The Cambodian education system is in transition, struggling to respond to both traditional and changing learning needs of the people of Cambodia. The improvement and expansion of basic education is a prerequisite for long-term development and the reduction of poverty; vocational and technical training is a bridge between school and work, preparing youth and adults for jobs in emerging occupations; and non-formal education can help young people and their families improve the quality of their lives in their immediate settings. The objective of this section is to describe how these three system components relate to each other and to workforce development within the context of Cambodia's history, present and future.

Data for this section is drawn from Royal Government of Cambodia, World Bank, USAID, and other donor reports; from discussions with key representatives of the various components of the educational system at the national, provincial, and village level; from interviews with youth groups and individual young people seeking employment; and from direct observations and interactions with Cambodian educators and development planners. Comprehensive data on the performance of the education sector in Cambodia are presented in Appendix D of this report.

The Royal Government of Cambodia has declared that education is crucial to achieving these goals and has instituted a major reform and expansion of its basic education system to reach its Millennium Development Goal of Education for All. Donors have participated actively in this process ranging from a considerable investment by the Asian Development Bank in the technical and vocational education and training (TVET) system to USAID's recent support of basic education.

Educational progress is bound up with the nation's history, particularly the war and conflict periods.

During the Pol Pot period (1975-1979), the Cambodian education system was literally shut down. During this period, not only was Cambodia's educational infrastructure ravaged, but its human resource base of upper-level educators, school administrators, and teachers was devastated. The collapse of the Khmer Rouge was followed by slow recovery as the education system was rebuilt from scratch under extreme resource constraints from the 1980s onward. A critical turning point was the signing of the 1991 Paris Peace Accords, which has allowed Cambodia to begin to move in a positive forward direction in all areas of civil society.

Starting from an extremely low base, the Cambodian education system has made some impressive gains since 1991, giving the average Cambodian improved access to better educational opportunities. In the 1990s investment focused on supply-side interventions such as school building, instructional materials, and teacher training, with only a mild increase in participation and flow rates in primary education. In 2000, new educational reforms under the Priority Action

Program shifted the interventions to include demand-side factors such as the abolition of school fees, the institution of remediation programs, school breakfast programs, and, very recently, scholarships for poor children.

The commitment of the Royal Government of Cambodia to educational development is reflected in the Socio-Economic Development Plans, the national Poverty Reduction Strategy, and the commitment of the Royal Government of Cambodia to the Millennium Development Goals as related to education and health. Various policy documents present the policies and implementation framework to reach these basic educational goals, including the Education Strategic Plan 2006-2010, the Education Sector Support Program 2006-2010, and the Education for All Action Plan. The Ministry of Education, Youth and Sport has been credited by the World Bank as making significant progress in terms of strategic vision, and an integrated approach to sector policies and programs, as well as in developing coherent planning, budgeting, and monitoring systems (World Bank, Feb. 2006).

Basic education is defined as primary (six years) and lower secondary (three years) schooling. Youth who have completed nine years of education are considered to have completed basic education. Government plans define 12 Priority Action Programs, which focus on achieving universal enrollment and completion of primary education and on moving toward universal completion of nine years of basic education. Major government objectives are to improve the quality of basic education and to link education and training to the needs of the labor market. The following describes the status and issues of access to, progress through, and completion of basic education especially as related to disadvantaged youth.

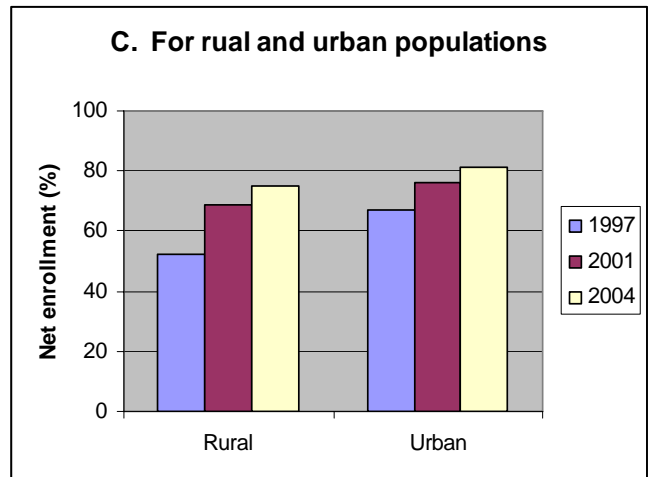
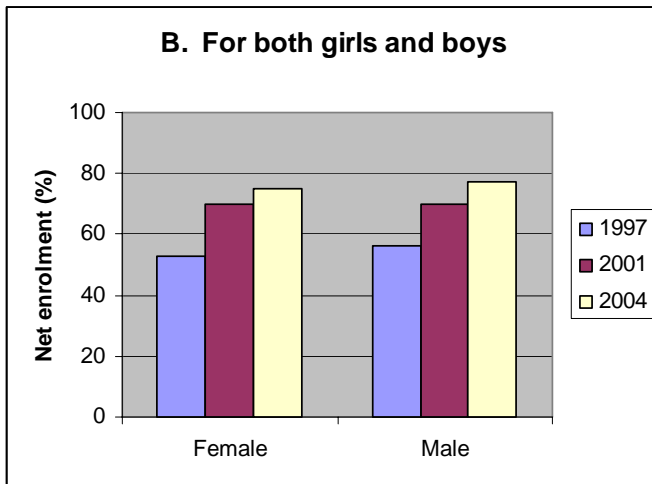
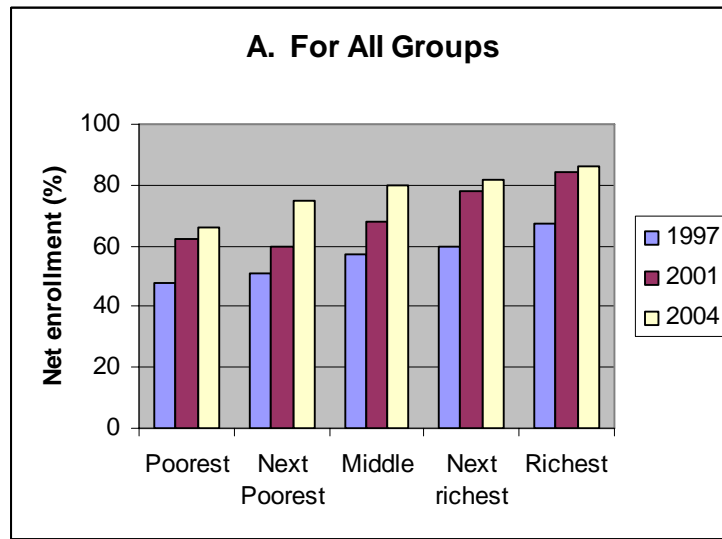
Basic education has made some progress, but has far to go.

Cambodians under 25 years of age account for over half of the approximately 13.5 million population. Literacy rates of those 15 and over are 73.6% of the total population, with male literacy being 84.7% and female 64.1%. Even a cursory look at Cambodia's basic education profile in 2006 shows that reaching the goal of universal basic education to ninth grade remains clearly a number of years away. USAID/Cambodia has estimated that at least half a million primary-school-age children remain out of school; the vast majority are poor and living in rural areas. Only 60% of nine-year-olds attend school regularly, the dropout rate during each school year is between 10% and 16%, and grade-repetition rates are high. The statistics indicate that less than 50% of the age cohort reaches grade five (USAID/Cambodia, Aug. 2005).

A positive trend is that the focus on primary education has resulted in marked progress *in net enrollment rates* (Figure 1). Between 1997 and 2004, net primary enrollment has improved significantly across all wealth groups, for both boys and girls and for both rural and urban populations. The gap is beginning to close between the poor and the rich, much faster between girls and boys, and faster in rural areas than urban areas. While inequalities still remain, it is important to acknowledge that they have been narrowing since 1997.

In addition to the increase in net primary enrollments, public funding for education has increased. Education's share of the total government recurrent budget rose to 18.5% in 2003, nearly double the level of 10% in the late 1990s. Increased public spending has resulted in more and better teachers and schools. Between 1999 and 2003, the number of trained primary school teachers increased by 12%, and more teachers now have at least upper secondary education qualifications. The physical infrastructure of schools has also improved and there are now more schools with better facilities throughout the country.

Figure 1. Net Primary Enrollment by Income, by Gender, and by Urban-Rural Populations



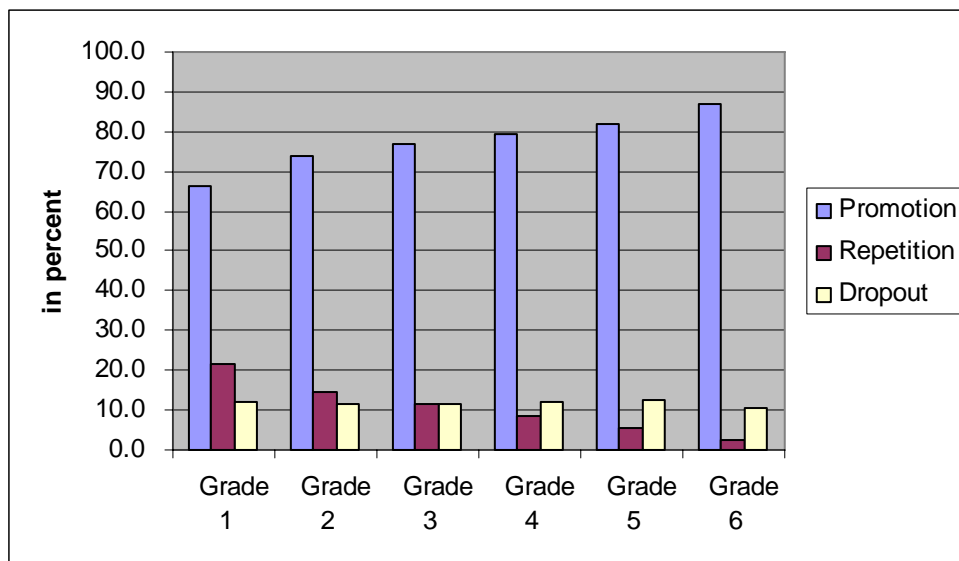
Source: World Bank, 2006

Despite improved enrollment, school completion lags seriously

While increasing numbers of children are entering and attending school, many do not complete the primary grades or move on to the lower secondary level, the goal of basic education for all. Most of the recent gain in primary net enrollment is due to the net gain in the proportion of children that enter school, most of whom are over age, rather than children staying longer in school (CSES, 2004).

Figure 2 illustrates primary school grade-specific dropout and repetition rates as reported by CSES 2004. Only 35% of those who start school actually complete the basic education cycle. Overage enrollment is a major factor in explaining high dropout rates. Those children who start school late are more likely to drop out before they complete primary education than those who begin school at an early age (World Bank, Jan. 2005). Older children beginning school often find it difficult to adjust to the younger students in their classes. Further, opportunity costs of schooling increase with their age, adding pressure to leave school.

Figure 2. Promotion, Repetition, and Dropout Rates in Basic Education



Source: CSES, 2004

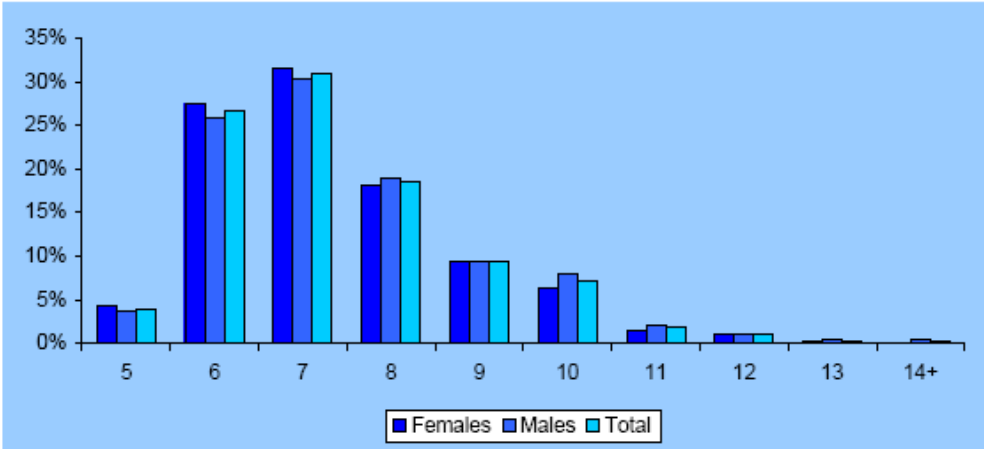
The most significant factor in determining at what age children begin school, and thus influencing survival and completion rates, is wealth. (CCLS, 2004) Poor children tend to begin school later than those with more resources; for example, less than 25% of children from the poorest families have begun school by age six, while almost 50% of children from the richest homes have done so. Children of Cambodia's poor, the vast majority of families, are disproportionately unable to begin school at an early age and so have greater difficulty in continuing their education.

Thus, despite improvement in primary enrollment rates, current trends in enrollment, school progress, and educational attainment suggest that Cambodia remains far from its goal of universal primary education. Dropout and repetition rates continue at unacceptable levels and indicate that efforts to increase access to, retention in, and completion of primary and lower secondary education need to be specifically targeted to the poorest children.

The shortage of and distribution of teachers reflect (and compound) the differences between wealth and poverty.

A shortage of teachers characterizes schools throughout Cambodia, but is particularly severe in the poorest areas. The poorest communes have pupil-teacher ratios of 79:1, compared to 46:1 in the richest communes. (World Bank, Feb. 2006).

Figure 3. Distribution of School Goers by Age and Sex (Cambodia Child Labor Survey) (as percent of total school age population)



Source: World Bank, 2005

Similarly, teachers’ educational levels and pre-service training vary widely within the public system of the Royal Government of Cambodia. Qualified public school teachers are unevenly distributed across Cambodia; the more qualified are placed in the wealthier areas, while schools in the poorer communes are often taught by teachers who did not themselves complete secondary education. Teachers receive little pre-service training, in most cases of very low quality, and they have very limited opportunities for further professional development. Working conditions in most schools and communities are poor; teacher pay is low and unreliable. To survive, teachers must supplement their income, usually through private tutoring. This becomes an insidious practice over time, in which some teachers do not address the learning needs of their children during regular school hours, but will help children work toward passing to the next grade only for private pay in after-school hours. Again, the children of the poor, who cannot afford private tutoring, suffer most.

Many students in remote areas may have trouble relating to the traditional primary education curriculum, which focuses on literacy and basic math skills. Older students, particularly girls, may feel school has little to do with the realities of their lives and families. The newly developed basic education curriculum for Grades 1 through 12 of the Ministry of Education, Youth and Sport plans to address these concerns by integrating life skills into school lessons. Students are to learn concrete skills that help them in safeguarding their health and that of their families, in farming, cooking, household crafts, community organization, and caring for the environment. Vocational skills are a modest and open-ended portion of the proposed curriculum, with an emphasis on local activities that will improve family economies. However, it will be many years before teachers are trained and communities activated for its widespread implementation.

For poor families, the costs of educating children can be a significant deterrent.

All households, rich or poor, assess the returns of education against the costs involved. While direct costs of education (fees, uniform, transport, etc.) have come down in recent years with the abolition of enrollment fees, they are still significant. Education costs increase rapidly with each grade until they account for nearly a quarter of total non-food household expenditures for children in Grade 7 and 45% of non-food expenditures when children reach Grade 12 (World Bank, Feb, 2006). Tutoring costs also rise progressively through the higher grades.

More important than direct costs for poor households are the indirect costs of sending their children to school, in economists' terms, the "opportunity costs." Families often rely heavily on their children to help with a variety of household tasks essential to their common well-being. Productive work in the form of child labor is common and begins at an early age, often when children are 10 years old. On average, children spend 25 hours per week on productive work, a significant portion of their time. Work involvement may delay or even prevent the child's school entry. The extent and intensity of productive work increases sharply with age, further limiting time and energy for schooling.

Most children (87%) work as unpaid family workers. Of those working for pay, 62% are involved in agricultural work, followed by street retail (15%) and forestry or wood collection (6%). The bulk of child labor is related to subsistence agriculture, which is a reflection of the greater Cambodian economy. The Cambodian Labor Supply group in 2001 found that children contributed on average 28 percent of total household labor income. Work and school attendance are not compatible for many Cambodian children, and a choice between the two becomes more necessary as they get older and the household's need for their labor increases. (World Bank, Feb. 2006).

While basic education for the general population is essential for long-term economic growth as a necessary foundation for all levels of workforce development, it is apparent that Cambodia will not be able for some time to offer quality basic education to many of its children. Interim options are limited; where job opportunities are minimal (in most of the country), efforts can be made to help youth improve the quality of their lives and incomes by teaching them to be more productive, efficient, and business savvy at what they can do—micro-businesses, agriculture, and animal husbandry. In urban areas where new jobs are available sporadically, if only to a small percentage of those seeking work, specific, practical job skill training is demanded. Neither of these initiatives falls under basic education as currently structured and defined.

Vocational and technical education is a case of (yet) unfulfilled promise.

Improving access to and the quality of basic education in Cambodia will expand the general qualifications of the country's workforce in the long term, but specific job readiness must be addressed by other sources. As the economy grows and the country modernizes, demands for skilled labor will increase, offering opportunities for both rural and urban youth to improve their incomes and expand their job-related capabilities. Within the education sector, the Department of Technical and Vocational Education and Training (TVET) was given the leadership of the effort to develop a strong workforce.

As part of the rebuilding of Cambodia's education system in the 1990s, TVET was created within the Ministry of Education, Youth and Sport (MoEYS). Initial activities focused on developing infrastructure and on strengthening management, organizational, and planning capacities.

Emphasis was on improving the quality and relevance of TVET training, extending its outreach programs to rural populations, and providing staff training and development.

The Asian Development Bank played a major role by providing \$30 million in loans to strengthen and expand TVET activities. Prior to the loan, only 1,200 students (60% in four Provincial Training Centers) were enrolled in formal training programs. By 2002, 3000 students were enrolled in formal and non-formal programs (ADB, July 2003).

In 2004, the newly formed Ministry of Labor and Vocational Training (MoLVT) was mandated to bring together all the vocational and technical training activities of government agencies under one ministry. The reformed, countrywide TVET system was moved from the MoEYS to the new MoLVT. By 2004, TVET was managing 38 training institutions as compared to only 8 in 1995; 24 of the 38 were Provincial Training Centers (PVCs) located in provincial capitals.

The PVCs target youth who have dropped out of school, particularly those who have left school before Grade 9. The present TVET system offers certification and training in both non-formal and formal education coursework. The curriculum has been reformed from a fixed-time training system (one year) to a flexible module system of one- to three-month courses below Grade 9 and one-year courses above Grade 9.

The PVCs offer a range of occupationally based curriculum, competency-testing, and certification. Courses to be offered are determined by a needs assessment process that includes a two-month study of the market demand and an assessment of youth training needs at the provincial level. The PVC then develops a proposal for specific courses they would like to offer, which is submitted to the central director of TVET, who determines which course can be approved within the available budget. Courses are taught to a minimum of 20 participants (service-level courses) or 30 participants (agriculture courses).

TVET has identified specific curriculum-bridging programs between ninth and twelfth grade, which would allow the students to move between the non-formal and the formal education streams, but this has not yet been implemented, as the competency testing for this bridging activity has not yet been approved. A favorite and perhaps less-than-realistic example cited by TVET is the possibility for a basic education level student to enroll in trade courses in mechanics and in secondary education classes, ultimately achieving a Masters in Mechanical Engineering within this system.

The TVET system could also provide certification in various trades and skill levels without students being required to take TVET courses, based on skills they learned from other training (NGO) courses or on-the-job training, but this has not yet been implemented, again because of the lack of approved competency testing.

At the current stage of development of the TVET system, the huge investment in infrastructure, organization, curriculum development, and personnel training is not yet fully functioning, due to budget constraints. In 2005, TVET was able to accommodate 4,000 students in the PVCs within the budget at its disposal. This is in contrast to an estimated capacity of the entire system to serve 24,000 students. The system is limited by the government's inability to provide sufficient operating funds.

In the conduct of this assessment, TVET was the only government entity that did not or could not provide written documentation of its plans and programs. TVET staff met willingly with team members in Phnom Penh; they discussed TVET's broad mandate and history at length and with apparent openness. Yet, when queried about concrete curricula, detailed documentation of

courses offered, numbers of students enrolled, numbers of graduates, patterns of career placement, officials referred to “draft reports” that were “not official” and declined to share them with the team.

Anecdotal accounts from outside sources have raised concerns that TVET’s course offerings are not truly market-oriented. In addition, TVET’s responsibility to assist public schools to improve their offerings in science and technology, business studies, and languages appears to be largely theoretical at this point. Finally, under-enrollment appears to be chronic, with no comprehensive plans to improve or to increase enrollment and “through-put”—a reasonable and common measure for vocational training.

In fact, it seems that much of the most innovative, focused, and effective vocational and technical education in Cambodia is conducted under the auspices of various NGOs. To assist these organizations and to incorporate what they have learned into its own operations and offerings, TVET should improve its collaboration with NGOs. Ultimately, TVET could work with NGOs in needs assessment, program development and evaluation, certification, and the provision of instructional space and equipment at the PVCs.

In contrast to the very large but disappointing technical and vocational system, the smaller non-formal education program shows current and near-term promise.

While the Non-Formal Education (NFE) Department has existed within MoEYS for more than a decade, only very recently has it been targeted for significant support and capacity building, with government recognition that non-formal education can be a powerful and cost-effective tool for working with out-of-school youth and marginalized youth and adults. The NFE Department has focused on students who have dropped out of school after less than three years, as well as on vulnerable groups in remote, minority, and border areas. Its current activities are expanding formal school re-entry and equivalency programs, expanding literacy/life skill programs, strengthening and expanding community learning centers, upgrading the capacity of NFE staff, strengthening NFE structure from central to community level, developing monitoring and impact assessment systems, and supporting out-of-school HIV/AIDS programs.

At present there are provincial NFE offices in the 24 provinces, district officers at the district level, and a single NFE teacher in each commune. The heart of the organization is the *Community Learning Center (CLC) program*, which has the goal of situating a CLC in each commune. The CLC will be the center of learning for all non-formal education activities and will have learning materials, a library, and space for non-formal education instruction. The local non-formal education activities to be carried out at the CLC include re-entry and equivalency programs for out-of-school youth; literacy and skills programs for marginalized and excluded youth and adults, to strengthen their capacities for income generation and agricultural innovation; and life skills-training, including the prevention of HIV/AIDS and other health issues. (Ministry of Education, Youth, and Sport, Dec. 2005)

The Department’s new leadership is enthusiastic about a recent mandate to increase collaboration with other governmental and non-governmental actors, including NGOs and civil society, particularly at the community level, and to develop partnerships with the private sector, donors, and NGOs. NFE programs increasingly will be resourced through such public/NGO/community partnerships; they will need to use flexible strategies for teaching and facilities support.

Much of the work of Cambodia’s myriad NGOs involves non-formal education, which reaches out to rural and disadvantaged youth and adults in their communities and workplaces and

provides learning resources and delivery methods that cannot be supplied by the formal school system. Many programs involve preparation for work, including direct skills-training, such as sewing and tailoring lessons to help at-risk girls improve their income and lessons in micro-enterprise management for adults. Others may focus on improved agricultural or animal husbandry methods, skills that youth can use in their own villages and farms. Literacy and math skills are taught in the context of learner's realities and goals.

Non-formal education holds great promise in its ability to adapt curriculum, schedules, and locations to the needs of the learners. It is probably the most appropriate form of education to address immediate and medium-term learning needs of youth and adults of the rural and urban poor. Certainly there are models of excellence from current NGO programs that could be adapted and replicated in many communities. There is a danger, however, that the NFE and NGO resources will become overburdened and that unrealistic expectations of their capabilities will provide a rationale for further delays in improvements in the formal school system

Recommendation: As it supports implementation of the Ministry of Education's new basic education curriculum, USAID should incorporate other new Ministry institutions, such as the TVET and NFE, in the proposed youth opportunity centers.

Located at the commune level, where the team recommends also locating the proposed youth opportunity centers, these small, often one-person centers may in certain cases be ideal locations for collaboration with non-formal education as well as with government vocational education and other NGO programs in the commune.

What is the future of education as preparation for work in Cambodia?

The burgeoning youth population of Cambodia will continue to stretch education systems and resources at all levels for the foreseeable future. Basic education, while critical in creating an informed populace and as the underpinning for further education, does not prepare Cambodia's children to become self-sufficient, job-ready adults. Students simply do not stay in school long enough; too few graduate from any level, and too many drop out each year without good basic skills, let alone adequate preparation for work. Proposed curriculum revisions and the corresponding changes in teacher training and community/school partnerships will eventually combine to make basic education more relevant to students' daily lives, but these practical applications are in the distance.

Vocational and technical education holds promise, and a fairly extensive physical and human resource infrastructure exists for its further development and expansion; but lack of funds and apparently timid will to implement greatly constrict its operations. Therefore it is unlikely to fulfill its potential any time soon, despite vigorous rhetoric.

Further, the slowly growing Cambodian economy has few good jobs to offer; jobs with a potential long-term future, benefits, and opportunities for advancement are virtually non-existent. Until better jobs beckon, vocational and technical training will continue to focus on low- to medium-level trades training, agriculture, and primary education. There is an "if you build it, they will come" argument that vocational/technical training should train youth for modern-sector, entry-level jobs that do not yet exist, such as jobs in telecommunications, manufacturing, energy, and environmental services, in hopes that the availability of skilled labor will help attract such businesses to Cambodia. But the price of such speculation will be paid by the young men and women who have been trained but cannot find employment. The other option, to continue to train

in traditional low-income occupations is not significantly more attractive, since even these have saturated the labor market.

Non-formal education can offer immediate, diverse, learner-centered life and work skills programs, even in remote rural areas. NFE programs address current participant needs—family health, home-based agriculture and animal husbandry, micro-enterprise development and management. Such programs can assist individuals, families, and communities to improve their lives and, in some cases, increase their incomes. The still fledgling NFE Department will require inspired leadership to form partnerships with NGOs and the private sector, to obtain funding from a broad range of sources, and to establish a truly flexible and responsive system that can reach all areas. NFE is not a substitute for formal education or for high-quality vocational training, but it can provide interim assistance to meet immediate needs and it can become an integral, continuing resource within even the most remote Cambodian communities.

Notwithstanding all the above, there are, in fact, some youth both in the provinces and in the urbanized area, who are ready to begin to work, and to learn more skills while working. But there are no “labor market adjustment” mechanisms available to them—counseling, information, advice, job, education, and training listings, and training for how to use them. There is no system of “school-to-work transition,” either formal or informal. These youth are already out of school and unlikely to return, and they cannot wait for basic education or vocational/technical education to mature in implementation. These youth require a place to go, and people to work with, to inform, to guide, and to help create opportunities for them now.

Part Two: Existing Non-Education Workforce Institutions

Profiles of two promising and effective initiatives and projects that link economic development with job creation

The previous section on developing SMEs suggests that rural-based SMEs hold great potential for job creation, especially for the youth—given the limited “absorptive capacity” of the relatively small, urban-industrialized sector in Cambodia. The generally accepted figures are 200,000 to 300,000 new entrants into the labor force each year with only 20,000 to 30,000 “formal” or salaried jobs available. There may be anywhere from 15,000 to 30,000 new jobs for young females in the urban-based garments sector, and other sectors, such as tourism and construction, may “absorb” around the same number. That still leaves a fairly large number of new entrants looking for jobs and joining the growing pool of unemployed and underemployed Cambodians.

The previous section indicated several initiatives in SME development. Two institutions and programs are highlighted below, primarily because they are market-driven, and also because they offer different approaches to developing the SME and are “scaleable” if proven successful. Both activities are relatively new—much less than a year old, but show promise.

DEVELOPMENT ALTERNATIVES, INC.

The alternative for job creation in the “formal” sector is to create jobs in the rural area through the MSMEs, more specifically the micro-enterprise. The latter is usually a farm-based entity that employs around 10 to 12 persons, at least half of whom are related to the owner—based on the

Cambodian/Asian concept of an “extended family”—and at least 2 to 4 persons—the “core family” in a small enterprise.

Aside from growing rice as a subsistence crop, the MSME engages in a *variety of small business activities* that generate cash: vegetable trading, fishing, animal raising (chickens and pigs), seasonal handicrafts (table mats and baskets). All of these activities employ the young—unfortunately sometimes below 15 years of age. In addition, the German Agency study (2003) reports a wide-range of jobs for young females—in agricultural processing (drying fruits, making tofu and noodles), in crafts (mat weaving, making candles, and dyeing hammocks), in services (cutting hair, selling cosmetics, and acting as a midwife), and in retail (sewing, small food stalls, and selling milk). All in all, the DAI Cambodia MSME project is distinct from other SME projects, for it allows for scale-up and additional job creation potential.

Box 4. The DAI Value Chain Model

DAI's approach to MSME development in Cambodia centers on strengthening key value chains in the target provinces. The value chain concept embraces the full range of activities that are required to bring a product from its conception to its end use and beyond, including design, production, marketing, sales, and support to the final consumer. This transformative system typically consists of a variety of different actors, including input suppliers, producers, processors, and buyers. As the product market expands and more product and money move up and down the chain, demand is generated for services, including sector-specific and cross-cutting financial and/or business services. In Cambodia's eastern provinces, value chains tend to be weak and fragmented, hindered by low levels of technology, infrastructure, and available finance, together with a paucity of social and human capital.

For DAI, a key *“people” element* is the identification of the 10% of the communities in the provinces who are “entrepreneurial leaders” who can provide a demonstration effect to the rest of the potential entrepreneurs in a particular area. Although facilitating and training are necessary to implement the project components, success is based on “real life” examples of the entrepreneurial leaders. The objective therefore is not so much to create entrepreneurs but to harness their energy.

A *second key “conceptual” element* is the use of the value chain in order to “position” the specific MSME in the broader array of potentially profitable opportunities. This element has two advantages: it allows the MSME the opportunity to “capture” other value-adding opportunities, offering a greater prospect of success if the MSME is positioned in the value chain. At the same time, the value chain allows the MSME through DAI to understand constraints and opportunities at the market/industry level and to develop market-oriented solutions.

The *third key “process” element* is the establishment of “interest groups.” According to the DAI Quarterly Report, to insure the effectiveness and sustainability of program activities, it is important that clients trust project staff—and each other—and that project interventions are in line with MSME capacities and demands. Equally important, the interest groups are designed to provide a platform for MSME advocacy and dialogue with government as well as a practical vehicle for project interventions and technical assistance. In the interest group model, informal organizations of about 10 to 25 leading firms (entrepreneurs) form for a one-year term. The groups can either be firms across the value chain (inputs, producers, traders, processors, transporters, one step from the market consumers) or consist of firms in one function of the value chain (all traders).

The primary purpose of the value chain projects is to link value chain actors, such as entrepreneurs, private sector firms, and industries, in new ways to facilitate mutually beneficial commercial relationships that will sustain themselves after the project is completed.

Source: DAI, 2006.

The team visited the province of Kampong Cham and was fortunate to catch one of their value chain-interest group activities—a technical assistance for pig raising—and to talk to the Deputy Chief-of-Party who discussed several linkages, with Cargill feeds in Vietnam and Thailand, and with Medivet, Cambodia’s premier swine input and medicines dealer. These links consist of informal business agreements called memorandums of understanding (MOUs) with Cargill, and with Thom Thom Pharmaceuticals to provide training and information to local (small) swine producers. Finally, there was an initial introduction to executives of Thailand’s Charoen Pokphand Group, a large agri-business conglomerate, one of whose units could supply animal feeds and nutritional supplies that provide technical training.

CAMBODIA INDIA ENTREPRENEURSHIP DEVELOPMENT CENTRE

CIEDC is a joint venture between the governments of Cambodia and India. It was formally established only in February 2006 under the Ministry of Labor and Vocational Training. The Cambodian government provided the land and buildings and facilities—including classrooms, computers, audio-visual aids, and a library, as well as “seed money” for staff salaries and operating costs. India supplied the technical assistance; the Khmer faculty was trained at the Entrepreneurship Development Institute of India at Ahmedabad. Otherwise, CIEDC is supposed to act “entrepreneurial” and sustain itself from the programs it offers—for a fee.

CIEDC’s current and *flagship offering* is its 5-days-a-week, 6-week “New Enterprise Creation Program: Create Jobs for Others.” It allows a wide range of applicants including “educated unemployed youth.” The selection criteria include a test of aptitude and a post-test interview where the Indian adviser and faculty members assess whether the applicant has a potentially viable business idea, if not an actual business. The interview assessment questions include access to funds from friends or family, at least some initial exposure to the business, even by observation, and a “feel” for whether the applicant is willing to work hard (24/7) to realize his or her business idea.

CIEDC also realizes that donors with SME projects are another *indirect market*, in so far as these donors would “refer” their beneficiaries to CIEDC and pay the program fee. This approach has the advantage of securing a “bulk” market—enough to fill a classroom, for example. This market will be critical in order to achieve breakeven as quickly as possible, since the government budget for labor in general and for CIEDC in particular is limited in amount and duration.

CIEDC’s *long-term plan* is to develop a reputation that will allow it to set up a certificate/bachelor’s degree in entrepreneurship and to use the “Indian approach” to SME development that includes creating a national assembly of entrepreneurs credible enough to develop links with the Cambodian NGO network and to address SME-issues such as micro-financing and delays in transactions (licenses and such).

CIEDC also has performance indicators, even though it started only in February 2006. It plans to track its “graduates,” and it assumes a three-year time horizon—that a business will be set up in Year 1, break even in Year 2, and make a profit in Year 3. CIEDC also assumes only a 30% success rate (after a three-year period). At that “success rate,” perhaps 10 graduates per course will succeed; at six courses a year, CIEDC hopes to have a stream of 60 successful entrepreneurs annually. While the absolute amount is modest, if successful, CIEDC expects to open other

branches in Sihanoukville, Siem Reap, and Battambang, as well as in cities in provinces adjacent to these urban centers.

Finally, CIEDC is concentrating for the present on urban-based enterprises, partly because it recognizes the attraction of cities and the inability of the small number of large corporations (local and international) to provide jobs for the annual influx of both migrants from the provinces and new graduates. CIEDC thus positions itself as an incubator of new enterprises that will create jobs for others. Time will tell whether CIEDC can live up to its own business idea.

Box 5. The CIEDC “Learning-by-Doing” Model

To illustrate the teaching methodology of the CIEDC, the team visited a course in Phnom Penh. Here a young man may have collected enough money to set up a car repair garage with 15 workers. He may possess mechanical skills but needs to know how to manage cash flows, to provide quality to the customer, to apply for a loan, and so on.

The course is promising because of its “learning-by-doing” approach. Class work includes the standard tools of surveying the market and doing the business plan. However, the whole program also includes field visits to small businesses and face-to-face meetings with bankers and government officials. Another offering, which eventually will be fee-based separate from the course itself, is business consulting to help grow the enterprise. The CIEDC approach therefore goes beyond the standard course offering of setting up a business to actually helping to grow the business.

There are 20 students, selected from 40+ applicants for the first offering, paying the *course fee* of \$30. Only 3 or 4 are operating viable businesses, while the rest are testing the market through irregular day-to-day trading. At this level, CIEDC is clearly not self-sustaining and it plans to run at least six courses in a calendar year, at 20 participants per course. The \$30 is an introductory price, but CIEDC expects to raise its fees; and its training “factory capacity” could reach 400 students per year—from five other programs, such as performance improvement, cluster development, training of trainers—assuming demand can be developed

The higher prices in the future imply that the CIEDC *direct market* consists of the new and existing small businesses with a minimum of 10-15 employees. The target applicants are fresh graduates, who are therefore around 22 years of age, and persons who already have small businesses, who are as old as 40 or 45, although the preference is for an entrepreneur in the 30s. Persons working with NGOs are a third market, in so far as CIEDC assumes that some of these persons have the capacity to save and build up some equity to realize their business idea.

Source: Assessment team interviews of CIEDC staff, 2006

Profiles of three promising education, training, and service organizations

DIGITAL DIVIDE DATA

Inside a modest three-story house along a dusty, potholed backstreet in Cambodia's capital, dozens of men and women sit in neat rows typing data in a foreign language, ready to be dispatched to overseas clients in digital format. For the disadvantaged and disabled people who work at this nonprofit company, it is a rare opportunity to land a good job in a country where many struggle to find work and join the global tech economy. The result: a nonprofit company that sets aside programming jobs for people, including land-mine victims and polio sufferers, who would otherwise struggle to find paid work.

In many ways, Digital Divide Data is following a trail blazed in India, which has become a virtual back office for U.S. companies during the past decade. Indian companies provide a full range of information technology services for Western companies with high overheads and expanding data needs. However, as India moves up the technology curve and offers more high-tech services, there is room for developing countries such as Cambodia and neighboring Vietnam to work on high-volume, low-margin contracts. India is also pivotal in another way: It has developed software used for coding images, a double-entry system that helps workers at Digital Divide Data enter data accurately, whether they understand the text or not.

Digital Divide Data pays workers more for doing less and sticks to its social mission by employing the unemployed. Data programmers work 36 hours a week in six-hour shifts for \$70 a month, compared with an average \$45 for garment workers in Phnom Penh, who put in much longer hours. In addition to providing medical benefits, the company encourages workers to study on their own time by paying 50 percent of their tuition costs. Once the workers have completed their studies and gained sufficient skills to be employed in other organizations and businesses, Digital Divide Data encourages them to find other job so that new employees can join the program and be trained.

Perhaps the most crucial question for those involved in getting a project off the ground is what happens next. The key to creating a long-term business, not a simple handout, is to look for ways that technology can be applied in developing countries that can be financially sustainable. A local company has begun hiring programmers and offering similar information technology services, though without any philanthropic underpinning. Far from griping about copycats, Digital Divide Data cheered that development, because it is exactly the kind of growth and entrepreneurship they want to facilitate. Digital Divide Data has managed to generate sufficient income, including local contracts, to cover its basic costs. Medical coverage for workers is funded by grants from donors including the Asia Foundation and the British government's aid organization.

Digital Divide Data is now facing the challenge of figuring out how to grow, how to employ more people, and how to keep what is special about the organization. They are optimistic about balancing the business and social missions. They have shown that it is possible to be competitive in a socially responsible way, and the hope is that industry shifts in this way.

FRIENDS INTERNATIONAL/MITH SAMLANH

For over a decade, Friends International and Mith Samlanh have been strengthening their capacity to carry out activities to help street children in Cambodia. They focus on street children--those who work and/or those who live on the streets in key urban areas of Cambodia. These non-profit organizations provide a social reintegration process that works with families of vulnerable children to improve income in order to prevent the children from working on streets. Their

multiple activities are so extensive that they are almost impossible to summarize, but some highlights are listed here.

Prevention Program: A prevention team supports the families of vulnerable youth. This team has worked with 30 families to start up local micro-businesses, designing more than 20 different products to be sold at two points of sale, earning funds for the families to improve their income.

Outreach: An outreach team works directly with children on the street, to build their confidence and trust. This team provides counseling on basic health, street education (mobile library), and life skills; it explores options to street life with the children. The team met with 3,686 street children a month and involved them in a variety of activities.

Boarding House: Street children who work at night and need a safe place to rest during the day may for a small fee have a place to sleep, clean up, and receive meals. Education activities are available including child rights, life skills, health, and counseling. There is also a library. More than 40 children receive service on a daily basis. These services are especially attractive to children who are independent and refuse to receive charity in a conventional center.

Safe Migration Project: Workers identify young migrants through outreach activities at taxi and bus stations and other entry points. The project provides them with information and or short-term shelter while they get oriented, and also helps them integrate safely in Phnom Penh or encourages them to reintegrate back to their original communities. This is an extensive program with an arm in Kampong Cham, since a large number of street children seem to originate from there.

Transitional Home: The home provides safe shelter to former street children during their training and studies and before their reintegration. The children stay at the center in the evening and overnight. They are provided with meals, health care, hygiene facilities, dormitories, recreational activities, and emotional support.

Training Center: The center offers street children realistic alternatives through 10 vocational training programs, including cooking, welding, beauty, sewing, electricity, electronics, car mechanics, barber, motorbike mechanics, and commerce. Workshops focus on hands-on practice and are adapted to the current needs of the employment market.

Education Center: The center provides extensive non-formal education services allowing street children to receive education with a goal of reintegration into the public school system. Subjects include literacy, math, science, geography, history, hygiene, and life skills education.

Placement: A family reintegration team works to reconcile children with their families. The team works with the child to define the family history and reasons for leaving while at the same time the province-based team visits the family and helps the family solve its problems. Finally, if the situation allows, the child is reintegrated and follow-up activities take place.

The Mith Samlanh/Friends organizations literally deal with every aspect of the condition of street children. Their programs are highly organized and integrated, with each piece complementing the other. They are not only willing, but anxious, to work with other organizations to maximize impacts and funds and have done so very effectively. They are very creative in developing solutions to problems and keeping an eye out for new issues that affect street children. This is highlighted by their project in Kampong Cham where they carry out coordinated efforts to prevent migration to Phnom Penh and, when that is not possible, provide safe migration education. On the other side, their work in Phnom Penh identifies street children from Kampong Cham, works to help them return if they wish, and provides help to reintegrate into their home

communities. They have demonstrated the ability to identify and rapidly start up projects for the benefit of youth.

WORLD EDUCATION OPTIONS/KAPE

In the bustling provincial capital of Kampong Cham, tucked away on the campus of the local teacher training college, the World Education OPTIONS program and the Kampuchean Action for Primary Education (KAPE) are working together and with other government agencies and NGOs to ensure that children removed from or at risk of trafficking, especially girls, are educated in programs that are relevant to their needs. They have developed a flexible program that offers vulnerable and exploited children the options to choose their own path in life through education, information, skills-training, and opportunities to build self-confidence. Their activities help children and their families gain the attitudes, skills, and knowledge that will guide them in assessing their circumstances, evaluating available options, and making better informed decisions. This is crucial in helping children develop sustainable and transferable skills and learning abilities, which will help guide them through life. They do not do this alone; they are masters at working with existing community networks to respond to the needs of vulnerable children with appropriate services and interventions. They work through community networks, local cluster school committees, local scholarship management committees, government ministries, and local NGOs to promote a better understanding of the risks facing vulnerable children and to engage communities in dialogue about ways to protect them. They realize that increasing local community, NGO, and government capacity can lead to stronger enforcement of policies relating to education support for vulnerable and exploited children.

World Education and KAPE, working with the (United Nations) Girls' Education Initiative, support interventions targeted at those girls who have little hope of continuing their education after the completion of primary school, due mainly to financial reasons. At the upper primary school the Initiative supports life skills activities that target girls at risk, as an incentive to keep them interested and enrolled in school. The intervention at primary school helps to maximize the pool of girls that reach Grade 6 and who then can be picked up by scholarship assistance at the lower secondary school level. Girls completing lower secondary school (Grade 9) can choose to continue their studies at upper secondary school level or to enroll in vocational training courses at local training centers. During the 2004-05 academic year, 2,926 children received assistance across all sectors.

Children who are out-of-school receive support to enroll in NFE programs that can lead to re-entry into the formal school system, or to explore vocational skills-training appropriate to their interests and the economic realities of their communities. World Education assists children who have been trafficked and/or exploited, by offering them the support of educational programs while they are in rehabilitation centers and after they have returned to their families or integrated into new communities.

World Education and KAPE also collaborate in the Educational Support for Children of Underserved Populations project. The overall goal of the program is to increase access to a basic education of quality by underserved groups, including the poorest of the poor, disabled children, girls, and minority groups. The key principle is to avoid stand-alone interventions but to approach school development holistically across multiple dimensions that include teaching-learning environments, inclusion, health and nutrition, and parental engagement. These interventions are broken up into three sectors: teacher education, access and quality of education, and school-community partnerships.

The outstanding practice that shines through World Education's activities is their determination and ability to build on the strengths of local communities and organizations, government agencies, and national and international NGOs. World Education's Cambodia Field Office has been operational since 1992. In conjunction with numerous core partners they have worked over the last decade on educational reform, non-formal education, vocational skills-training, anti-trafficking, children's rights, rescue and rehabilitation, and policy-level consensus building. Capacity building of all core partners has always been central to the philosophy and work of World Education.

SECTION IV: BUILDING A USAID CAMBODIA WORKFORCE STRATEGY

- ❖ *Are there tactical and strategic investment options available for the USAID mission that will improve the match between young people and the evolving society and economy?*

The recommendations that follow in this section have been summarized in the Executive Summary and also included in the text with the evidence. This section takes a slightly different approach from the other sections. First we present a series of recommendations that begin with our core Immediate Action Step for USAID/Cambodia, the development of a *youth opportunity network*. The two tactical recommendations that follow build on that network.

Second, we offer other, *more strategic recommendations*, which could involve USAID's initiative, but which also require the engagement of other actors, either Cambodian government, other international donors, or both.

Recommendations for Immediate Action by USAID/Cambodia

Recommendation: Address the mismatch between current and future supply and demand in youth employment through creation of a *youth opportunity network* .

While most unemployment and underemployment in Cambodia results from lack of modern jobs on one hand, and from low levels of basic and technical education on the other hand, there is nonetheless a mismatch between available educational and employment opportunities, and their accessibility to many Cambodian youth. Somewhat surprisingly, this phenomenon, while it differs in character between rural and urban settings, is common to both. Put simply, both the available labor market and educational data and the self-reported experiences of youth suggest that opportunities do exist in both formal and informal systems, urban and rural alike, that youth are unaware of, and that are as a result unavailable to them.

There is no real school-to-work system for youth who remain in school. Few are aware of the long-term economic benefits of remaining in school, but all are aware of the costs to their families of staying in school—both the actual, out-of-household-pocket costs of school and extra tutoring and the opportunity costs of youth not “producing economic value” by working on the family farm or earning dollars elsewhere to contribute to household income.

Moreover, when youth leave school, especially before high school graduation, it seems that the only options, if they live in rural areas, are to remain at home and work or to follow relatives and friends to larger communities—largely Phnom Penh or Siem Reap, but also other larger communities, such as provincial capitals—and try to find work there and send money home. For youth already in the population centers, the options are similar: work in the non-formal sector, perhaps selling items in a stand, driving a moto, or even scavenging. There is no system, formal or informal, to help youth better understand their options, their needs for training or education, or the possibilities for improving both life and work skills that will lead to a better life.

And make no mistake, young Cambodians dream of a better life—with more security, more ability to predict a future, better ability to contribute to their families. Only in rare cases does it

appear that they dream of riches and extravagant material things; that ambition either is not important to them, or seems wildly fantastic and unrealistic. Their ambitions are both more modest and more realistic; but they are present, and for many even these feel out of reach.

At the same time, many programs—generally small, often isolated, most often funded as temporary donor-sponsored initiatives—offer opportunities for education, for vocational training, for financing small businesses, for improving farming techniques. They only rarely coordinate with each other, and it is a matter of connections, word of mouth, or sheer chance that youth find and connect with them.

With these factors in mind, the Assessment Team recommends that USAID consider an initiative that to *make better connections*—for youth with opportunities, for NGOs, and for other organizations—to provide these opportunities in a more organized form.

We recommend establishing a *network of youth opportunity centers* (YOCs) in a fairly small number of settings, both in Phnom Penh and in each of four rural provinces. They would be located in existing, commune-based centers, where they could easily connect with related programs. The *youth opportunity network*—six centers to begin—would link with schools, youth programs, community centers, and NGOs in a program to provide youth, aged between 15 and 24, both current students and those who have left school already, with

- information and advice about skills needed for working
- information about jobs and careers available, both where they live and elsewhere
- access to programs doing vocational training, micro-finance, and enterprise development
- assessment of their present skills, including education levels
- referrals to non-formal and formal education programs that suit their present skills and needs
- personalized plans, developed with each youth and, where possible, his or her family, for a combination of schooling and work opportunities
- social and development supports for young people who may need referral to health services, life skills, financial literacy, and the like that might not be provided directly in the *YOC*, although the staff there would link and refer to needed services.
- an individual advisor or counselor (we might call it a *youth development specialist*), who keeps track of each youth and provides guidance through preparation steps and to opportunities

We recommend selecting an NGO partner to manage a planning and development process, that has the specific mission to:

- identify target communities—we think probably not the provincial capitals, more likely the commune or district centers—and explore partnerships with NGOs and government programs who are working particularly effectively there, and who are willing to collaborate
- identify a location and a delivery partner in Phnom Penh and in Kampong Cham, for two “urban incarnations” of this idea

- negotiate agreements with prospective partners
- create or co-locate a YOC (“youth-friendly center”—in the words of one interviewee) in each targeted location
- hire and train a staff—such as resource developers, youth specialists, and center manager
- work with other NGO service partners—to co-locate where feasible, to create and identify working and training opportunities, and to plan joint activities
- provide training centrally, then in community, and develop protocols for each step—recruitment, youth assessment, plan creation, referral to other services, record-keeping

Recommendation: Deepen support of capacity-building efforts in micro-, small, and medium enterprises (MSMEs), to promote their role in job and household income production and to encourage their involvement with the proposed youth opportunity network.

Both rural (DAI, CEDAC, *Wathnakpheap*) and urban (CIEDC) NGO-developed programs can be productively expanded and tied to rural and urban initiatives, to create better matches between youth and opportunity.

To repeat the quotation from the World Bank report, there are “tens of thousands of small and medium size enterprises, and only a handful of companies with more than 100 employees.” The *implications* are that there is no sizable middle class—since medium-size enterprises in particular are associated with the middle-class who are not employed in companies or as professionals—and that wealth is concentrated in the small “handful” of large firms. The MSMEs therefore appear to the Assessment Team as an appropriate vehicle for building an entrepreneurial lower-middle class, improving household income, and providing *de facto* employment in the process

The projects profiled here—DAI’s excellent rural supports to micro- and small enterprises in four of the poorest Cambodian provinces, CIEDC’s innovative use of training in entrepreneurship, and CEDAC’s extensive network of rural supports to farmers—all appear to us to show great promise for “Cambodian-style” job creation, especially for the enhancement of what is now largely a disorganized, self-sufficiency-oriented, informal commercial and agricultural sector. We recommend that all three be engaged in Phnom Penh and the four provinces of Kampong Cham, Kratie, Prey Veng, and Svay Rieng to help plan and coordinate with the development of YOCs—helping to select the target communities, considering what other organizations might be engaged locally, and considering how to become full local partners in each center. Because this will involve a commitment of staff time, we hope USAID can find a way to support their efforts.

Recommendation: As it supports implementation of the Ministry of Education’s new basic education curriculum, USAID should incorporate other new Ministry institutions, such as the TVET and NFE, in the proposed youth opportunity centers.

Major donor investment in capacity-building in vocational training could form a basis for partnerships in many provinces to tie basic education and vocational training together as part of a “school-to-work transition” initiative, tied to the proposed youth opportunity network, especially in Phnom Penh and the four targeted provinces.

Located at the commune level, together with the proposed YOCs, these small centers may in certain cases be ideal locations for collaboration with non-formal education as well as with other NGO programs in the commune.

The object would be to create a *linked network* of centers that could both provide services locally, and link to others locally and in the province, while also linking to other centers, especially the two in the most likely migration targets for youth, Phnom Penh and Kampong Cham.

Strategic Recommendations

Recommendation: Promote youth workforce development in a large-scale, labor-intensive agricultural modernization initiative focused on irrigation and public works.

A public works program, employing large numbers of under-employed rural agricultural workers in a public-private endeavor to create a modern irrigation system for improvement in agricultural productivity could produce both economic and employment benefits. It would require a multi-national commitment. While it is somewhat beyond the scope of this Assessment, team members are convinced that if political considerations could be accounted for, such a project might be the single most significant development to undertake for the long-term economic and workforce health of Cambodia.

Recommendation: Identify key policy actions to address agricultural and enterprise development, to encourage employment and economic growth in these key rural sectors, and to reduce instances of official corruption; improve government policy tools, such as the labor market information systems.

The continued failure to modernize agriculture and the economy in general has profound effects on the economic and employment prospects of youth and young adults. Both developments are inhibited by both the perception and the realities of corruption at all levels of government.

Future policy development will be greatly enhanced by better, more complete, and more reliable demographic and employment data, based on clear and comparable definitions of categories and on rigorous application of research methods.

One of the greatest challenges to the Assessment Team's work was the state of the government's data collection and analysis apparatus at the National Institute of Statistics under the Ministry of Planning. NIS is the Royal Government's primary data gathering agency. There seem to be some highly competent officials there, and the systems are evolving positively. It transpired that it was possible to find data for our analysis, but there are at least two concerns. The first is the poor quality, discipline, training, and integrity of their field operations of the statistical surveys. The second problem—definitions, consistency, and availability of survey data—could be dealt with more directly. Standardization of data definition and greater availability of data are important steps to improving the consistency, quality and analytical usefulness of these national statistical data.

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Abbreviations and Acronyms

ACLEDA	-	Association of Cambodian Local Economic Development Agencies
ADB	-	Asian Development Bank
ANE	-	Asia Near East Bureau
CDRI	-	Cambodia Development Resource Institute
CEDAC	-	Cambodian Center for Study and Development in Agriculture
CIDA	-	Canadian International Development Agency
CIEDC	-	Cambodia India Entrepreneurship Development Centre
CLS	-	Cambodia Labor Supply group
CCLS	-	Cambodia Child Labor Survey
CSES	-	Cambodia Socio-Economic Survey
DAI	-	Development Alternatives, Inc.
DFID	-	Department for International Development (United Kingdom)
EDC	-	Education Development Center, Inc.
EIC	-	Economic Institute of Cambodia
EMIS	-	Education Management Information Systems
ESCUP	-	Education Support to Children of Underserved Populations
GBI	-	Grassroots Business Initiative
GDP	-	Gross Domestic Product
GEI	-	Girls' Education Initiative
GTZ	-	German Agency for Technical Cooperation
GWIT	-	Global Workforce in Transition
IFC	-	International Finance Corporation
IT	-	Information Technology
KAPE	-	Kampuchean Action for Primary Education
KSPA	-	Khmer Silk Processing Association
MFI	-	Microfinance Institution
MoEYS	-	The Ministry of Education, Youth and Sport
MoLVT	-	Ministry of Labor and Vocational Training
MPDF	-	Mekong Private Sector Development Facility
MSME	-	Micro, Small, and Medium Enterprises
NFE	-	Non-Formal Education
NGO	-	Non-Governmental Organization
NIS	-	National Institute of Statistics
NSDP	-	National Strategic Development Plan
PAP	-	Priority Action Program
PPA	-	Participatory Poverty Assessment
PVC	-	Provincial Training Centers
RHIYA	-	Reproductive Health Initiative for Youth in Asia
SME	-	Small and medium enterprises
TVET	-	Technical and Vocational Education and Training
UNDP	-	United Nations Development Programme
UNIDO	-	United Nations Industrial Development Organization
US	-	United States of America
USAID	-	United States Agency for International Development
VCAO	-	Vulnerable Children's Assistance Organization
WP	-	WATHNAKPHEAP Communities Build Cambodia

Appendix A: Youth Focus Group Summaries

These summaries provide the results of six youth focus groups conducted during the three-week mission in July 2006. These results largely frame the analysis on youth expectations and concerns related to their development and particularly, their employment.

Group 1: Meeting at Phnom Penh offices of the Youth Council of Cambodia

Twenty-five young people filed into the upstairs offices of the Youth Council of Cambodia, invited by Council staff to talk to the assessment team about education and jobs. Eleven boys and 14 girls, ages 14 to 16, spoke for over an hour about their dreams, about their ideas, about their lives, about school, and about work. Roughly half were still in school, of whom half were studying part-time (no one full-time) at universities or institutes. The balance had left school early, not graduated from high school, and only a few had gone beyond lower secondary. Three or four spoke some English, the others Khmer only. Their dreams? Nine raised their hands in agreement after one said she wanted to be a doctor. Three wanted to be teachers, four said they wanted to “work for NGOs, return to my village and help”; one wanted to move to Siem Reap and work in tourism somehow, while the rest were not sure of their ideas about work. Did they work now, we asked? Three raised their hands—one was a moto driver; one said he was reading the newspaper every day and applying for jobs; another changed her mind, and said she wasn’t working, but wanted to. Eighteen of the twenty-five said they had grown up in the provinces, and were farmers still, and their families were farmers. Several said they would return to their villages; one of the future doctors revised his plans and said he’d go back home to be a vet. Two girls quickly agreed that was their plan, too. What did you have to know, or study to be a doctor, or a vet? we asked. No one knew, just one youth said he’d need to do more school. How did you look for a job in Phnom Penh? they were asked. Is there any place to go to get advice? All agreed there was no place to go, no one to advise them. And only our newspaper reader said he had actually talked to people about jobs. Would they go to a place that would help them know how to find jobs, and teach them to look? Much nodding of heads and murmuring yes.

Group 2: Meeting at Youth Council of Cambodia Office in Kampong Cham

A youth group organized by the Youth Council of Cambodia (YCC) brought together 16 youth, ranging in age from 17 to 23. All were from the provincial capital. The group was composed of 4 boys who were studying at the Teacher Training College and 12 girls, 4 of whom had completed Grade 12 (only two passed the exam) and 8 were in Grades 9 to 11. All the boys said they wanted to teach in rural schools in their province (the closer to home, the better), but all realized that they would be assigned by government and did not have much say in their assignment. Of the girls four wanted to be a teacher, three wanted to work for an NGO or some organization like that, one wanted to be a tourist guide in Siem Reap (she was the only one, except for the four teacher-training boys, who was steadfast about her choice, talked about it often during the meeting, seemed to understand what it took to do it and was aiming all of her energy toward it, because “I have a relative that does this and makes good money”), three wanted to be doctors, and one wanted to study law. The two who passed the Grade 12 exam would like to go on but did not think they could afford to. The rest of the girls wanted to complete Grade 12 but were not sure they would be able to. All thought it was most likely they would be looking for jobs after completing Grade 12 (or sooner if they dropped out or did not pass Grade 12 exams).

Regarding jobs (most of the discussion) all felt that Phnom Penh was where they would get a job, except for the tour guide (Seam Reab). They felt their own provinces were rural with poor living conditions, no jobs, high unemployment, problems with drugs and gangsters, and no good education opportunities. Oddly enough, they seemed to think that these were not major issues in Phnom Penh, where there would be jobs, better living conditions, etc. Actually four of the girls had worked in the past (two teachers, Chinese translator, health worker) but only for a short period. Most worked around the house planting rice, vegetables, and tobacco. When asked where a ninth grade graduate would get a job the answers were garment industry, construction work, and—if they could get training—hair dressing, sewing, and cooking, probably as small businesses. If they completed twelfth grade, they would go to Phnom Penh and work in a restaurant, market worker, some small business, garment worker, or construction worker (actually pretty much the same jobs as ninth grade grads, only in Phnom Penh.)

When asked about how they might find out about jobs, they were unanimous that “there was no place to go to find out about jobs.” No idea about where to get information on qualifications for a job. They had no clue regarding what the qualifications were for jobs they would like to get in the future, with the exception of teacher trainees and tourist guide. No place to get information on alternative jobs they might be able to get training for. Probing about job information was mostly met by blank silence.

Near the end there was a burst of frustration during which one girl said “We can't compete with anybody for good jobs anyway, so why go to school.” This was followed up by comments that it would be good to get skills they could use locally, such as agricultural skills. They specifically named animal raising, using natural ways to improve crops, and learning how to sell farm goods effectively. This was quite interesting, as it was clear they would be interested in vocation skills of this type and that would help them and their family live better. And, interestingly enough, that was something that would keep them in their own province, and they would like that even though they stated earlier that they would go to Phnom Penh for jobs.

Group 3 - KAPE Scholarship students - Kuntha Bopha High School/Prey Chor District, Kampong Cham

There were 11 girls, ages 17 to 20, all on KAPE scholarships. KAPE was supporting all direct costs of their education, and all of these girls had been identified as “vulnerable.” They traveled to school by bike from their rural homes (averaging around a 30-minute bike trip). Before joining the KAPE scholarship program, all the girls were in school at grades below Grade 9. All felt they would not have continued in school if they had not received KAPE scholarships, as one girl said, “Without the scholarship, I would not have been allowed to go to school after sixth grade, because it would cost too much and I would need to work for my family to help them.” When asked how they were selected they said KAPE people came to house and identified them and asked them to join. (KAPE had done a household survey to identify vulnerable youth in the area.) KAPE pays fees, books, and uniforms and gives them a bicycle, all of which was very important to them. One girl pointed out that “the bicycle was very important to me because otherwise I could not get to the school.” All of the girls were now in Grade 9. Four of them had taken the Grade 9 exam; two had passed and two failed. The two that failed did not know what they would do, as they had to repeat Grade 9 before they could take the exam again; most likely, they would go back home and work for their families. All of the girls (including the two that failed the exam) wanted to complete upper secondary school (Grade 12). All agreed that they only could do this if they received a scholarship from KAPE. Asked what they would do if they could not go on to the tenth grade, a couple thought of the garment factory, but most felt they

would go back to their family and work at farming. When asked what “work at farming” meant, they said they could work as paid agricultural day-workers planting rice, corn, vegetables, and so on for larger farmers in the area, as well as work around the house for the family.

What did they want to do if they could get all the education they needed? Ten said they would be a doctor and one a teacher, but no one knew what the real requirements were for these jobs. When asked what kind of jobs they could get if they had only graduated from sixth grade, the answer was garment industry, farm, and household work. They gave the same answer if they had graduated from the ninth grade. When asked what jobs boys could get the only job they could think of was construction. What if they passed twelfth grade. Where would they get a job? All wanted to get one at the province level, but they did not know what type of job they might get.

When asked if there was any place they could go to find out about jobs, they gave a resounding and unanimous “NO.” They knew of no place to get information or to find out about jobs. They knew of no place to find out what qualifications they might need for a job or how they might achieve the necessary qualifications. They did think it was a great idea to have a place to be able to learn about jobs and the skills needed.

Switching gears, we asked if there were any skills they would like to learn. Learning how to start a small business was high on the list, especially as a hairdresser or tailor. After some discussion the topic of agricultural skills surfaced; they did think it would be good if they could learn modern agricultural methods, but even more important was how to sell the farm goods to others. They did not know of any place they could get these skills. They basically knew they needed skills but really did not have an idea of what these skills might be or how they could learn them.

Group 4 - District Vocational Center run by Tbong Khmum Women's Association, Kampong Cham

This was a group of seven girls, ages 17 to 20, who had completed a vocational course on sewing/tailoring at the vocational center. They most likely would have dropped out of school completely if they had not been identified by KAPE and asked if they wanted to join this training course. They all came from at least an hour away by bike and some from more than two hours away. Fortunately during their course of study they could stay at the vocational center. They thought they were recommended to KAPE by their school teachers. They really liked the program and felt they had good training and good trainers. All of them wanted to start their own tailor businesses in their villages. None of them had been able to, since they were only given \$50 at the end of the training and they needed \$70 to buy a machine. They did not know how they would get the extra \$20. They hoped some organization would give it to them. When asked if they were to get the additional \$20, did they still have the \$50? all said yes that their family was holding it for them. What were they doing now? One girl said, “I live at home, no job, help around house—wait, wait, wait.” All of them were living at home but did not know what they would do now. They would like to continue their education or get more skills but could only do so if they got financial help from someone. What kind of skills would they like to get? They were not sure. When asked what kind of things they were doing in the village now to help their families, they all said they were doing some kind of wage labor when they could get it such as planting rice, general farm chores, weeding, or garden maintenance. Did they help around the house? Yes, they mostly did housework. When asked about family land one said they only had “small, small land, only 10 meters, only house—no land to grow.” A couple had some land to grow rice but not enough to last a year, and they had to earn money to buy food. When asked

what they thought they would be doing one year from now, they thought they would still be living at home and trying to buy a sewing machine.

When asked if a group of them could get together and pool their money in order to buy a sewing machine and materials to start a business and share profits, the instant answer was NO, as they all lived in different villages far apart. When asked if a group was trained from the same village might they work together, they thought maybe that would work but they really had not thought about it. We talked some more about this, and they could see how it might work. It was at this point that they brought up the need to get some more business skills to run a small business.

Group 5 – KAPE Scholarship Students, Tbong Khumum High School/Suang, Kampong Cham

This was a large group of 51 girls supported by KAPE scholarships. Eighteen of these girls were in Grades 8 and 9 (ages 13 to 16) and 33 girls were in Grades 10, 11, and 12 (ages 16 to 19). When asked what they wanted to be in the future, 17 wanted to be a doctor, 16 a teacher, 1 a lawyer, 1 a policeman, 6 work for an NGO or organization, and the rest were not sure. Twenty of the girls wanted to go on to higher education. They now had a traditional education with language, math, and science but would really like to learn computer skills and more languages, especially English. What would they do with computer skills? The only thing they could think of was accounting. Beyond that they had no idea. Surprisingly there was no mention of e-mail, Internet, or other computer related activities. When asked about vocational skills, they replied that none were taught in school. If they could get some vocational skills, what would they like to have? Small- business skills was most important; a couple mentioned health workers skills along with hairdressing, sewing, and beauty make-up.

When asked what were the biggest problems in going to school, they felt money for private tutoring was a big problem. They also mentioned distance to school, housework demands, and difficulty in doing homework, as they had no one to help them. Regarding their parents, it was interesting that no parent had gone beyond sixth grade, that they were the only ones in their family to go beyond sixth grade, which was only possible because of the scholarship they received. All parents wanted their children to go to school and finish school, but many could not afford it.

When asked if there was anywhere they could go to find out what kinds of jobs were available, they answered that there was nowhere. They had no idea of where they could go to find out about jobs or what the qualifications were for jobs.

Group 6 -- Vulnerable Children's Assistance Organization (VCAO) Kampong Cham

A small group discussion with five young girls aged from 16 to 18, all studying sewing, took place in the training center of VCAO. This was conducted all in Khmer by Viecheanon Khieu, to minimize nervousness and see if there were any differences in response when questions were posed in a friendly and informal manner in the local language. We sought to understand three key issues: their perception of their selected vocational skills, their expectation of applying their tailoring skills in the market, and their view and understanding of employment in the current market in Kampong Cham provincial town. We also wanted to know what they thought would be the skills demanded in current and future employment in both rural and urban areas. No one in the group had completed Grade 8. They understood that the tailoring business was very competitive in the current market of the country. However, they were very optimistic that they would be able to apply their tailoring skills to earn income to support their families, once adequate capital was

made available. Their first choice of location for their tailoring businesses was in their own villages. If they were not able to have capital to run their own tailoring shops in their villages, they were confident they would be able to find jobs in tailoring and sewing markets in the Kampong Cham provincial town or big cities when they mastered the skills. One or two thought they might become trainers in tailoring at vocational training centers. They also raised concerns related to their future upgrading of skills in order to cope with changes in tailoring styles.

Jobs (in Khmer language, a job is *Ka Gnea*) was another matter for these girls. They do not see that working rice farming and vegetable gardening is a job. Many young girls in their community moved out of the villages in order to find jobs in garment factories in Phnom Penh or other places and these girls observed that they do not see many garment factories in Kampong Cham provincial town. Some boys in their villages, who do not go to school, are becoming Big Brothers (gang members) causing trouble in the community. For girls who have not completed secondary education, they do not see any types of jobs open to them other than in the garment factories or as domestic workers. They could see that skills in modern vegetable gardening, modern animal raising, and poultry raising would make better income, but they do not know whether those things require training, and if so, where young people could find such vocational training.

Group 7 – Young Farmer’s Group (CEDAC), Prey Veng Province

To give flavor to these profiles, Team Leader Erik Butler wrote this small essay about the experience of meeting with this group.

Deep in Pray Veng Province, tucked way back in a maze of small dirt tracks just barely the width of a car's tires, each about 18 inches above water level of rice paddies, 18 young farmers, aged 11 to 20, are meeting in a small grass-roofed bamboo hut about 20x20 feet. It's on stilts, with a picnic table, a water tank, and a couple of strong hammocks below; and two fat pigs, a small yellow dog, and several chickens laze in the heat. Upstairs, three older adults are meeting with the youth, talking about kinds of feed for their pigs, and when and how to sell them. There seems to be some math involved, and as far as I could understand they were trying to figure out how to time the sale of their pigs, and how to calculate what it would cost to feed them while they fattened. There seemed to be no ready market—no livestock auction, not much of a village market—instead they would sell to "brokers" (my word) who would show up at unpredictable intervals to buy pigs.

My group included Frankie Roman, an economist from the Philippines and Samram Tuy, our interpreter and present USAID employee, about 35; and me. Samram and Frankie, both slight introverts, held back, and I agreed to ask questions. The kids introduced themselves, told their ages, said how many were in their family, and what kinds of crops or produce or animals they raised, and said what they were learning in the young farmers' program. One by one, they stood up and—mostly shyly—complimented. Before we talked about the subject—jobs, and their plans to stay in Prey Veng or go to the big city—I asked them if they wanted to ask us any questions. They did, and the conversation warmed quickly. I showed them on a world map where I was from, where Frankie was from, and where they were—most of them didn't know Cambodia on a map. They wanted to know whether we were farmers, so when I said I grew up working on farms and ranches, they wanted to know more. Cows, pigs, chickens, rabbits, and horses I said. What kind? they wanted to know. Descriptions, not names, worked. How many pigs? What color? Where did they stay? They roared when I told them we had to call the pigs for supper, and demonstrated. They did the same, and we laughed. Then they wanted to know about milking cows—they never had. The big white Brahmin cows they see, the oxen that pull their carts, the water buffalo that pull the plows in the rice paddies were all they knew. Wouldn't a cow kick you if you tried to milk them? Of course, they'd try, I said. I couldn't resist telling the story of the cow I was hobbling (so she wouldn't kick me) who lifted her tail and turned loose on my head, so I did—they roared again, and off we went for a more serious conversation about modern farming methods, marketing, and the cost of feed. Beautiful kids, evenly divided girls and

APPENDIX B: DETAILED ECONOMIC STATISTICAL REPORT

This data presentation provides a comprehensive statistical picture of the employment and labor force of Cambodia. This data is all drawn from 2003/2004 Cambodia Socio-Economic Survey (CSES) conducted by the National Institute of Statistics. The EDC Assessment Team estimated provincial, age and gender distributions of these labor trends. However, these statistics may not be statistically significant. As discussed in the report text, the quality, reliability and consistency of these statistics has been questioned by the EDC Assessment Team, and so are presented for suggestive trends only.

Table 1. Employment by sex and rural-urban location

	Male	Female	Total
Phnom Penh	294,171	273,427	567,598
Other Urban	388,611	364,642	753,253
Rural	3,110,510	3,064,239	6,174,749
Cambodia	3,793,292	3,702,308	7,495,600

Table 2. Employment by sex and provincial location

	Male	Female	Total
Banteay Mean Chey	189,595	167,397	356,992
Bat Dambang	240,952	209,603	450,555
Kampong Cham	519,224	505,845	1,025,069
Kampong Chhnang	135,973	141,511	277,484
Kampong Speu	244,284	242,795	487,079
Kampong Thum	201,358	190,776	392,134
Kampot	124,799	121,327	246,126
Kandal	372,692	388,981	761,673
Kaoh Kong	62,048	52,663	114,711
Kratie	77,837	56,103	133,940
Mondul Kiri	11,058	11,764	22,822
Phnom Penh	294,171	273,427	567,598
Preah Vihear	33,086	33,210	66,296
Prey Veaeang	339,315	357,752	697,067
Pousat	119,050	118,909	237,959
Rattanak Kiri	30,019	21,253	51,272
Siem Reab	246,117	242,177	488,294
Krong Preah Sihanouk	54,791	50,733	105,524
Stueng Traeng	17,419	10,812	28,231
Svay Rieng	173,033	186,165	359,198
Takaev	262,506	275,375	537,881
Oudor Mean Chey	27,461	26,395	53,856
Krong Kaeb	16,504	17,336	33,840
Total	3,793,292	3,702,309	7,495,601

Table 3. Employment by age and sex and rural-urban location

	Male	Female	Total
Cambodia			
10-14	454,229	419,147	873,376
15-19	626,248	597,995	1,224,243
20-24	613,244	574,522	1,187,766
25-29	365,826	338,497	704,323
30-34	388,334	358,832	747,166
35-39	360,031	349,387	709,418
40-44	308,929	312,325	621,254
45-49	212,287	246,951	459,238
50-54	160,873	200,008	360,881
55-59	119,500	128,326	247,826
60-64	78,185	79,787	157,972
65+	105,606	96,530	202,136
Total	3,793,292	3,702,307	7,495,599
Phnom Penh			
10-14	8,168	13,006	21,174
15-19	28,701	41,567	70,268
20-24	48,719	55,881	104,600
25-29	38,981	31,559	70,540
30-34	40,111	28,407	68,518
35-39	37,558	28,221	65,779
40-44	31,353	24,517	55,870
45-49	28,285	19,954	48,239
50-54	15,151	16,169	31,320
55-59	9,486	7,173	16,659
60-64	4,531	3,391	7,922
65+	3,127	3,582	6,709
Total	294,171	273,427	567,598
Other Urban			
10-14	32,556	29,928	62,484
15-19	53,589	57,096	110,685
20-24	61,151	57,182	118,333
25-29	40,498	34,517	75,015
30-34	47,178	37,228	84,406
35-39	45,507	39,310	84,817
40-44	39,334	34,653	73,987
45-49	25,431	27,531	52,962
50-54	15,410	18,419	33,829
55-59	13,156	13,552	26,708
60-64	6,562	7,198	13,760
65+	8,239	8,027	16,266
Total	388,611	364,641	753,252
Rural			
10-14	413,506	376,213	789,719
15-19	543,957	499,332	1,043,289
20-24	503,374	461,459	964,833
25-29	286,347	272,422	558,769
30-34	301,045	293,197	594,242
35-39	276,966	281,856	558,822
40-44	238,242	253,154	491,396

45-49	158,571	199,466	358,037
50-54	130,311	165,421	295,732
55-59	96,858	107,601	204,459
60-64	67,091	69,198	136,289
65+	94,240	84,921	179,161
Total	3,110,508	3,064,240	6,174,748

Table 4. Unemployment by age and sex and rural-urban location

	Male	Female	Total
Cambodia			
10-14	212	1,003	1,215
15-19	8,398	8,524	16,922
20-24	11,644	7,195	18,839
25-29	2,132	2,501	4,633
30-34	1,194	4,692	5,886
35-39	2,417	2,204	4,621
40-44	1,933	1,525	3,458
45-49	246	2,072	2,318
50-54	908	866	1,774
55-59	937	599	1,536
60-64	184	387	571
65+	-	204	204
Total	30,205	31,772	61,977
Phnom Penh			
10-14	-	358	358
15-19	1,985	2,689	4,674
20-24	5,017	3,855	8,872
25-29	82	964	1,046
30-34	179	1,983	2,162
35-39	179	169	348
40-44	579	216	795
45-49	246	536	782
50-54	-	161	161
Total	8,267	10,931	19,198
Other Urban			
15-19	1,515	1,606	3,121
20-24	779	938	1,717
25-29	454	326	780
30-34	156	753	909
35-39	969	460	1,429
40-44	453	404	857
50-54	-	326	326
55-59	286	209	495
Total	4,612	5,022	9,634
Rural			
10-14	212	645	857
15-19	4,898	4,229	9,127
20-24	5,849	2,402	8,251
25-29	1,595	1,212	2,807
30-34	859	1,955	2,814
35-39	1,269	1,576	2,845
40-44	901	905	1,806

45-49	-	1,536	1,536
50-54	908	379	1,287
55-59	651	389	1,040
60-64	184	387	571
65+	-	204	204
Total	17,326	15,819	33,145

Table 5. Youth unemployment 15-19 & 20-24 by education level

	15-19	20-24	Total
Cambodia			
No Schooling	-	18,840	18,840
Technical/Vocational	2,350	-	2,350
Under Graduate/Graduate	9,630	-	9,630
Other	4,942	-	4,942
Total	16,922	18,840	35,762
Phnom Penh			
No Schooling	-	8,872	8,872
Technical/Vocational	702	-	702
Under Graduate/Graduate	3,018	-	3,018
Other	954	-	954
Total	4,674	8,872	13,546
Other Urban			
No Schooling	-	1,717	1,717
Technical/Vocational	326	-	326
Under Graduate/Graduate	1,982	-	1,982
Other	813	-	813
Total	3,121	1,717	4,838
Rural			
No Schooling	-	8,251	8,251
Technical/Vocational	1,322	-	1,322
Under Graduate/Graduate	4,631	-	4,631
Other	3,175	-	3,175
Total	9,128	8,251	17,379

Table 6. Average household monthly expenditure by province and sector

	Agriculture	Industry	Service	Cambodia
Banteay Mean Chey	183,137	317,584	398,971	264,329
Bat Dambang	283,321	276,999	371,579	319,738
Kampong Cham	228,776	276,379	445,646	291,124
Kampong Chhnang	195,849	194,545	490,216	252,961
Kampong Speu	223,093	190,819	344,066	246,185
Kampong Thum	209,583	182,109	337,998	239,114
Kampot	256,014	247,051	374,699	287,145
Kandal	305,563	338,460	498,189	375,308
Kaoh Kong	305,386	334,423	516,986	355,629
Kratie	203,355	218,451	280,583	235,054
Mondul Kiri	142,278	2,193,800	98,000	195,621
Phnom Penh	586,323	566,278	711,494	688,185
Preah Vihear	245,830	251,926	289,671	254,367
Prey Veang	247,393	242,292	334,523	262,404
Pousat	236,835	276,869	361,765	273,151
Rattanak Kiri	211,518	192,058	318,473	238,626
Siem Reab	220,837	299,088	546,746	304,608
Krong Preah Sihanouk	387,619	508,332	616,544	529,502
Stueng Traeng	132,312	175,091	189,410	154,918
Svay Rieng	215,696	268,466	314,834	240,872
Takaev	266,807	292,754	401,470	306,797
Oudor Mean Chey	211,560	240,936	212,026	212,700
Krong Kaeb	316,822	.	312,770	316,334

Table 7. Average household size by province and sector

	Agriculture	Industry	Service	Cambodia
Banteay Mean Chey	4.9	4.4	4.8	4.8
Bat Dambang	5.3	5.2	5.0	5.2
Kampong Cham	5.0	4.8	4.8	4.9
Kampong Chhnang	5.0	4.2	5.3	5.0
Kampong Speu	5.0	4.7	5.3	5.0
Kampong Thum	5.2	5.5	5.3	5.3
Kampot	4.8	4.8	4.8	4.8
Kandal	5.6	5.2	5.2	5.4
Kaoh Kong	5.2	4.7	5.8	5.3
Kratie	4.8	4.9	4.8	4.8
Mondul Kiri	3.8	7.0	4.0	3.9
Phnom Penh	5.5	5.2	5.3	5.3
Preah Vihear	5.6	5.5	5.2	5.5
Prey Veaeng	4.5	4.4	4.5	4.5
Pousat	5.0	4.4	4.7	4.8
Rattanak Kiri	5.3	4.6	5.2	5.2
Siem Reab	5.5	5.1	5.5	5.4
Krong Preah Sihanouk	5.0	5.6	5.4	5.3
Stueng Traeng	6.0	5.4	4.5	5.4
Svay Rieng	4.6	5.2	4.9	4.7
Takaev	4.9	5.2	4.9	5.0
Oudor Mean Chey	5.0	5.4	4.6	5.0
Krong Kaeb	5.7		5.0	5.6

Table 8. Population and Labor Force**Total Population**

	Male	Female	Total
Banteay Mean Chey	338,738	352,579	691,317
Bat Dambang	421,085	432,099	853,184
Kampong Cham	890,893	941,160	1,832,053
Kampong Chhnang	235,341	264,088	499,429
Kampong Speu	381,866	411,739	793,605
Kampong Thum	354,409	369,652	724,061
Kampot	273,610	289,016	562,626
Kandal	645,097	689,027	1,334,124
Kaoh Kong	93,066	91,533	184,599
Kratie	139,295	141,027	280,322
Mondul Kiri	16,595	20,301	36,896
Phnom Penh	565,786	599,415	1,165,201
Preah Vihear	62,398	57,495	119,893
Prey Veaeng	533,210	583,556	1,116,766
Pousat	209,715	227,466	437,181
Rattanak Kiri	61,393	56,642	118,035
Siem Reab	422,778	436,266	859,044
Krong Preah Sihanouk	94,540	98,403	192,943
Stueng Traeng	33,376	28,170	61,546
Svay Rieng	252,089	287,950	540,039
Takaev	434,462	470,020	904,482
Oudor Mean Chey	42,799	42,726	85,525
Krong Kaeb	23,085	23,182	46,267
Total	6,525,626	6,913,512	13,439,138

Labor Force (10 and over)

	Male	Female	Total
Banteay Mean Chey	191,313	168,152	359,465
Bat Dambang	244,876	213,431	458,307
Kampong Cham	521,796	509,563	1,031,359
Kampong Chhnang	136,228	141,921	278,149
Kampong Speu	244,749	242,990	487,739
Kampong Thum	204,163	191,203	395,366
Kampot	126,158	121,823	247,981
Kandal	376,021	392,569	768,590
Kaoh Kong	62,303	52,856	115,159
Kratie	78,355	56,719	135,074
Mondul Kiri	11,058	11,764	22,822
Phnom Penh	302,439	284,357	586,796
Preah Vihear	33,086	33,210	66,296
Prey Veaeng	339,694	358,588	698,282
Pousat	119,929	120,414	240,343
Rattanak Kiri	30,019	21,253	51,272
Siem Reab	246,841	244,978	491,819
Krong Preah Sihanouk	55,288	50,859	106,147
Stueng Traeng	17,419	10,812	28,231
Svay Rieng	173,153	186,642	359,795
Takaev	264,643	276,243	540,886
Oudor Mean Chey	27,461	26,395	53,856
Krong Kaeb	16,504	17,336	33,840
Total	3,823,496	3,734,078	7,557,574

Table 9. Labor Force by Sector

Agriculture Labor Force (10 and over)

	Male	Female	Total
Banteay Mean Chey	119,775	100,678	220,453
Bat Dambang	138,364	108,173	246,537
Kampong Cham	347,841	339,952	687,793
Kampong Chhnang	100,447	88,740	189,187
Kampong Speu	165,207	152,293	317,500
Kampong Thum	128,762	114,705	243,467
Kampot	79,908	71,979	151,887
Kandal	201,101	183,893	384,994
Kaoh Kong	47,006	33,775	80,781
Kratie	39,808	23,686	63,494
Mondul Kiri	10,799	11,395	22,194
Phnom Penh	9,515	5,249	14,764
Preah Vihear	26,764	27,953	54,717
Prey Veaeng	272,485	286,215	558,700
Pousat	85,499	89,203	174,702
Rattanak Kiri	23,227	17,209	40,436
Siem Reab	160,004	149,099	309,103
Krong Preah Sihanouk	20,933	18,672	39,605
Stueng Traeng	13,126	7,305	20,431
Svay Rieng	128,540	144,170	272,710
Takaev	172,155	179,927	352,082
Oudor Mean Chey	24,407	23,132	47,539
Krong Kaeb	13,587	12,765	26,352
Total	2,329,260	2,190,168	4,519,428

Industry Labor Force (10 and over)

	Male	Female	Total
Banteay Mean Chey	20,078	12,210	32,288
Bat Dambang	22,433	12,431	34,864
Kampong Cham	59,576	51,739	111,315
Kampong Chhnang	13,466	28,590	42,056
Kampong Speu	33,476	51,364	84,840
Kampong Thum	24,514	26,793	51,307
Kampot	17,601	15,764	33,365
Kandal	61,681	99,083	160,764
Kaoh Kong	2,845	1,131	3,976
Kratie	11,693	3,085	14,778
Mondul Kiri	259	-	259
Phnom Penh	49,667	62,209	111,876
Preah Vihear	1,928	540	2,468
Prey Veaeng	23,134	21,178	44,312
Pousat	11,533	8,928	20,461
Rattanak Kiri	578	264	842
Siem Reab	36,149	35,637	71,786
Krong Preah Sihanouk	3,970	3,663	7,633
Stueng Traeng	796	458	1,254
Svay Rieng	15,780	19,251	35,031
Takaev	32,798	38,711	71,509
Oudor Mean Chey	975	1,428	2,403
Krong Kaeb	271	832	1,103
Total	445,201	495,289	940,490

Service Labor Force (10 and over)

	Male	Female	Total
Banteay Mean Chey	49,742	54,510	104,252
Bat Dambang	80,155	88,999	169,154
Kampong Cham	111,807	114,153	225,960
Kampong Chhnang	22,060	24,181	46,241
Kampong Speu	45,602	39,138	84,740
Kampong Thum	48,082	49,277	97,359
Kampot	27,290	33,583	60,873
Kandal	109,909	106,004	215,913
Kaoh Kong	12,197	17,756	29,953
Kratie	26,336	29,332	55,668
Mondul Kiri	-	369	369
Phnom Penh	234,988	205,968	440,956
Preah Vihear	4,393	4,717	9,110
Prey Veaeng	43,697	50,360	94,057
Pousat	22,018	20,777	42,795
Rattanak Kiri	6,213	3,781	9,994
Siem Reab	49,964	57,442	107,406
Krong Preah Sihanouk	29,888	28,398	58,286
Stueng Traeng	3,497	3,049	6,546
Svay Rieng	28,713	22,743	51,456
Takaev	57,553	56,737	114,290
Oudor Mean Chey	2,079	1,834	3,913
Krong Kaeb	2,646	3,740	6,386
Total	1,018,829	1,016,848	2,035,677

Table10.**Youth (age 15-24)**

	Male	Female	Total
Banteay Mean Chey	78,454	74,474	152,928
Bat Dambang	103,505	91,982	195,487
Kampong Cham	210,149	207,662	417,811
Kampong Chhnang	47,796	51,914	99,710
Kampong Speu	99,916	96,959	196,875
Kampong Thum	83,812	80,881	164,693
Kampot	62,310	61,935	124,245
Kandal	165,242	169,741	334,983
Kaoh Kong	23,390	19,614	43,004
Kratie	30,867	23,458	54,325
Mondul Kiri	4,141	4,981	9,122
Phnom Penh	162,899	173,213	336,112
Preah Vihear	12,146	12,329	24,475
Prey Veaeng	128,962	122,655	251,617
Pousat	48,277	48,664	96,941
Rattanak Kiri	11,968	13,826	25,794
Siem Reab	101,596	94,473	196,069
Krong Preah Sihanouk	20,304	21,056	41,360
Stueng Traeng	7,709	5,595	13,304
Svay Rieng	62,569	60,371	122,940
Takaev	111,195	102,744	213,939
Oudor Mean Chey	10,402	11,044	21,446
Krong Kaeb	5,465	5,927	11,392
Total	1,593,074	1,555,498	3,148,572

Youth Labor Force (age 15-24)

	Male	Female	Total
Banteay Mean Chey	64,396	55,715	120,111
Bat Dambang	86,285	67,061	153,346
Kampong Cham	172,098	159,413	331,511
Kampong Chhnang	43,820	43,370	87,190
Kampong Speu	86,456	81,383	167,839
Kampong Thum	63,289	62,691	125,980
Kampot	39,022	35,191	74,213
Kandal	132,413	133,132	265,545
Kaoh Kong	20,934	16,131	37,065
Kratie	21,390	14,131	35,521
Mondul Kiri	4,141	4,716	8,857
Phnom Penh	84,422	103,993	188,415
Preah Vihear	10,524	10,902	21,426
Prey Veaeng	114,025	103,817	217,842
Pousat	39,884	39,380	79,264
Rattanak Kiri	9,281	7,879	17,160
Siem Reab	84,990	78,892	163,882
Krong Preah Sihanouk	13,837	14,962	28,799
Stueng Traeng	4,624	3,257	7,881
Svay Rieng	56,382	52,105	108,487
Takaev	93,008	84,893	177,901
Oudor Mean Chey	8,969	9,295	18,264
Krong Kaeb	5,344	5,927	11,271
Total	1,259,534	1,188,236	2,447,770

Table11.

Income/earning of Cambodia

	Male	Female	Total
Banteay Mean Chey	963,420	585,629	888,488
Bat Dambang	957,285	588,461	879,880
Kampong Cham	704,517	750,059	712,113
Kampong Chhnang	1,168,008	301,029	1,001,194
Kampong Speu	456,507	251,111	412,834
Kampong Thum	536,536	355,896	506,221
Kampot	534,018	397,570	515,128
Kandal	685,212	544,691	658,073
Kaoh Kong	855,182	329,312	788,756
Kratie	450,607	316,808	432,241
Mondul Kiri	149,112	173,188	154,971
Phnom Penh	2,566,673	1,582,313	2,373,617
Preah Vihear	217,283	384,402	238,968
Prey Veaeang	437,318	372,305	423,877
Pousat	585,148	328,682	535,403
Rattanak Kiri	266,181	178,387	261,740
Siem Reab	962,431	746,587	922,553
Krong Preah Sihanouk	3,830,660	2,891,664	3,595,170
Stueng Traeng	288,083	254,525	285,455
Svay Rieng	502,676	237,174	440,480
Takaev	1,025,402	601,577	943,916
Oudor Mean Chey	336,122	200,312	315,825
Krong Kaeb	484,294	354,604	463,448
Total	887,029	630,023	838,805

Group Total

Income/earning of agriculture

	Male	Female	Total
Banteay Mean Chey	365,509	430,071	376,472
Bat Dambang	479,067	246,052	438,559
Kampong Cham	431,226	297,603	410,054
Kampong Chhnang	242,798	184,572	234,020
Kampong Speu	254,183	167,507	233,548
Kampong Thum	374,164	219,626	352,204
Kampot	314,951	184,454	299,464
Kandal	330,385	275,053	321,594
Kaoh Kong	636,112	247,673	589,449
Kratie	282,952	125,558	270,982
Mondul Kiri	85,360	65,945	80,915
Phnom Penh	1,166,506	193,132	1,011,620
Preah Vihear	193,142	145,393	189,589
Prey Veaeang	386,433	330,543	374,874
Pousat	355,288	291,588	343,294
Rattanak Kiri	197,976	125,300	195,475
Siem Reab	368,631	184,980	334,175
Krong Preah Sihanouk	1,315,766	366,932	1,008,402
Stueng Traeng	120,250	122,168	120,420
Svay Rieng	394,762	185,867	342,416
Takaev	401,733	193,450	355,199
Oudor Mean Chey	264,893	201,338	255,721
Krong Kaeb	399,458	354,604	391,262
Total	377,947	252,137	355,483

Income/earning of Industry

	Male	Female	Total
Banteay Mean Chey	1,467,470	594,760	1,309,047
Bat Dambang	673,393	193,081	597,876
Kampong Cham	883,401	250,189	814,532
Kampong Chhnang	1,116,014	206,525	765,498
Kampong Speu	237,371	243,499	238,661
Kampong Thum	363,848	181,784	332,985
Kampot	387,668	32,700	379,591
Kandal	447,975	357,793	426,161
Kaoh Kong	579,351	.	579,351
Kratie	238,402	288,728	243,668
Mondul Kiri	1,900,500	.	1,900,500
Phnom Penh	1,300,851	721,140	1,199,475
Preah Vihear	257,398	.	257,398
Prey Veaeang	322,836	290,985	317,898
Pousat	338,362	229,841	320,411
Rattanak Kiri	465,559	54,800	325,022
Siem Reab	1,324,874	381,496	1,154,723
Krong Preah Sihanouk	1,622,686	1,045,383	1,537,093
Stueng Traeng	257,439	.	257,439
Svay Rieng	373,999	212,565	339,164
Takaev	559,974	304,168	535,253
Oudor Mean Chey	493,850	.	493,850
Krong Kaeb	.	.	.
Total	712,014	332,346	648,535

Income/earning of service

	Male	Female	Total
Banteay Mean Chey	2,036,493	774,175	1,713,805
Bat Dambang	1,657,299	904,196	1,458,998
Kampong Cham	1,315,239	1,667,137	1,389,313
Kampong Chhnang	4,564,283	732,532	3,800,931
Kampong Speu	1,074,921	632,099	1,010,818
Kampong Thum	1,054,131	623,454	956,441
Kampot	1,179,303	647,472	1,052,901
Kandal	1,377,990	908,853	1,270,324
Kaoh Kong	1,681,030	495,693	1,465,197
Kratie	788,457	402,010	701,353
Mondul Kiri	.	1,048,000	1,048,000
Phnom Penh	2,827,655	1,739,583	2,609,226
Preah Vihear	346,587	567,832	433,469
Prey Veaeang	711,613	554,210	675,542
Pousat	1,307,123	442,100	1,115,427
Rattanak Kiri	432,331	398,700	430,622
Siem Reab	2,382,020	2,670,717	2,433,892
Krong Preah Sihanouk	5,377,556	5,269,408	5,354,025
Stueng Traeng	572,402	521,200	568,593
Svay Rieng	912,701	492,240	834,250
Takaev	2,544,002	1,876,206	2,431,708
Oudor Mean Chey	901,341	195,453	730,815
Krong Kaeb	990,944	.	990,944
Total	1,929,197	1,300,908	1,796,153

Table 12. Migration

Population			
	Male	Female	Total
1 Banteay Mean Chey	338,738	352,579	691,317
2 Bat Dambang	421,085	432,099	853,184
3 Kampong Cham	890,893	941,160	1,832,053
4 Kampong Chhnang	235,341	264,088	499,429
5 Kampong Speu	381,866	411,739	793,605
6 Kampong Thum	354,409	369,652	724,061
7 Kampot	273,610	289,016	562,626
8 Kandal	645,097	689,027	1,334,124
9 Kaoh Kong	93,066	91,533	184,599
10 Kratie	139,295	141,027	280,322
11 Mondul Kiri	16,595	20,301	36,896
12 Phnom Penh	565,786	599,415	1,165,201
13 Preah Vihear	62,398	57,495	119,893
14 Prey Veaeang	533,210	583,556	1,116,766
15 Pousat	209,715	227,466	437,181
16 Rattanak Kiri	61,393	56,642	118,035
17 Siem Reab	422,778	436,266	859,044
18 Krong Preah Sihanouk	94,540	98,403	192,943
19 Stueng Traeng	33,376	28,170	61,546
20 Svay Rieng	252,089	287,950	540,039
21 Takaev	434,462	470,020	904,482
22 Oudor Mean Chey	42,799	42,726	85,525
23 Krong Kaeb	23,085	23,182	46,267
Total	6,525,626	6,913,512	13,439,138

Population who moved different village			
	Male	Female	Total
Banteay Mean Chey	51,537	49,903	101,440
Bat Dambang	36,145	34,300	70,445
Kampong Cham	93,246	75,664	168,910
Kampong Chhnang	14,352	11,263	25,615
Kampong Speu	30,755	24,186	54,941
Kampong Thum	25,031	15,689	40,720
Kampot	17,207	10,198	27,405
Kandal	64,188	51,880	116,068
Kaoh Kong	17,056	14,511	31,567
Kratie	10,429	7,254	17,683
Mondul Kiri	1,302	1,241	2,543
Phnom Penh	125,932	133,360	259,292
Preah Vihear	8,924	7,097	16,021
Prey Veaeang	25,184	22,328	47,512
Pousat	20,592	22,024	42,616
Rattanak Kiri	6,798	9,030	15,828
Siem Reab	33,098	30,376	63,474
Krong Preah Sihanouk	11,681	12,361	24,042
Stueng Traeng	2,751	1,292	4,043
Svay Rieng	21,868	24,035	45,903
Takaev	46,774	38,469	85,243
Oudor Mean Chey	5,628	4,497	10,125
Krong Kaeb	1,842	1,636	3,478
Total	672,320	602,594	1,274,914

Percent of migration			
	Male	Female	Total
Banteay Mean Chey	15.2	14.2	14.7
Bat Dambang	8.6	7.9	8.3
Kampong Cham	10.5	8.0	9.2
Kampong Chhnang	6.1	4.3	5.1
Kampong Speu	8.1	5.9	6.9
Kampong Thum	7.1	4.2	5.6
Kampot	6.3	3.5	4.9
Kandal	10.0	7.5	8.7
Kaoh Kong	18.3	15.9	17.1
Kratie	7.5	5.1	6.3
Mondul Kiri	7.8	6.1	6.9
Phnom Penh	22.3	22.2	22.3
Preah Vihear	14.3	12.3	13.4
Prey Veaeang	4.7	3.8	4.3
Pousat	9.8	9.7	9.7
Rattanak Kiri	11.1	15.9	13.4
Siem Reab	7.8	7.0	7.4
Krong Preah Sihanouk	12.4	12.6	12.5
Stueng Traeng	8.2	4.6	6.6
Svay Rieng	8.7	8.3	8.5
Takaev	10.8	8.2	9.4
Oudor Mean Chey	13.1	10.5	11.8
Krong Kaeb	8.0	7.1	7.5
Total	10.3	8.7	9.5

Appendix C: Detailed Characteristics of Value-Chains Within Cambodian Industry.

Summary Industry Evaluation

Evaluation Criteria (Comparative)	Agricultural Processing	Aquaculture Fisheries	Construction	Handicrafts	Manual Labor Services	Security Services	Semi-Skilled Tourism Support Services
Size of Industry	High	Medium	High	High	High	Low	Medium
Industry Growth Prospects	High	Medium	Medium	High	Low	Medium	Medium
Value Chain Strength	Low	Low	Medium	Medium	Medium	High	High
Level of Support Infrastructure	Medium	Medium	Low	High	Low	Low	High
Employment Potential for Disadvantaged Youth	Medium	Medium	Low	Medium	Medium	High	High
Recommendation	High Potential	Medium Potential	Low Potential	High Potential (Specific, low skill sub-sectors)	Low/Medium Potential	Medium Potential	High Potential

Source: Emerging Markets Consulting, 2005.

Small Scale Processing Employment Projections from 2005 to 2010

Descriptions	2005	2006	2007	2008	2009	2010
Cambodia	54,203	62,333	71,683	82,436	94,801	109,021
<i>Kompong Cham</i>	6,050	6,655	7,321	8,053	8,858	9,744
Total	54,203	62,333	71,683	82,436	94,801	109,021

Source: “Cambodian Commodity Chain Analysis Study: Volume 1. Comparative Industry Assessment, prepared by Emerging markets Consulting in partnership with Curtis Hundley, Cosecam and Plan Cambodia, February 25, 2005, 70 pages.

APPENDIX D: EDUCATIONAL STATISTICS ON CAMBODIA 2005-2006

Basic Information:

Primary Schools	6 277
Total Students	2,558,467
Female Students	1,209,282
Teachers	50,378
Classes	61,901
Two- or Three-Shift Schools	5,092
Disadvantaged School	220
Drinking Water Available	3,784
Latrine Available	4,354
Parent-Teacher Association Existed	5,925

Information on Staff:

Female Teachers	21,022
Teachers without Training	714
Contract Teachers	763
Community/Monk Teachers	26
Total Non-Teaching Staff	11,279
Female Non-Teaching Staff	2,494

Selected Education Indicators:

Pupil-Teacher Ratio	50.8
Pupil-Teacher Ratio (incl. contract)	50.0
Pupil-Class Ratio (Class Size)	41.3
Non-Teaching Staff	18.3%
Female in Total Teaching Staff	41.7%
Repeaters in Enrolment	12.8%
Repeaters in Girl Enrolment	11.5%

Physical Facility:

Buildings	13,337
Total Rooms	51,044
Total Classrooms	40,210
Classroom without Good Roof	5,483
Classroom without Good Floor	9,660
Classroom without Good Wall	7,027
Blackboard needed	2,143
Pupil Desk needed	41,085
Pupil Chair needed	28,535
Teacher Table needed	4,525

Student Intake:	Total	Girl	% Girl
New Intake	430,426	204,104	47.4
New Intake Age 6	272,722	133,443	48.9
% New Intake at Age 6	63.4	65.4	

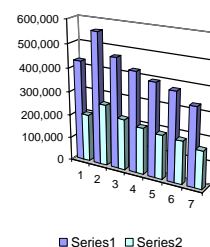
Enrollment by Grade:	Total	Girl	% Girl
Enrollment Grade 1	560,171	262,435	46.8
Enrollment Grade 2	468,537	217,934	46.5
Enrollment Grade 3	426,731	198,726	46.6
Enrollment Grade 4	396,181	187,369	47.3
Enrollment Grade 5	376,046	181,919	48.4
Enrollment Grade 6	330,801	160,899	48.6
Total Enrollment	2,558,467	1,209,282	47.3
Age 11+ in Enrollment	674,334	294,678	43.7
% Overage Enrollment	26.4	24.4	

Repeaters by Grade:	Total	Girl	% Rep.
Repeaters Grade 1	129,745	58,331	23.2
Repeaters Grade 2	72,566	30,687	15.5
Repeaters Grade 3	54,961	22,084	12.9
Repeaters Grade 4	37,575	15,135	9.5
Repeaters Grade 5	22,747	8,958	6.0
Repeaters Grade 6	8,661	3,457	2.6
Total Repeaters	326,255	138,652	

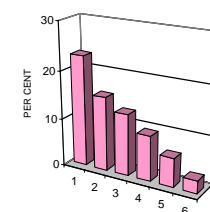
Flow Rates (Total):	Promotion	Repetition	Dropout
Grade 1	66.4	21.8	11.8
Grade 2	73.9	14.4	11.7
Grade 3	76.8	11.8	11.4
Grade 4	79.6	8.5	11.9
Grade 5	81.8	5.8	12.5
Grade 6	86.7	2.6	10.6

Flow Rates (Girls):	Promotion	Repetition	Dropout
Grade 1	66.5	20.7	12.8
Grade 2	74.9	13.0	12.1
Grade 3	78.5	10.1	11.4
Grade 4	80.9	7.1	12.0
Grade 5	82.5	4.7	12.8
Grade 6	86.9	2.2	10.9

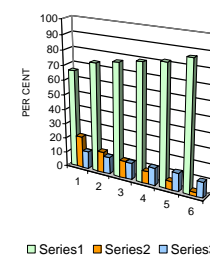
Intake and Enrollment



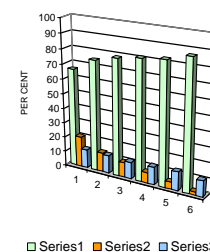
Percentage of Repeaters



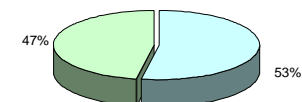
Student Flow Rates (Boys+Girls)



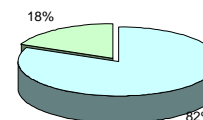
Student Flow Rates (Girls)



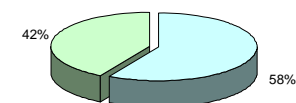
Gender Composition of Students



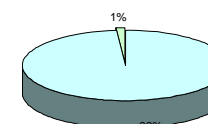
Teaching and Non-Teaching Staff



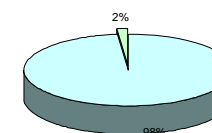
Gender Composition of Teaching Staff



Teachers with and without Pedagogical Training



Teaching Staff and Contract & Community Teachers



APPENDIX E: MEETINGS AND INTERVIEWS LIST OF ORGANIZATIONS AND PERSONS

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Khan Daun Penh
Phnom Penh, Cambodia
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- Vandy Hem, Programs Officer, Economics & Finance
- Sophea Mar, Social Sector Officer

CAMBODIA DEVELOPMENT RESOURCE INSTITUTE (CDRI)

56 St. 315 Tuol Kork, PO Box 622
Phnom Penh, Cambodia
855-23-881-701

- Dr. Keith Carpenter, Research Advisor, Economy and Trade
- Vutha Hing, Research Associate
- Dorina Pon, Research Assistant
- Sok Sina Ph.D., Research Associate, Economy, Trade and Regional Cooperation

CENTRE d'ETUDE et de DEVELOPPEMENT AGRICOLE CAMBODGIEN (CEDAC)

No. 39, St. 528, Sangkat Boeung Kok I
Khan Toul Kork, B.P. 1118
Phnom Penh, Cambodia
855-23-880-916

- Dr. Yang Saing Koma, President

In Prey Veng Province:

- Ma Veasna, Farmer Community Facilitator
- Yim Soksophors, Project Officer

CAMBODIA INDIA ENTREPRENEURSHIP DEVELOPMENT CENTER

Russian Blvd, Toek Thia

Russey Keo

Phnom Penh, Cambodia

855-23-351-377

- Pann Nora, Director
- Madhurjya Kumar Das, Advisor

CATHOLIC RELIEF SERVICES, Cambodia Country Program

#14, Street 278, S/k.Beung Keng Kang 1P.O. Box 493, Phnom Penh

- Gonzalo Solares, Agriculture Program Advisor

DEVELOPMENT ALTERNATIVES, INC.

Room 592, Phnom Penh Center

Corner Street 274/3, Tonle Bassac

Phnom Penh, Cambodia

- Curtis Hundley, Deputy Chief of Party
- Garrett Henning, Chief of Party
- Mr. Hang Narin, Medivet Animal Health, Instructor

DIGITAL DIVIDE DATA

119B, St. 360, Toul Svay Prey

Phnom Penh, Cambodia

855-23-220-843

- Kunthy Kann, General Manager
- Mathew Utterback, Vice President

EQUAL ACCESS

Phnom Penh Center, Bldg. D

6th Floor, Rm. 692

Phnom Penh, Cambodia

855-23-996-828

- Venu Arora, South Asia Project Director
- Tom Elam, Regional Coordinator
- Noun Virakdara, Director of Operations and Finance

FRIENDS INTERNATIONAL

House #9A, Street 178
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- David Harding, Technical Assistance
- Tracey Sprott, Technical Assistant

INTERNATIONAL FINANCE CORPORATION

70 Norodom Blvd
Phnom Penh, Cambodia
PO Box 1115
855-23-210-922

- Than Chee Chung, CFA, Grassroots Business Initiative

INTERNATIONAL LABOUR ORGANIZATION

Workers Education Project
No. 23AB, St. 271, Phsar Deum Tkhov
PO Box 877, Chamkarmon, Phnom Penh, Cambodia
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- Nuon Rithy, National Project Manager

GTZ-GOPA

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No. 65, St. 136
Phsar Kandal II
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- Dr. Joern Rieken, Team Leader

MAHARISHI VEDIC UNIVERSITY

KgCham Branch

- Yean Sambo, Director

MINISTRY OF LABOR AND VOCATIONAL TRAINING

No. 3, Russian Confederation Blvd.

Khan Toul Kork

Phnom Penh, Cambodia

855-012-866-080

- His Excellency Pich Sophean, Secretary of State
- Khin Chantha, Department Director – VTECH
- Khy Sarin, Deputy of Department - VTECH

MINISTRY OF RURAL DEVELOPMENT, SVAY RIENG RURAL DEVELOPMENT DEPARTMENT,

- Mey Lonn, Director

MITH SAMLANH

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Chamkar Mon

Phnom Penh, Kingdom of Cambodia

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- San Sy Than, Director General, NIS, MoP
- Long Chintha, Deputy Director, Demographic Statistics, Census & Surveys Dept.
- Lim Penh, Deputy Director, Department of Census and Surveys
- Lars Soderberg, Advisor, Institutional Capacity Building, Statistics Sweden

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- Tauch Choeun, Deputy Director

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PO Box 614
Phnom Penh, Cambodia
855-23-882-354

- Po Sam Ang, Senior Manager

UNITED STATES EMBASSY & USAID
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Phnom Penh, Cambodia
855-23-728-128

- Donald Coleman, First Secretary
- Roger Carlson, Acting Mission Director
- Reed J. Aeschliman, Director, Office of General Development
- Sieng Heng, Development Assistance Assistant (Education), Office of General Development
- W. Cullen Hughes, Economic Growth and Environment Officer, Office of General Development
- Lynn Losert, Education Development Specialist, Office of General Development
- Samram Tuy, Development Assistance Assistant (Economic Growth and Environment), Office of General Development

VULNERABLE CHILDREN ASSISTANCE ORGANIZATION (VCAO)
Veal Vong Commune, Kampong Cham District
Kampong Cham

- Ith Naroen, Project Coordinator
- Samuth Putitida, Program Manager

WATHNAKPHEAP, Communities Build Cambodia
No 3, St. 323, Toul Kok
Phnom Penh, Cambodia

- Nuy Bora, Director
- Ourk Sokha, Project Manager, Svay Rieng Project

WORLD BANK
113 Norodom Blvd.
Phnom Penh
855-23-213-538/639

- Huot Chea, Economist, Poverty Reduction and Economic Management Unit
East Asia and Pacific Region

WORLD EDUCATION
#37, Street 105
Sangkat Boeung Prolit
Phnom Penh, Cambodia
855-23-216-854

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- Seu Pengkruy, IPM Trainer, Green Health Project
- Keo Yara, Coordinator, Green Health Project
- Chum Thou, Program Manager, HIV/AIDS
- Estelle Day, Program Officer, Child Labor and Trafficking
- Kurt Bredenber, Chief of Party

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PO Box 1185
Phnom Penh, Cambodia
855-23-993-560

- Puong Vuthy, eAcademy Supervisor

YOUTH COUNCIL OF CAMBODIA
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Phnom Penh, Cambodia
855-12-992-401

- Mak Sarath, Deputy Director
- Sok Sibone, Kampong Cham Representative

YOUTH STAR
Phnom Penh Center, Rm. 132
PO Box 171
Phnom Penh, Cambodia
855-12-812-271

- Eva Mysliwec, Co-Director

Appendix F: Bibliography

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Appendix G: Institutional Profiles

<p>Organization: CEDAC (Cambodian Center for Study and Development in Agriculture)</p> <p>Name and Title of Person(s) Interviewed: in Phnom Penh: Dr. Yang Saing Koma, President in Prey Veng: Yim Soksophers, Program Officer Ma Veasna, Farmer Community Facilitator and others</p> <p>Date of Interview: 19, 25 July 2006</p> <p>Address: No. 39, Street 528, Sangkat Boeung Kok I, Khan Toul Kork, BP 1118, Phnom Penh Email: yskoma@online.com.kh</p>
<p>Description: Founded in 1997 with French support, CEDAC works in 1,300 villages in 14 provinces, focusing on agricultural and rural development through family-based agriculture. Fifty thousand families have participated so far in training workshops, peer group work, and information-sharing sessions. CEDAC's mission is to : build capacity of small farmers and farmer organizations; provide family economy and agricultural modernization information; enable consumers to have access to food produced according to ecologically sound farming methods; and support the development of participatory local government.</p>
<p>Facilities: Central office in Phnom Penh, small village-based offices in provinces. CEDAC employs 130 full-time staff, with 70% located in provincial offices and program locations.</p>
<p>Programs: CEDAC's published plan for 2006-2010 focuses on:</p> <ul style="list-style-type: none"> • farmer-led agricultural research and extension • development and support of village-based associations, cooperatives, and networks • creating and supporting community-led savings and credit cooperatives • building capacity among women's groups, young farmers' groups, and other vulnerable groups • collective and cooperative marketing initiatives • support for water user communities <p>building awareness about environment, sanitation, and health issues among rural families</p>
<p>Target Beneficiaries: rural agricultural families and communities willing to consider improving methods and markets</p>
<p>Services: (See above for programs.) Strategies include group formation and facilitation—young farmer's groups, women's groups, high school graduate groups—to set up cooperatives where feasible, to provide technical assistance (extension-style), and access to capital, to markets, to expert technical assistance; all through very local, direct support of rural farmers and their families.</p>
<p>Finances: with funding from ADB, USAID, and other donors, budget is approximately \$1,000,000/year</p>
<p>Comments: CEDAC appears to be highly effective, judging from interviews in Phnom Penh, in most-rural Prey Veng, and from the evidence of a meeting with one "young farmers" group in the province.</p>
<p>Programmatic Possibilities: Consider how CEDAC might partner, working through young farmers groups, with the proposed Youth Opportunity Network initiative. They appear to have significant "reach" into rural communities in many provinces.</p>

Organization: Cambodia India Entrepreneurship Development Centre

Name and Title of Person(s) Interviewed: Mr. Pann Nora, Director; Mr. Kumar Dutta, Advisor

Date of Interview: 18 July 2006

Address: Russian Boulevard, San Kat, Phnom Penh

Email: norapann@hotmail.com

Description: CIEDC is a government entity set up to create and “grow” small and medium enterprises (SMEs) using the “Indian model” of enterprise development. Hence the joint venture. In terms of actual work, CIEDC is effectively only 4 months old.

Facilities: CIEDC is housed in a government complex of new buildings that includes an office and a training center. There is currently one Indian adviser and 3-4 “semi-full-time” trainers. The latter may increase with more demand for the CIEDC courses.

Programs: Currently, a 6-week “new enterprise creation” program consisting of 20 accepted applicants (out of 40+ who took a test and/or were interviewed). Other (planned) programs are short courses on aspects of business planning (finance) and “technical programs” (car-repair garage). Trainers also engage in limited (due to the small number of trainers) post-course, small-business consulting to help entrepreneurs. CIEDC is hoping to set up a certificate program in entrepreneurship.

Target Beneficiaries: Two primary targets: potential entrepreneurs with some access to funds to set a business, and existing SMEs in Phnom Penh. (There are plans to set up in other major areas—Siem Reap and Sihanoukville)

Services: Essentially training and small-business consulting.

Finances: Other than the facilities, CIEDC is supposed to support “entrepreneurial” efforts and to generate income from training programs and consulting in order to sustain itself. India offers technical assistance and materials but no funds. CIEDC plans to tap both the participants and (indirectly) the donor agencies engaged in enterprise development.

Comments: For a Cambodian government entity, CIEDC is a radical experiment in income-generating self-sustainability. Whether it succeeds or will end up seeking government and donor funding remains to be seen. CIEDC is featured in more detail in the SME section of the main text.

Programmatic Possibilities: Potentially a real “center” (or “hub”) for enterprise development. Given the low income levels, linkages with SME donor programs may represent the short-term approach to sustainability.

<p>Organization: Digital Divide Data Name and Title of Person(s) Interviewed: Kunthy Kann, General Manager</p> <p>Date of Interview: 19 July 2006</p> <p>Address: 119, St 360, Tol Svay Prey, Phnom Penh Email: kunthy@digitaldividedata.org</p>
<p>Description: A philanthropic organization that uses the Internet, the English language, and the computer skills of Cambodia's handicapped youth to provide basic information services to US and Canadian corporations. They questioned how technology can help the world's poorest countries and close the information gap, known as the digital divide, that exists between the developed and developing countries. To this end they felt that Cambodia should concentrate on a new strategy to focus on attracting information technology businesses, rather than factories that produce clothing or other goods. With Internet technology and a wide knowledge of English it is possible to do "light computing work" in Cambodia, and create jobs. For their first projects, Digital Divide Data Entry employees type in documents, a simple task that requires only typing skills and a basic knowledge of English. As they progress they take on more sophisticated data entry projects. Until now, information technology in Cambodia has been about the mechanics of bringing information in through the Internet, but with Internet connections that are faster and cheaper, Cambodia is ready to go a step further and bring in income through the Internet.</p>
<p>Facilities: Rent space in Phnom Penh in one building. Space includes office space for administrative and support staff, space for on-site doctor to attend to any health needs of participants, training space for new trainees and on-going training of regular employees, and data entry rooms for ongoing data entry. Presently have two additional offices with one in Battambang, Cambodia and the other in Laos.</p>
<p>Programs: Digital Divide Data focuses on recruiting participants from the ranks of the handicapped. They are given a three-month training program to prepare them for the data entry. This program includes both computer skills and English skills. Once trained the participants work at data entry for half a day. The other half day is devoted to education and training, and they receive a scholarship to augment the education or training of their choice. The idea is that over a period of time (up to four years) the participants will have completed an educational program (often a University degree). At this point they are able to apply for a full-time job and move on from Digital Divide Data thus opening a position for a new participant.</p>
<p>Target Beneficiaries: Young handicapped Cambodians</p>
<p>Services: Training in data entry and English. Provide education opportunities for participants, and pay for them through scholarships. Also provide in house training in business skills, management, resume preparations, etc. Provide health benefits in form of on-site doctor (whom the team met) to address any health needs, as well as health seminars on a variety of topics.</p>
<p>Finances: Data entry business supports ongoing activities. Donor support is used to provide educational scholarships, training, and health benefits.</p>
<p>Comments: Very interesting process of work for half day for pay and then support for educational and training activities for the other half of the day. Once the participants have completed educational activities (often a university degree), they are then encouraged to find work elsewhere thus opening positions for new participants.</p>
<p>Programmatic Possibilities: Possibilities for utilizing this type of system (half day work, half day education and movement into the general labor force) in other programs. Highly effective organization, would make good partner</p>

Organization: Equal Access

Name and Title of Person(s) Interviewed: Venu Arora, South Asia Project Director; Tom Elam, Regional Coordinator; Noun Virakdara

Date of Interview: 19 July, 2006

Address: Phnom Penh Center, Building D, 6th Floor, Rm. 692, Phnom Penh

Email: nvdara@equalaccess.org

Description: Equal Access is a Khmer-language satellite radio service focused on reaching rural areas of Cambodia that have little or no radio coverage. They design locally produced and targeted content and deliver the content via satellite radio. Equal Access addresses a broad range of development issues, such as basic education, HIV/AIDS, better health practices, and livelihoods training. They engage the community by integrating communications with on-the-ground development initiatives through listening groups, facilitated learning, interactive feedback, and evaluation.

Facilities: Offices in Phnom Penh which house production facilities for programs, staff for production, transmission, administration and evaluation. Have satellite transmission facilities.

Programs: Produced first program "Future in Your Hand," which includes 26 half-hour episodes aimed at trafficking prevention, safe migration, and reducing HIV vulnerability. Programs are delivered via satellite radio to radio receivers distributed to the communities. Learning groups are established in each community, with a local community member as a facilitator. The learning group facilitators are trained by Equal Access and are provided materials that they can use to lead discussions. All programs are also audiotaped so that they can be played over and over again in the communities. Learning groups listen to the program and then discuss the program under the guidance of the facilitator. The programs are also broadcast on AM and FM radio for general coverage.

Target Beneficiaries: Primary targets for initial program are young girls and women in 300 remote rural communities with little or no radio coverage in five provinces – Kampong Cham, Kratie, Prey Veng, Battambang and Banteay Meanchey. Secondary target audience will be parents and the community at large.

Services: Program production, program transmission via satellite, AM and FM radio, monitoring and evaluation system. Identification and training of village facilitators in order to facilitate listener club activities and facilitate discussion sessions. In order to do this, facilitators are given training on receiver operation and maintenance, relevant development issues like trafficking prevention, safe migration, and HIV prevention, as well as training on establishing a village program broadcast audio tape library.

Finances: NGO supported by donors such as UN, USAID, and private foundations.

Comments: Has the focus and ability to reach underserved and remote populations. Encourages partnerships with existing organizations and NGOs. Has only just started in Cambodia, with the first programs being broadcast this year. Have evaluation and monitoring procedures in place but too early to assess the impact of the program.

Programmatic Possibilities: Has great potential as a collaborating agency with other NGOs who are working with the same content that they are developing. They would like this collaboration to extend and deepen their outreach efforts, and they are capable of producing programs on a variety of development topics. They are developing agreements with local NGOs to expand their subjects and build capacity in local organizations. Since Equal Access has the capability and equipment to produce and transmit high-quality programming, it could give significant support to ongoing projects, especially in the very remote and underserved areas. A lot of potential here especially in collaboration with others. **Consider as outreach partner for proposed Youth Opportunity Network.**

Organization: International Finance Corporation Grassroots Business Initiative

Name and Title of Person(s) Interviewed: Tharn Chee Chung, CFA, Grassroots Business Initiative

Date of Interview: 20 July 2006

Address: 70 Norodom Blvd. Phnom Penh, Cambodia

Email: ctharn@ifc.org

Description: The Grassroots Business Initiative “aims to support businesses that create economic opportunities for the poor and marginalized.” Grassroots business organizations are socially driven ventures, whether for-profit or not-for-profit, that empower and engage those at the *‘base of the pyramid’* as entrepreneurs, suppliers, consumers, and employees. GBI aims to have a catalytic impact in this emerging sector, building partnerships with like-minded groups and leveraging its position within the World Bank Group. GBI in Cambodia is fairly recent since IFC decided to focus direct assistance to “larger” SMEs—those with loan requirements approaching US\$ 1 million. GBI in Cambodia takes a “wholesaler’s approach”—by assisting NGOs with networks of small businesses.

Facilities: Office building and staff, at the Mekong Private Sector Development Facility (MPDF) in Phnom Penh. Project fielding GBI areas in Cambodia.

Programs: In Cambodia, GBI works with Craft Network, Digital Divide Data, and Hagar. IFC-MPDF also provides industry-level support to tourism, garments, and handicrafts, through training in sound business practices and business planning.

Target Beneficiaries: Large SMEs and the small-scale enterprises partners.

Services: Technical assistance and “patient capital”—long-term, low-interest rate funds.

Finances: GBI is a global project funded by IFC, and its partner organizations can access project-based funds from the World Bank.

Comments: Please refer to the main text for a discussion on the GBI. GBI in Cambodia appears to be almost a fortuitous result of the decision to shift direct assistance to “large” SMEs. Clearly, the “small” SMEs are in greater need of financial as well as technical assistance in growing their enterprises. The GBI indirect approach of using existing NGOs with existing networks of small enterprises appears to be a potentially successful approach—in terms of scalability and replication.

Programmatic Possibilities: USAID’s DAI project utilizes a somewhat similar but more direct approach in terms of building micro-, small, and medium enterprises.

<p>Organization: International Labour Organization</p> <p>Name and Title of Person(s) Interviewed: Nuon Rithy, National Project Manager</p> <p>Date of Interview: July 19, 2006</p> <p>Address: 23AB, Street 271, Phsar Deum Tkow, Phnom Penh Email: rithy_work.ed@online.com.kh</p>
<p>Description: Current focus is on workers' rights and development of trade unions, particularly in the garment industry.</p>
<p>Facilities: As the interviewee noted, ILO has no office in Cambodia, only a liaison "desk," despite a presence as early as 1993. Apart from a rented building and a staff, and funds for experts and projects, facilities appear limited.</p>
<p>Programs: Workers' education (for trade-union development) with other projects in monitoring child labor, women trafficking, HIV-AIDS education, and training for the disabled.</p>
<p>Target Beneficiaries: Primarily the young (women) workers in the garment industry, but with limited beneficiaries in the above-named programs.</p>
<p>Services: Primarily training programs and secondarily project studies.</p>
<p>Finances: ILO support based on annual budget review.</p>
<p>Comments: The meeting was somewhat disappointing since ILO is very active in other developing countries (the Philippines and Indonesia, for example) and undertakes studies and runs surveys with cooperating institutions (in those countries) on youth employment and unemployment, decent/fair wages, etc.</p>
<p>Programmatic Possibilities: According to the interviewee, there is some communication and cooperation with the USAID labor expert. Program linkages may be possible if and when ILO Cambodia adopts the youth "templates" used by ILO in other developing countries.</p>

Organization: Kampuchean Action For Primary Education (KAPE)
Name and Title of Person(s) Interviewed: Kurt Bredenberg, Chief of Party in Kampong Cham

Date of Interview: July 25, 2002

Address: 37, Street 105
Sangkat Boeung Prolit
Phnom Penh

Email: kurt@kapekh.org

Description: KAPE is a local NGO licensed by the Ministry of Interior. Historically, KAPE grew out of the Cambodian Assistance to Primary Education (CAPE), which began in 1996. This was a large national project supported by USAID with the aim to improve instructional quality in all school clusters. This project was disbanded after the political events of 1997. A group of CAPE staff in the Kampong Cham province continued their efforts to develop the cluster school model. They eventually evolved into a local NGO known as KAPE in 1999.

Facilities: Office facilities in Kampong Cham

Programs: KAPE has developed a process that entails considerable reliance on local committees to assess and implement program activities. Following an identification of activities, committees submit their plans to KAPE for review and funding. At the primary level, committees are known as Local Cluster School Committees, and at the secondary level, they are known as Local Scholarship Management Committees. Major program is the Girls Education Initiative (GEI), which is an advocacy program to promote and enhance educational opportunities for Cambodian girls living in rural areas. Initially GEI focused mainly on assisting girls in the formal education system at both the upper primary and lower secondary school level. The program expanded to include upper secondary school level and vocational training courses.

Target Beneficiaries: Disadvantaged girls living in rural areas with little hope of continuing their education after primary school, due mainly to financial reasons.

Services: Scholarship program for girls at the lower secondary schools, upper secondary schools, and vocational training. In the 2004-2005 academic year 2,926 girls received assistance across all sectors.

Finances: Support from The Asia Foundation, World Ed/US Dept. of Labor, Room to Read, and several other donors.

Comments: Amazingly well-organized program that weaves together a complex funding structure with the ability to work side by side with a number of partners to provide a variety of services and scholarship to rural girls.

Programmatic Possibilities: KAPE has the ability to coordinate diverse groups to meet local needs while insuring the participation of the local communities. One example is KAPE negotiating an agreement with local vocational centers (run primarily by women's associations) to provide both training and room and board to prospective beneficiaries. Linkage with these centers provides an example of strong synergy between local community institutions (women's associations) and KAPE. These centers struggle financially to keep their doors open but provide an important service to the local community. KAPE's strategy of working with these centers not only meets a critically important educational need for KAPE students but also provides a key source of support to important community-run institutions. This is but one example of KAPE networking for the benefit of the local community and institutions. Their experience and expertise in this area should be utilized. **Potentially very strong education partner**

Organization: Mith Samlanh (in Kampong Cham)

**Name and Title of Person(s) Interviewed: Kong Sathia, Safe Migration Team Leader
Tracy Sprott, TA Friends International**

Date of Interview: 26 July 2006

Address: Head Office, House 215, Street 13, PO Box 588, Phnom Penh

Email: friends@everyday.com.kh

Description: This project is aiming at reducing the number of children working and/or living on the streets of Kampong Cham. Children at risk, their families, and their communities are identified. Individual specific support is provided in order to solve the problems pushing the children to the streets.

Objectives:

- to reintegrate children into their society (family, school, job, culture, citizenship)
- to prevent children from having to work and/or live on the streets

to build the capacity of the Department of Social Affairs, Veterans and Youth of Kampong Cham Province (DSAVY) staff to run a center for street children and vulnerable youth in Kampong Cham, allowing the children to access recreational, educational and informative activities

Facilities: *Mondol Sabay Center*

The Youth center, named “Mondol Sabay” (Happy Center) by the children, offers a safe space for youth in Kampong Cham. The Center opened in July 2005 and provides adapted services to respond to the effective needs and desires identified and expressed by street children (recreational activities, non-formal education, life-skills). Its aim is to keep children from idleness and from becoming involved in risky behavior such as crime, drug-use, prostitution, and unsafe migration. The center is open during daytime to all children of Kampong Cham.

Programs:

Prevention / Safe migration

Since 2003, Mith Samlanh and the DSAVY have been working on a prevention campaign to prevent trafficking and encourage safe migrations among youth, their communities, and local authorities. Young people (especially females) at risk are identified by Ministry and Mith Samlanh staff in the districts and through a network of referral agents (sellers, motopods, policemen, taxi station managers, etc.) in communities, bus stations, taxi stations, boat ports. Children and youth at risk are supported to access education, vocational training, or different services in their provinces.

Outreach

The Outreach team works directly with children living on the streets and children working on the streets in Kampong Cham. The objective is to maintain close links and provide support to children:—street education, sports, life-skills, problem solving, health care—and to encourage them and their families to find sustainable solutions to leaving street life.

Reintegration

The staff are responsible to facilitate and support children’s reintegration (in their family, community, public school, employment). Support is provided to the family to improve their situation so that their children do not have to return to the streets. All children receive follow-up visits as long as needed after reintegration. Since the start of the project, one of the primary, long-term objectives for the project has been the reintegration of children into public school. Many of the target group, however, have never been to school or have had to drop out of school and so are not at an academic level to join mainstream education. For this reason, Mondol Sabay has set up four non-formal education classes to bring children up to the required level for school reintegration: two in the communities (in the grounds of pagodas), one in the Mondol Sabay Center, and a non-formal education class in Veal Vong Primary School.

Target Beneficiaries: Children working and/or living on the streets of Kampong Cham

Organization: Mith Samlanh (in Kampong Cham)

**Name and Title of Person(s) Interviewed: Kong Sathia, Safe Migration Team Leader
Tracy Sprott, TA Friends International**

Date of Interview: 26 July 2006

Address: Head Office, House 215, Street 13, PO Box 588, Phnom Penh

Email: friends@everyday.com.kh

Services: The team is composed of Mith Samlanh staff, government personnel, and volunteers. The team receives training by Friends-International technical assistant for an initial period of time on working with children and youth and specific skills linked to the activities of the center. Government staff receive additional training in management and administration in order to be able to eventually run the project on their own.

Finances: This project activity is supported by Friends International.

Comments: Mith Samlanh and Friends international also cooperate and coordinate with World Education and KAPE in Kampong Cham. They also work closely with the DSAVY.

Programmatic Possibilities: Excellent program possibilities in Kampong Cham as well as in Phnom Penh. Part of the history of this project was that Friends International noticed a high number of street children arriving from Kampong Cham and in conjunction with Mith Samlanh decided to start this project in the province in order to try to prevent children from migrating to Phnom Penh or, if they are determined to migrate, at least to go through the Safe Migration program. It also gave the Phnom Penh program the ability to send back those children who had migrated to Phnom Penh but who now wanted to return, since they had a place to send them to help with reintegration into the community. The community center has become a focus place where other organizations are able to come and work with youth. While there, a Life Skills class was underway as was a non-formal education literacy class for street children with the goal of increasing their literacy levels so they could return to school. **Consider as partner in Kampong Cham for proposed youth opportunity network.**

<p>Organization: Friends International/Mith Samlanh (Phnom Penh)</p> <p>Name and Title of Person(s) Interviewed: David Harding, Technical Assistant</p> <p>Date of Interview: 21 July 2006</p> <p>Address: #9A, Street 178, Box 597, Phnom Penh</p> <p>Email: david@friends-international.org</p>
<p>Description: Focus on street children with a social reintegration process, including prevention. that works with families of vulnerable children to improve income in order to prevent the children from working on streets. Outreach Teams that work directly on the streets, day and night, with the children living and working on the streets. The Boarding House, situated in the middle of the city, as a place where street children can sleep and receive meals. Transitional home providing safe shelter to former street children during training before their reintegration. Placement team that works to reconcile children with their families.</p>
<p>Facilities: Training Center, Boarding House, Transitional Home, Youth Centers, Education Center</p>
<p>Target Beneficiaries: Street children, vulnerable children</p>
<p>Services: See above.</p>
<p>Finances: Support from donor grants, private donations, Mith Samlanh business totaling over 1.5 million in 2005.</p>
<p>Comments:</p>
<p>Programmatic Possibilities:</p>

Organization: National Institute of Statistics

Name and Title of Person(s) Interviewed: (1) San Sy Than, Director General, NIS, Ministry of Planning; (2) Lim Penh, Deputy Director, Department of Census and Survey, and Assistant to H. E. San Sythan; (3) Lars Soderberg, Advisor ICT (Statistics Sweden)

Date of Interview: 27 July 2006

Address: 386 Monivong Blvd, Sangkat Boeng Keng Kang I, Phnom Penh
Email: sythan@forum.org.kh, limpenh@yahoo.com, larsjohan@km6.se

Description: NIS is the primary government agency involved in undertaking the national census, running “inter-census” surveys, and gathering all statistics on the economy (GDP, population, employment, etc.) .

Facilities: A modest and limited but standard “version” of government statistical agencies in developing countries—headquarters and provincial staff, computers and statistical software, publications unit, Web site, etc.

Programs: Series of census and surveys on households, labor, and employment, at the national and provincial levels.

Target Beneficiaries: Other government agencies, donors, researchers from think tanks and universities, NGOs, and private voluntary organizations—basically, anyone who requires data, since NIS is the primary source for generating and accumulating information.

Services: Limited to publications and “PR meetings”—to announce publication and dissemination of new series for interested parties

Finances: Government-financed entity under the Ministry of Planning. Probably not a high-priority, influential entity in terms of securing added budget. However, donors fund surveys for the NIS to undertake.

Comments: NIS has been criticized for the quality of its output. Please refer to the main text for a discussion on that issue. It is the “only game in town” for a census. However, other private entities, notably CDRI and EIC, do undertake their own surveys and provide more depth and possibly more reliability in portraying the statistical state of Cambodia

Programmatic Possibilities: Program possibilities depend significantly upon the donors. There are several basic ways to improve data-gathering, primarily by training the staff in field work, by further professionalizing analysis, by generating multiple data sources (using different ministries) that can be cross-checked. Please refer to the main text for a discussion on that issue.

<p>Organization: Non-Formal Education Department, MoEYS</p> <p>Name and Title of Person(s) Interviewed: Tauch Choeun, Deputy Director</p> <p>Date of Interview: 31 July 2006</p> <p>Address: #169 Blvd., Norodom Sangkat Boeung Keng Kang 1 Phnom Penh</p> <p>Email: choeuntauch@yahoo.com</p>
<p>Description: The non-formal education program under the Ministry of Education, Youth and Sport is designed to ensure that all children and adults realize their right to a basic education. Non-formal education programs are by their nature targeted towards, and accessed by, the most poor and marginalized groups of society who face difficulties accessing formal education. Facilitating re-entry into the formal system alongside provision of complimentary programs of skills training will better equip Cambodians to participate in social and economic development and is an important means for reducing poverty.</p>
<p>Facilities: Directorate in Phnom Penh, Offices at the Provincial and District level. The ultimate goal is a Community Learning Center in every commune, staffed by a non-formal education teacher.</p>
<p>Programs: The main priority of the program is to focus on re-entry and equivalency programs for out-of-school youth. A key objective is to extend collaboration with other government and non-government actors, including NGOs and civil society, particularly at the community level. Provide a literacy/life-skills program as a means for marginalized and excluded youth and adults to strengthen basic capacities for income generation and agricultural innovation and to focus on life-skills for preventing HIV/AIDS and other health issues. These programs will increasingly be resourced through public/NGO/community partnerships and will need to use flexible strategies for teaching and facilities support.</p>
<p>Target Beneficiaries: The primary target group is students who have dropped out of school less than three years and extremely vulnerable groups (youth and adults) in remote, minority, and border areas.</p>
<p>Services: Education re-entry and equivalency courses. Life-skills and literacy courses. Workshop to benefit communities and their special needs.</p>
<p>Finances: Government financing at a minimal level with the mandate to mobilize non-government contributions from the community, private sector partnerships, and complementary donor and NGO support especially at the literacy/life-skills initiatives.</p>
<p>Comments: A department that is just beginning to be appreciated for its ability to reach out-of-school youth and adults. Is targeted in the Education Sector Support Program 2006-2010 for additional support and capacity building. There is now recognition at the Government level that non-formal education can be a powerful and cost-effective tool for working with out-of-school youth and marginalized youth and adults. There is renewed enthusiasm within the Department to move forward with this new mandate, and it does have strong leadership.</p>
<p>Programmatic Possibilities: One of the rare government agencies with a specific mandate to develop partnerships with the private sector, donors, and NGOs. That, along with its community-based mandate for Community Learning Centers and community-based learning, makes it very attractive. The leadership is anxious to develop these partnerships and thus has the potential to be a positive Government partner.</p>

Organization: RHIYA

Name and Title of Person(s) Interviewed: Lim Tith, Program Officer

Date of Interview: 18 July 2006

Address: UNPF
PO Box 877
No. 225 Street Pasteur
Boeng Keng Kang
Phnom Penh

Email: lim@unfpa.org

Description: The Reproductive Health Initiative for Youth In Asia (RHIYA) in Cambodia supports participatory and innovative approaches to sexual and reproductive health (SRH) of young people. They feel civil society groups and NGOs have an advantage in reaching most vulnerable populations on sensitive issues such as reproductive health, where governments still lack experience. This is why NGOs were chosen as the main executing and implementing partners under RHIYA. Thus they have developed partnerships with 3 European NGOs and 17 Cambodian partner NGOs. Major activities include making youth-friendly information and services available to youth, setting up peer educator workshops, developing messages for healthy behavior change, working to educate the community.

Facilities: An umbrella support unit to facilitate NGO activities with an office at UNFPA

Programs: Under RHIYA umbrella there are a number of programs. What follows is a sample of these programs. CARE provides sexual health knowledge programs to young garment workers as well as giving technical support to the Department of Social Affairs. KHANA designs projects to help NGOs in three provinces to improve their sexual health programs and coordinates the national youth camp and youth forum. Mith Samlanh/Friends receives support to provide sexual reproductive health to street children. RHAC provides youth friendly services at their health clinics in three provinces. These clinics include a youth center where young people can gather. They also work in 16 schools and 60 villages providing health information to in-school and out-of-school youth. Save the Children provides sexual health programs in Phnom Penh and three provinces working directly with young people. They train and support volunteer peer educators to promote life-skills development.

Target Beneficiaries: Youth 10 to 24 years of age with particular targeting to vulnerable youth including migrant workers, street children, sex workers, and youth living in slums and poor rural areas. They have reached 250,000 young people through a variety of interventions, and 1.2 million young people listen to radio shows produced under RHIYA.

Services: Coordinates and supports sexual reproductive health programs of cooperating agencies to ensure synergy and complementarity among them. Includes research, monitoring and evaluation activities, development of materials, facilitating training sessions, workshops, and coordination of meetings. It establishes linkages with government agencies.

Finances: European Union support over three years of 2.8 million dollars with additional funding from UNFPA and other donors.

Comments: Serves as an umbrella organization for a number of NGOs who carry out reproductive health programs. Excellent example of coordinating activities of a number of NGOs to maximize impact.

Programmatic Possibilities: Good model to illustrate how agencies can be coordinated to deliver services and maximize outputs.

<p>Organization: Small Medium Enterprise Cambodia</p> <p>Name and Title of Person(s) Interviewed: Po Sam Ang, Senior Manager</p> <p>Date of Interview: 19 July 2006</p> <p>Address: #92K, Russian Blvd. Toul Kork, Phnom Penh Email: samang@sme.forum.org.kh</p>
<p>Description: SMEC (originally Enterprise Development Cambodia) acts as its name implies.</p>
<p>Facilities: Main building in Battambang, with headquarters in Phnom Penh. Staff shrank from a high of 20-30 (part-time and full-time) in 2004 to a little over a dozen full-time.</p>
<p>Programs: Three major programs—building industry associations through forums, training small enterprises through small group meetings, and promoting renewable rural electrification (a spin-off from an earlier activity of developing small-scale electric-generation entrepreneurs).</p>
<p>Target Beneficiaries: Currently the small firms engaged in rice-milling, brick- and tile-making, handicrafts, noodle-making in northwest Cambodia. At its peak, SMEC had over 100 small firms (the bulk in rice-milling) organized into industry associations.</p>
<p>Services: Due to limited funds, meetings and forums have scaled down, and the focus is on developing the for-profit renewable energy company.</p>
<p>Finances: SMEC is currently struggling financially. Its main fund source (Asia Foundation) dried up, and it is seeking assistance from other donors. It has been forced to become “entrepreneurial” by incorporating a company to promote renewable energy, but the company is not yet profitable.</p>
<p>Comments: SMEC’s areas of differentiation lie in its strong base in northwest Cambodia, around the main city of Battambang, and in its (current) focus on renewable rural-based energy. However, operations have shrunk considerably since its heyday in 2002-2005. Its association-building activities are scaled down, and have not expanded beyond the sectors already in place in 2002. The Siem Reap office already closed down, and it moved from its larger office in Phnom Penh to the current smaller location that acts as the base for seeking donor funds; the office may even shut down. Some staff have left SMEC and are currently working with the USAID Development Alternatives, Inc. project.</p>
<p>Programmatic Possibilities: Program possibilities depend upon the donors. The number of NGOs engaged in SME development is growing, and SMEC is only one of them.</p>

Organization: Vulnerable Children's Assistance Organization (VCAO) Kampong Cham

**Name and Title of Person(s) Interviewed: Ith Narooun, Project Coordinator
Samuth Patitida, Center Manager**

Date of Interview: 26 July 2006

**Address: C48, Group 8, 1st Village
Veal Vong Commune
Kampong Cham Province**

Email: (Narooun) ith@yahoo.com

Description: VCAO works for poor and socially vulnerable children to provide education and life-skills training. VCAO is a local NGO registered since 1994 with an ambition to rescue victimized children who are in difficult situations.

Facilities: The office is based in Phnom Penh with offices and programs in seven provinces.

Programs: In Kampong Cham the focus of the program is child trafficking. They have a Center where they can conduct general workshops as well as take in and help vulnerable children. They provide a 3-day Community Workshop, which is for the community and focuses on prevention. With the community they identify issues around child trafficking, participate in activities, develop action plans to prevent child trafficking. Social workers are available to work with parents and follow up. Through this activity they are able to identify children at risk.

The VCAO Center in Kampong Cham takes in children at risk and provides accommodation, food, clothing, education, counseling, and vocational training. They also provide health services and pay hospital fees where necessary. The education program focuses on integrating the children back into the public school. The main school reintegration program is the literacy program. They also have a literacy program for those older children who will not return to school but who will at least get literacy training. The vocational training includes classes in hair-dressing, cooking, tailoring; agricultural skills including family gardening, poultry raising, and vegetable gardening; and social skills of household management. Those that can return to their family after completing the skills-training. Those that cannot return to their family for a variety of reasons, VCAO helps to find a job so that they have income. The goal is to reintegrate them back into the community.

Target Beneficiaries: Vulnerable children in Kampong Cham.

Services: Vocational training, literacy, workshops.

Finances: Funding from a variety of donors including World Education, Save the Children, Australia Embassy, Assist Japan.

Comments: A good example of a Center operating in a province and coordinating with a variety of NGO activities in the province.

Programmatic Possibilities: Ability to work with a variety of agencies at the provincial level makes them an attractive partner for developing connections with other vocational training activities in the province, as well as for coordinating activities around child trafficking with other agencies (such as Mith Samlanh) to make these interventions even more effective.

Organization: WATHNAKPHEAP Communities Build Cambodia (acronym WP)

**Name and Title of Person(s) Interviewed: Mr. Sokha (in Svay Rieng)
Mr. Nuy Bora (in Phnom Penh)**

Date of Interviews: 26 July 2006 in Svay Rieng, 31 July 2006 in Phnom Penh

Address: No. 3, St. 323, Toul Kok, Phnom Penh, PO Box 90, Kingdom of Cambodia

Email: wmdir@online.com.kh

Description: NGO “furthering community empowerment” through vocational training and SME development—project-based learning—in three provinces of Svay Rieng, Pursat, and Siem Reap. Model is to create small enterprises, empower villages, and make each enterprise self-sufficient after three years.

Facilities: Main office in Phnom Penh, branch (project offices) in all three provinces, projects in 48 villages:
Pursat: 30 Siem Reap: 12 Svay Rieng: 6

Programs: Non-formal and literacy education, micro-financial services, vocational training through small enterprises, including restaurant and restaurant training, Kot matt-weaving, furniture manufacture (bamboo), and silk scarf manufacture. Marketing outlets in Phnom Penh, Siem Reap, and wholesale.

Target Beneficiaries: Children and women in targeted communities. They perceive goals as community empowerment and prevention of trafficking.

Services: Vary by Province: *Pursat* more emphasis on pre-school and non-formal education, serving more than 2,000 in 2005; *Svay Rieng* (300 + in all), smaller numbers in education, more emphasis on manufacturing program in furniture and matt-weaving and in services (cooking, ice cream making, bookkeeping, and office reception and customer service); *Siem Reap* smallest numbers (198 in 2005) involved in community development projects such as well-drilling and food security, and in souvenir-making (rattan and matt-weaving, silk scarf manufacture). In each village WP sponsors a “social fund committee” with village leadership to manage micro-finance investments in enterprises.

Finances: Total funding 2005: \$293,920. 2005 was last year of funding from SKIP, though there are funds carried over into 2006. They have raised new funds from The Asia Foundation, Canada Fund and ILO/IPEC, smaller amounts from other funders. Was originally bankrolled by SKIP and by Pestalozzi Children Foundation, funding expiring in 2006. Seeking greater diversity in funding, with some success.

Comments: Apparently very effective “on the ground,” judging from site visit in Svay Rieng and later executive meeting in Phnom Penh. Leadership appears very strong and inspired, and apparently has ability to be tough, judging from local leadership change six months ago in Svay Rieng Province, where finances had gone astray. A handful of local enterprises appear to have reach marginal self-sufficiency, target of three years likely over-optimistic.

Programmatic Possibilities: **Should be considered as partner in any strategy that focuses on NGO partners building (micro) SME’s, especially in provinces where they have programs.**

Organization: World Education

Name and Title of Person(s) Interviewed: Ingrid Martonova, OPTIONS
Seu Pengkrui, IPM Trainer, Green Health Project
Keo Yara, Coordinator, Green Health Project
Chum Thou, Program Manager HIV/AIDS

Date of Interview: 21 July 2006

Address:

#37, Street 105

Sangkat Boeung Prolit

Phnom Penh

Email: Worlded.options@online.com.kh

Description: World Education has been an international NGO in Cambodia since 1991. Focuses on basic education, HIV/AIDS, Integrated Pest Management, and services to vulnerable children, as well as a Cambodian living arts program.

Facilities: Has central office in Phnom Penh and regional offices in provinces they work in with both international and local staff in all offices.

Programs: The HIV/AIDS project supports district teams to address health issues. Street children project in Phnom Penh, which runs a 12-week program giving health information and life-skills training. With the Ministry of Education in 18 provinces, provide a 5-day training course to Teacher Trainers with primary focus on health issues as well as improved teaching skills training. Also do life-skill training in 16 districts at the secondary and primary school levels; this training is for teachers to improve their ability to teach the life-skills curriculum and after training provide follow up support to teachers in the school. The Green Health Project focuses on integrated pest management (IPM) activities at the primary school (fifth and sixth grades) in vegetable and rice growing. They connect with the Ministry of Agriculture to teach IPM methodology (there is a National IPM Policy) through IPM field schools where students can learn to grow crops using the methodology. The OPTIONS program has a number of activities, including work with children who are or might be high-risk for trafficking. Supporting scholarship program for high-risk girls. Targeted curriculum enhancement, which includes IPM, HIV/AIDS issues. They also work with the Ministry of Education on developing local life-skills curriculum for use in the local schools. They have a "My Better Future" program which is an action research project where they work with girls to explore different potential opportunities for work at the village level so they can make a more informed choice. In this 18-month program they also provide literacy, numeracy, and select life-skills that can be used immediately for jobs.

Target Beneficiaries: Wide range of beneficiaries from most vulnerable children, to children in school, to teachers and administrators, as well as ministries.

Services: Training, scholarships, curriculum enhancement.

Finances: Funded by grants from donors including USAID and US Department of Labor.

Comments: Very good and well-organized NGO with a wide range of activities in Cambodia. Has programs in Kampong Cham, Kratie, Prey Veng, and Svay Rieng.

Programmatic Possibilities: Does work in cooperation with many organizations and NGOs in the four provinces and would be able both to deliver programs and to support the future activities, because of their strong presence and proven track record.

<p>Organization: Yejj eAcademy</p> <p>Name and Title of Person(s) Interviewed: Phuong Vuthy</p> <p>Date of Interview: 21 July 2006</p> <p>Address: #92A, St. 432, Toul Tom Pong, Box 1185 Phnom Penh</p> <p>Email: training@vej.com</p>
<p>Description: Yejj is a business providing professional information technology training. It is the regional academy for Cisco in Cambodia.</p>
<p>Facilities: Well-equipped computer classrooms for computer training.</p>
<p>Programs: Major program is Cisco network training program, using Cisco network systems such as PC hardware and software, network operating systems, networking basics, as well as applied office skills.</p>
<p>Target Beneficiaries: People who want practical, technical introduction to the field of networking.</p>
<p>Services: Trainers who train students.</p>
<p>Finances: Students pay for courses. Some scholarship but only partial. Expensive: US\$ 800 for full course.</p>
<p>Comments: Basically, businesses send students whose skills they want to upgrade.</p>
<p>Programmatic Possibilities: No real possibilities for services to targeted youth, though it is good to be aware of them as they seem quite effective at a high level.</p>

Organization: Youth Council of Cambodia

Name and Title of Person(s) Interviewed: Mak Sarath, Deputy Director

Date of Interview: 18 July 2006

Address: 112B, St. 173, Sangkat Tuol Svay Prey

Description: YCC was founded in 2001 to promote active participation of youth in strengthening democracy. Its mission is to foster greater participation of youth in the development of Cambodia and provide a voice for young Cambodians. YCC attempts to bring youth issues to the attention of the greater society and build youth networks and activities countrywide.

Facilities: YCC has a headquarters office in Phnom Penh with one program coordinator and five program officers. YCC has a provincial officer and an assistant in nine provinces to manage program implementation in those provinces.

Programs: YCC educational programs include Advanced Democracy Seminars to encourage participation in politics by youth and a Living Democracy course that encourages democratic values and practices for youth. Its Advocacy and Networking Program includes political party lobbying, youth network building, and legislative monitoring. YCC also has a weekly radio program that shares information about legislators, government, and political party activities, especially those that effect youth. YCC produces a Monthly Newsletter giving reports and articles on political activities as they relate to youth. YCC also produces a Quarterly Bulletin. YCC also provides an HIV/AIDS awareness course for age 15 to 24 youth in six communities in Phnom Penh.

Target Beneficiaries: All youth 15 to 24.

Services: Training programs, radio programs, newsletters for youth.

Finances: Support from a variety of donors including USAID

Comments: A start at a national youth organization focused mostly on getting youth involved in the political process. Positive in that respect; it was very helpful in setting up a youth focus group in Phnom Penh and also in Kampong Cham province, so people do have good contacts with youth.

Programmatic Possibilities: Could potentially become an organization that would be able to develop a large youth network. Could be a very good source for youth information and collecting data on youth as it develops into a truly national organization. If it received help in learning how to organize itself to collect relevant data on youth issues and feed it back to the communities, government, and politicians, it could become a very important organization as the youth population continues to grow rapidly and to develop a voice that needs to be heard. **Consider as partner for the proposed youth opportunity network.**

<p>Organization: Youth Star</p> <p>Name and Title of Person(s) Interviewed: Eva, Co-Director</p> <p>Date of Interview: 21 July 2006</p> <p>Address: Phnom Penh Center, Room 132 PO Box 171 Phnom Penh</p> <p>Email: eva@youthstarcambodia.org</p>
<p>Description: One-year-old organization, which sends youth volunteers into the provinces to do development work for one year (similar to Americorps idea). The youth that volunteer are University graduates, most likely to be those interested in leadership. Youth Star identifies volunteers, trains them, and places them in rural areas. Focus is on HIV/AIDS, trafficking, and education support for youth.</p>
<p>Facilities: Offices and training facilities in Phnom Penh. Central staff travel to volunteer sites to give support.</p>
<p>Programs: Youth Star has training program for volunteers that includes one-month pre-departure training to prepare them for the field, then in the field for three months, one week back for more training, and this process is continued for entire year. Volunteers focus on developing youth groups in their villages to explore issues of health, basic business literacy, education, small business development, and any other activity that seems appropriate for their individual communities.</p>
<p>Target Beneficiaries: Youth Volunteers who will develop self-confidence, values, volunteer ethic, leadership skills, etc. Youth of the villages they work in by providing health, education, business skills, etc.</p>
<p>Services: Training for youth volunteers. Monitoring and evaluation of activities. Practical training to youth.</p>
<p>Finances: Supported by donor funds.</p>
<p>Comments: Just beginning, has not yet had one group go through a year cycle. Will not be until next year that we will be able to evaluate the successes and problems of volunteerism in Cambodia.</p>
<p>Programmatic Possibilities: Has a great deal of potential since this could be a strong Cambodian volunteer organization that would be able to interface with both government and NGOs in the field, thus leveraging activities that are already in place at the local level. They are interested in working with all agencies to promote local development. Consider how provincial and city-based versions of the proposed youth opportunity network might be volunteer placements for Youth Star volunteers.</p>