

## **SUMMARY AND CONCLUSION**

This report is concerned with economic activity and employment. The economically active population who actually participates or attempts to participate in the labour market supports the economy of a country. The quantity and the quality of the economically active population influence its economic and social development. The main objective of this analysis is to find out the characteristics of the economically active and inactive populations of Cambodia.

This report consists of five chapters. Chapter 1 overviews the usual economic activity of the population in Cambodia; Chapter 2 describes the job characteristics of the employed population; and Chapter 3 shows the secondary economic activity of the population that was investigated for the first time in Cambodia in GPCC 2008, and repeated in CIPS 2013. Chapter 4 and Chapter 5 focus on the economic activity of children, youths, and women.

### **Chapter 1**

During the five years from 2008 to 2013, the population aged 15 and over in Cambodia increased from 8.9 million to 10.4 million, and the economically active population increased from 7.0 million to 8.3 million.

The economically active rate of the population aged 15 years and over increased from 78.3 % to 79.8 % during the five years, and the unemployment rate increased from 1.6 % to 2.4 % during this period.

There are great differences between urban and rural areas in characteristics of the economically active population (labour force). Rural areas have much more economically active population than urban areas (6.6 million vs. 1.7 million), and the economically active rate is much higher in rural areas than in urban areas (82.4 % vs. 70.9 %). This phenomenon is clearer for females than for males.

The economically inactive population is 2.1 million increasing by 0.4 million (8.7 %) during the five years, where the increase rate is lower than that of the total population (16.6 %) or the economically active population (18.8 %). The greatest proportion of functional categories that the economically inactive population performs is students both in 2008 and 2013 (1.0 million and 1.1 million, respectively). The proportion of students is lower in 2013 than 2008 (51.3 % vs. 52.8 %), recording a slight decrease after a large increase of 16.5 points from 1998 to 2008.

The literacy rate and the educational level of the employed population aged 15 and over have been making a great progress since 1998. People who are not educated or not completed primary school occupied approximately 60 % of the employed population in 1998. The proportion decreased to 43.2 % in 2008, and further decreased to 35.1% in 2013. On the other hand, the proportion of people who completed lower secondary school or higher education increased from 21.4 % in 2008 to 29.5 % in 2013. The gender difference in educational level is narrowing.

## **Chapter 2**

The main employment status of the employed population aged 15 and over is 'Own account workers' and 'Unpaid family workers' (39.7 % and 37.9 % in 2013). Most of 'Own account workers' and 'Unpaid family workers' engage in 'Agriculture, forestry and fishing'. 'Paid employees' are much more common in urban areas than in rural areas (51.8 % vs. 9.7 %).

Most of the employed population is working in 'Agriculture, forestry and fishing' (64.2 %). The second popular industry is 'Wholesale, retail trade etc.' (10.1 %), followed by 'Manufacturing' (8.1 %) in 2013. Employed females are more likely to be engaged in 'Agriculture, forestry and fishing', 'Wholesale, retail trade etc.', 'Manufacturing', and 'Hotels and restaurants', while employed males are more often engaged in 'Other services', 'Construction', and 'Transportation and storage'.

In rural areas, the employed persons aged 15 and over concentrate on 'Agriculture, forestry and fishing' (76.8 %), while in urban areas, the biggest proportion of the employed population is recorded by 'Wholesale, retail trade etc.' (26.9 %) followed by 'Agriculture, forestry and fishing' (13.4 %) and 'Manufacturing' (11.6 %).

Almost all of employed persons in 'Agriculture, forestry and fishing' is engaged in 'Crop and animal production, hunting and related service' in 2008 and 2013. In 2013, 73.7 % of the employed population in 'Manufacturing' is engaged in 'Wearing apparel'. It was 35.0 % in 1998. Most of employed people engaged in 'Wearing apparel' are 'Paid employees' and females, especially young females.

In rural areas, the proportion of employed persons aged 15 and over who are engaged as 'Skilled agricultural workers' is 74.5 %, while in urban areas, the proportion is only 12.8 %. The occupation with the highest proportion in urban areas is 'Services and sales workers' (28.9 %) followed by 'Craft and related workers' (22.0 %).

There are significant gender differences in the relationship between industry and employment status. Males engaged in 'Agriculture, forestry and fishing' tend to be 'Own account workers' (63.0 %), but the female counterparts tend to be 'Unpaid family workers' (72.0 %). On the other hand, female 'Paid employees' engaged in 'Manufacturing' are more common than the male counterparts.

As for the relationship between educational level and occupation, the proportion of employed population working as 'Skilled agricultural, forestry and fishery workers' decreases as their educational level goes up.

In employed persons with 'Above Lower Secondary' education, 'Service and sales workers' have the largest share of 22.0%, followed by 'Professionals' (21.8%), 'Clerical support workers' (17.1%), 'Technicians and associate professionals' (7.4%), 'Skilled agricultural, forestry and fishery workers' (16.0%), and 'Craft and related workers' (8.9%). It should be noted that the first four occupational divisions placed in the ISCO list gain shares as the educational level goes up to 'Above Lower Secondary', which indicates that these occupations require educational levels of lower secondary education or higher.

### **Chapter 3**

37.9 % of the population aged 15 and over has a ‘Secondary economic activity’. By main activity status, 42.4 % of employed persons, 39.3 % of unemployed persons and 14.7 % of economically inactive persons have a ‘Secondary economic activity’.

As for the economically inactive population, the highest functional category in terms of proportion of females having a ‘Secondary economic activity’ in the total population is recorded by ‘Students’ (26.9%), followed by ‘Home makers’ (19.5%). For these two categories, the youngest 15-19 age group has the highest proportion of having a ‘Secondary economic activity’.

There are distinct urban/rural differences in the likelihood of having a ‘Secondary economic activity’. For the employed persons, the proportion in urban areas is very small (12.2%) compared with that in rural areas (49.8%). Likewise, the proportion of unemployed or economically inactive persons in urban areas having a ‘Secondary economic activity’ is much lower than that in rural areas (12.6% vs. 45.9% for unemployed persons, and 7.5% vs. 27.0% for economically inactive persons).

### **Chapter 4**

#### **(Children)**

The number of economically active children decreased by 26 thousand from 98 thousand of 2008 to 72 thousand of 2013, and the economically active rate of children decreased by 0.7 percentage points from 3.1 % to 2.4 %. The deduction in child labour was achieved in number and in proportion during the five years from 2008 to 2013.

As for gender differences, the number of female economically active children exceeded that of males in 1998, became nearly equal to it in 2008, and fell below it in 2013. Reflecting this trend, the economically active rate of female children was above that of male children (2.8% vs. 1.9%) in 1998, continued to be above it (3.2% vs. 3.0%) in 2008, and became equal to it (both 2.4%). The growth of girls’ school attendance may have contributed to this phenomenon.

Most of economically inactive children are students. The proportion of students greatly increased, recording 51.8%, 72.8% and 78.3% in 1998, 2008 and 2013, respectively. On the contrary, the proportion of dependents and others fell, recording 45.5%, 23.8% and 19.0% for 1998, 2008 and 2013, respectively. Such tendencies are observed regardless of age and sex.

On the whole, around one out of ten children (315 thousand out of 3.02 million) has a secondary activity. The proportion increases in general, as age goes up, and at the age of 14, 23.0% of children have a secondary economic activity.

As for school attendance of employed children, in number, they decreased for all ages from 2008 to 2013. In proportion, ‘Never attended’ and ‘Attended in the past’ increased for most ages from 2008 to 2013, while ‘Attending now’ decreased as a whole. This may mean that children attending school become less employed, or are more devoted to schooling in 2013 compared with 2008.

**(Youths)**

In 1998, there were 2.1 million youths (aged 15 to 24) in Cambodia. Ten years later, they increased to 3.0 million in 2008, and further increased to 3.2 million in 2013.

The economically active rate of the population 15 years and over is an upward trend in Cambodia, marking 77.0%, 78.3% and 79.8% in 1998, 2008 and 2013, respectively. The unemployment rate decreased during the 15 years from 5.3% in 1998 to 1.9% in 2013.

A person changes his/her employment status in his/her youth and in subsequent ten years. Most of employed youths aged 15 to 19 are working as 'Unpaid family workers' (64.4% in 2013). But, the proportion of unpaid family workers decreases sharply as their age goes up. It should be noted that this tendency is very sharp for males, but gentle for females.

The educational level improved during the five years from 2008 to 2013: the proportion of the economically active population with Lower Secondary and above rose from 19.2% to 29.5%. In 1998, this proportion was merely 10.0%. The level of female education is still behind that of males: 27.3% vs. 31.3% in 2013.

As for school attendance, the proportion of employed youths who have 'Never attended school' decreased from 17.8% to 13.6% from 2008 to 2013 after having greatly decreased from 1998 (30.3%). The proportion of employed youths who are 'Attending school now' decreased to only 1.7% in 2013 from 2008 (2.8%). It seems that employed youths are getting fewer while attending school more

The number of the population aged 15-24 having a secondary economic activity is 1.1 million. Regardless of sex, the higher their age is, the higher the proportion of youths who have a secondary economic activity is. The proportion of youths having a secondary economic activity is 34.2%. The proportion is 38.8% for employed youths, 38.7% for unemployed youths, and 26.7% for economically inactive youths.

**Chapter 5**

'Never married' females aged 15 and over, who are thought to have less family responsibility than 'Married' females increased in proportion from 2008 to 2013 across all age groups. In urban areas 68.2% of females aged 20-24 have never been married, and 38.1% of females aged 25-29 have never been married, either. In contrast, in rural areas, the proportion of 'Never married' females aged 20-24 falls to 46.4%, and 'Never married women aged 25-29 falls to just 20.2%. The urban/rural difference becomes moderate after late 30s.

The employment rate of females in 1998 was 47.7%. Ten years later, it became 57.0% and reaches 59.3% in 2013. The employment rate decreased for 'Married' and 'Widowed', but the number of employed females increased for all marital statuses.

The proportion of women working in the agricultural sector decreased from 83.1% in 1998 to 75.1% in 2008, and to 66.3% in 2013. On the other hand, 'Wholesale and retail trade and repair of motor cycle, etc.' 'Manufacturing' and 'Other services' gained in proportion to reach 12.7%, 10.3% and 6.2% respectively.

By marital status, 'Never married' employed females are most employed in 'Manufacturing', while

## *Summary and Conclusion*

other marital status females are most employed in ‘Wholesale and retail trade and repair of motor cycle, etc.’, besides in the agricultural sector.

By occupation, ‘Skilled agricultural, forestry and fishery workers’ is the most popular occupation regardless of marital status, but the proportion of ‘Never married’ females working as ‘Skilled agricultural, forestry and fishery workers’ is about 19 percentage points lower than that of ‘Married’ or ‘Widowed’. The second most popular occupation among employed females is ‘Service and sales workers’, and the third is ‘Craft and related workers’. The proportion of ‘Service and sales workers’ does not seem to be affected very much by employed females’ marital status, but it should be noted that the proportion for ‘Craft and related workers’ is the second highest for ‘Never married’ females.

The female heads of households amount to 875 thousands (187 thousand in urban areas 689 thousand in rural areas). The proportion of females being heads of household is a little higher in rural areas than in urban areas (16.3% vs. 15.1%). Also, in rural areas, the proportion of females being a spouse is higher than in urban areas (43.1% vs. 36.2%). As a consequence, the proportion of females being ‘Child and others’ is higher in urban areas than in rural areas (46.7% vs. 38.3%).

The number of economically active female heads of household increased from 619 thousand in 2008 to 737 thousand in 2013. But, their economically active rate decreased from 86.2% in 2008 to 84.2% in 2013. These rates are higher than those of the total females for both GPCC 2008 and CIPS 2013 (76.0% vs. 76.7%).

By employment status, firstly, almost all female heads of household are own account workers or paid employees, and almost none are unpaid family workers. Secondly, the proportion of female household heads working as own account workers is very high, and higher than that of male household heads (86.5% vs. 79.5%), while the proportion of female household heads working as paid employees is not very small, but smaller than that of the male counterparts (12.6% vs. 19.6%).

The economically active rate of females with no child is smaller than those having children. On the other hand, the economically active rate decreases as the number of children females own increases regardless of urban and rural areas. Another noteworthy feature of female economic active participation is that on the whole, the economically active rate of urban females is lower than that of rural females. In addition, the rate of urban females with children is much lower than that of rural females with children,

## **Conclusion**

If we could conclude rather diversified analyses made so far, we might say as follows:

- 64.2 % of the total employed population are engaged in ‘Agriculture, forestry and fishing’ in Cambodia. By sex, this proportion is 62.1 % for males and 66.3 % for females. By urban/rural areas, it is 13.4 % for urban areas and 76.8 % for rural areas. In urban areas, the biggest proportion of the employed population is recorded by ‘Wholesale, retail trade etc.’ followed by ‘Agriculture, forestry and fishing’, and ‘Manufacturing’ (11.6 %). ‘Manufacturing’ industry has been developing in Cambodia, but ‘Agriculture, forestry and fishing’ is still dominant in Cambodia.
- 50 % of the employed population aged 15 and over in rural areas has a ‘Secondary Economic Activity’. It indicates that, in rural areas, there are many employed persons whose main economic activity might not fulfill their working-time and their ability, and whose income from main

### *Summary and Conclusion*

economic activity might not be enough to maintain their life. On the other hand, in urban areas, the proportion is low: 12% both on average. Phnom Penh is not peculiar regarding this proportion.

- Child labour decreased in number and in proportion during the five years of 2008-2013. GPCC/CIPS does not provide data of children's working hours, nor defines main activities by harmfulness etc. This deduction in child labour should be appreciated on the one hand, but this issue should be monitored using proper information on the other hand.
- Most of youths in Cambodia start their working life as 'Unpaid family workers', then, they shift their economic status. The unemployment rate is the highest for youths aged 15-19. The unemployment rate is higher for more educated youths than for less educated youths. The development of industries and labour market policies in which higher educated youths are able to exert their ability are required for youths and for the future of Cambodia.
- Women's economic activity is found to be very much affected by whether they are household heads or not, and by the number of children they own. The great difference in females' economic active rates between urban and rural areas may come from the difference in the industrial structure and job opportunities and from the income disparity between urban and rural areas. Therefore, the effects of the social and economic development plans currently being implemented need to be evaluated or reviewed based on these statistics as much and as often as possible.