

# CAMBODIA

The ILO Work4Youth project worked with the National Institute of Statistics (NIS) to implement two rounds of the School-to-work transition survey (SWTS) in 2012 and 2014 (July-August, both rounds). The results of the first survey were published in Heang Kanol, Khieu Khemarin and Sara Elder (2013): *Labour market transitions of young women and men in Cambodia*, Work4Youth Publication Series No. 2 (Geneva, ILO) and the second survey in National Institute of Statistics (2015): *Labour market transitions of young women and men in Cambodia 2014* (Phnom Penh, NIS). The objective of this country note is to offer a general summary of youth labour market trends in Cambodia based on the SWTS. Youth is defined as 15–29.

## Main findings of the ILO SWTS

### *Human capital and mismatch*

- Most of the surveyed youth had attended school or a training programme at some point in their lives (97.2 per cent in 2014). About one-quarter of the youth population (27.8 per cent) while 16.3 per cent were currently enrolled in school in 2014 and a disturbingly large share (53.1 per cent) had some schooling but left before graduation. Young women were more likely to drop out of school early than young men.
- SWTS results showed a strong correlation between the levels of education and a young person's labour market transition: a young person with a tertiary education needed on average 1.7 months to complete the transition to a first stable and/or satisfactory employment while youth with secondary or primary education needed longer (4.1 and 8.8 months, respectively).
- A large share of employed youth in Cambodia were undereducated for the job they were doing (44.5 per cent in 2014). A much smaller fraction was overeducated (5.6 per cent), and half of respondents were classified as adequately qualified for their occupation (49.8 per cent).
- Half of surveyed youth (50.2 per cent) stated a preference for work in the government/public sector. While the attraction of public sector employment is understandable given concerns with job security, the ability of the sector to absorb a significant number of young workers is limited.

### *Underutilization of the youth labour potential remains a top concern*

- The youth labour underutilization rate was high in both rounds and was essentially composed of youth who were irregularly employed: it increased from 64.2 per cent in 2012 to 69.0 per cent in 2014. In 2014, the share of underutilized labour potential consisted of 60 per cent of the youth population in irregular employment (either in self-employment or paid employment with contract duration less than 12 months), 3.3 per cent unemployed and 5.7 per cent inactive non-students.

The ILO **School-to-work transitions surveys (SWTS)** are implemented as an outcome of the Work4Youth (W4Y) project, a partnership between the ILO and The MasterCard Foundation. The project has a budget of US\$14.6 million and will run for five years to mid-2016. Its aim is to “promote decent work opportunities for young men and women through knowledge and action”. The immediate objective of the partnership is to produce more and better labour market information specific to youth in developing countries, focusing in particular on transition paths to the labour market.

See the website [www.ilo.org/w4y](http://www.ilo.org/w4y) for more information.

- The youth unemployment rate (strict definition)<sup>1</sup> is low by international standards, although it increased slightly from 2.1 to 2.4 per cent between 2012 and 2014. As a comparison, the estimated youth unemployment rate South-Eastern Asia & the Pacific stood at 12.4 per cent in 2014.<sup>2</sup> There is no significant difference between unemployment rates of young men and women.
- The unemployment rate of youth increased with the level of educational attainment. The rate of university-educated youth was 7.3 per cent, compared to 2.4 per cent for youth with general secondary education and 1.6 per cent for youth with only primary education.
- The duration of unemployment is comparatively short. Only one in six unemployed youth (15.9 per cent) had been looking for work longer than one year in 2014 (down from 16.8 per cent in 2012).
- The share of youth neither in employment nor in education or training (NEETs) in Cambodia decreased slightly between 2012 and 2014 from 8.7 to 7.9 per cent.

#### *Low quality jobs remain a strong hindrance to the country's productive transformation*

- More than four out of five youth (83.1 per cent) in Cambodia were employed in 2014, a significant increase from 74.1 per cent in 2012. Young men were slightly more likely to work than young women (employment ratios in 2014 were 86.9 and 80.1 per cent, respectively).
- Two-thirds of employed youth remained in vulnerable employment as own-account workers (16.3 per cent) or unpaid family workers (50.8 per cent). At the same time, more than half (52.7 per cent) of youth in paid employment were engaged without a written contract.
- Agriculture remained the dominant sector in Cambodia, absorbing 47.1 per cent of employed youth in 2014. The services sector was the second largest employer with 30.8 per cent of the youth workforce. Young men and women were equally likely to work in industry (21.4 and 22.7 per cent, respectively), but young women are slightly more likely to work in services (33.3 and 27.8 per cent, respectively).
- Informal employment affected practically all young workers in Cambodia, although the share of informal employment in total employment decreased from 98.3 per cent in 2012 to 95.5 per cent in 2014.
- Part-time work was common, with 32.8 per cent of young workers working less than 30 hours per week. However, excessively long hours (more than 48 hours per week) are even more common, concerning 37.4 per cent of young workers in 2014.

## Selection of data tables

**Table 1. Youth population by educational status and sex, 2012 and 2014 (%)**

Educational status	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Never attended school	2.6	2.8	2.1	2.1	3.0	3.4
Dropped out before graduation or completion of school	53.4	53.1	51.1	49.1	55.3	56.1
Currently attending school	33.3	27.8	35.7	32.6	31.3	24.0
Education completed	10.7	16.3	11.1	16.2	10.4	16.4
Total	100	100	100	100	100	100

<sup>1</sup> The “strict” definition of unemployment refers to persons without work, available to work and actively engaged in a job search. The “broad” definition excludes the job search criteria. The youth unemployment rate is the number of unemployed persons divided by the youth labour force (employed plus unemployed).

<sup>2</sup> ILO, *World Employment and Social Outlook: Trends for Youth 2016* (Geneva). Note, the regional figure covers youth aged 15–24 while the data on the SWTS refer to youth aged 15–29. The youth unemployment rate in Cambodia for the age range 15–24 was 2.8 per cent in 2014 based on the SWTS.

**Table 2. Key youth labour market indicators – traditional distribution by sex, 2012 and 2014 (%)**

	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Employed	74.1	83.1	76.1	86.9	72.3	80.1
Unemployed	1.6	2.1	1.7	2.1	1.6	2.0
Inactive	24.3	14.9	22.2	11.0	26.1	17.8
Total youth population	100	100	100	100	100	100
Youth labour force participation rate	75.7	85.1	77.8	89.0	73.9	82.2
Youth unemployment rate (strict definition)	2.1	2.4	2.1	2.4	2.1	2.5

**Table 3. Key youth labour market indicators – alternative distribution by sex, 2012 and 2014 (%)**

	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
In regular employment	19.5	23.1	21.3	26.3	18.0	20.5
In irregular employment	54.5	60.0	54.8	60.6	54.3	59.6
Unemployed (broad definition)	2.9	3.3	2.6	2.9	3.1	3.6
Inactive students	16.3	8.0	18.0	8.4	14.9	7.6
Inactive non-students	6.7	5.7	3.2	1.8	9.7	8.7
Total youth population	100	100	100	100	100	100
Youth labour force participation rate (broad definition)	77.0	86.4	78.8	89.8	75.5	83.7
Youth unemployment rate (broad definition)	3.8	3.8	3.3	3.3	4.1	4.3
Youth labour underutilization rate	64.2	69.0	60.6	65.3	67.1	71.9

**Table 4. Youth neither in employment nor in education or training (NEETs) by sex and composition, 2012 and 2014 (%)**

Sex	2012			2014		
	NEET rate	of which:		NEET rate	of which:	
		Inactive non-students	Unemployed non-students		Inactive non-students	Unemployed non-students
Total	8.7	7.6	1.1	7.9	6.4	1.5
Male	4.8	3.7	1.1	3.5	2.3	1.2
Female	11.9	10.8	1.1	11.3	9.6	1.7

**Table 5. Employed youth by status in employment and sex, 2012 and 2014 (%)**

Status in employment	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Wage and salaried workers (employees)	34.4	32.5	38.2	34.3	31.0	31.1
Employers	1.3	0.4	1.2	0.6	1.4	0.1
Own-account workers	17.6	16.3	15.6	14.7	19.3	17.7
Contributing (unpaid) family workers	46.8	50.8	45.0	50.3	48.3	51.2
Total employed youth	100	100	100	100	100	100

**Table 6. Young wage and salaried workers by type of contract and sex, 2012 and 2014 (%)**

Type of contract	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Written agreement	31.4	47.3	28.7	34.9	34.3	58.9
Oral agreement	68.6	52.7	71.3	65.1	65.7	41.1
Unlimited duration	58.6	73.1	57.0	76.0	60.2	70.5
Limited duration	41.4	26.9	43.0	24.0	39.8	29.5
<i>Of which:</i>						
– Less than 12 months	65.3	58.9	69.2	56.6	60.7	60.6
– 12 months to less than 36 months	19.1	17.0	14.5	16.2	24.4	17.7
– 36 months or more	15.6	24.1	16.3	27.2	14.9	21.7
Total young wage and salaried workers	100	100	100	100	100	100

**Table 7. Distribution of youth employment by sector, aggregate and 1-digit level, and sex, 2012 and 2014 (%)**

Sector	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
<b>Agriculture</b>	50.0	47.1	52.1	50.7	48.1	44.1
<b>Industry</b>	16.2	22.1	17.6	21.4	14.9	22.7
<b>Services</b>	33.9	30.8	30.3	27.8	37.0	33.3
Agriculture, forestry and fishing	50.0	47.1	52.1	50.7	48.1	44.1
Mining	0.1	0.3	0.3	0.5	0.0	0.2
Manufacturing	11.0	17.1	8.0	12.1	13.5	21.3
Electricity, gas, steam	0.1	0.3	0.1	0.5	0.1	0.1
Water supply	0.0	0.1	0.0	0.2	0.0	0.1
Construction	4.9	4.3	9.1	8.1	1.3	1.0
Wholesale and retail trade	18.0	17.6	11.5	13.6	23.6	21.1
Transport	2.9	2.4	5.7	4.8	0.5	0.3
Accommodation	2.8	2.1	2.8	1.6	2.9	2.5
Information and communications	1.0	1.0	1.3	0.9	0.7	1.1
Financial activities	0.6	0.9	0.9	1.0	0.3	0.8
Professional scientific activities	0.3	0.1	0.1	0.0	0.4	0.1
Administrative and support activities	1.2	1.0	1.8	1.2	0.7	0.8
Public administration	0.7	0.7	1.4	1.3	0.1	0.2
Education	2.0	2.0	1.9	1.7	2.0	2.2
Health and social work	0.5	0.7	0.4	0.3	0.5	1.0
Arts and entertainment	1.1	0.5	0.9	0.3	1.3	0.7
Other services	2.3	1.6	1.4	0.9	3.1	2.2
Private households	0.3	0.0	0.0	0.1	0.6	0.0
Activities of extraterritorial organizations	0.1	0.1	0.1	0.0	0.1	0.2

**Table 8. Youth informal employment by composition and sex, 2012 and 2014 (%)**

	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Youth formal employment	1.7	4.5	1.8	4.3	1.5	4.6
Youth informal employment	98.3	95.5	98.2	95.7	98.5	95.4
<i>Of which:</i>						
– Informal employment outside the informal sector	31.2	29.8	35.1	30.1	27.8	29.5
– Employment in the informal sector	68.8	70.2	64.9	69.9	72.2	70.5

**Table 9. Employed youth by overeducation, undereducation or matching qualifications and sex, 2012 and 2014 (%)**

Qualifications match	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Undereducated	57.4	44.5	53.7	38.0	60.8	49.6
Overeducated	4.5	5.6	5.6	7.8	3.5	3.9
Matching qualifications	38.1	49.8	40.8	54.2	35.7	46.5
Total employed youth	100	100	100	100	100	100

**Table 10. Youth unemployment rates by level of completed educational attainment and sex, 2012 and 2014 (%)**

Educational attainment	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Less than primary (including no schooling)	3.3	1.8	2.0	2.0	4.5	1.7
Primary	1.6	1.6	1.8	1.7	1.5	1.6
Secondary general	1.5	2.4	1.7	1.4	1.4	3.3
University and postgraduate studies	3.8	7.3	4.0	7.4	3.5	7.1

**Table 11. Unemployed youth by duration of job search and sex, 2012 and 2014 (%)**

Duration of job search	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Less than a week	12.1	6.1	16.2	10.0	8.5	2.8
1 week to less than 1 month	16.4	25.2	14.5	32.2	18.0	19.6
1 month to less than 3 months	32.6	25.0	33.3	25.3	32.0	24.7
3 months to less than 6 months	7.7	14.6	4.4	13.7	10.6	15.4
6 months to less than 1 year	14.5	13.3	10.6	8.9	17.9	16.8
More than a year	16.8	15.9	21.1	9.8	13.0	20.7
Total unemployed youth	100	100	100	100	100	100

**Table 12. Youth population by stages and subcategories of transition and sex, 2012 and 2014 (%)**

Stage of transition	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
<b>Transition completed</b>	<b>38.6</b>	<b>37.7</b>	<b>38.1</b>	<b>36.0</b>	<b>38.9</b>	<b>38.9</b>
Transited to stable employment	10.5	15.4	11.6	15.7	9.7	15.1
Transited to satisfactory temporary employment	4.5	2.8	5.6	3.2	3.7	2.6
Transited to satisfactory self-employment	23.5	19.5	21.0	17.1	25.6	21.3
<b>In transition</b>	<b>43.9</b>	<b>54.1</b>	<b>43.0</b>	<b>55.5</b>	<b>44.7</b>	<b>53.0</b>
Unemployed (broad definition)	2.0	2.2	1.6	1.7	2.3	2.6
In non-satisfactory temporary employment	7.1	6.4	8.3	7.7	6.2	5.3
In non-satisfactory self-employment	12.3	20.2	13.0	20.1	11.7	20.3
Active students	17.0	19.9	17.7	24.2	16.4	16.5
Inactive non-students with aim to work in the future	5.5	5.4	2.4	1.7	8.2	8.3
<b>Transition not yet started</b>	<b>17.5</b>	<b>8.2</b>	<b>18.9</b>	<b>8.5</b>	<b>16.4</b>	<b>8.0</b>
Inactive students	16.3	8.0	18.0	8.5	14.9	7.6
Inactive non-students with no plans to work in the future	1.2	0.3	0.8	0.1	1.5	0.4
<b>Total youth population</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Note: Unless other specified, the categories exclude current students.