

Briefing note

National Assembly's Secretariat General

Women's Economic Empowerment: a Crucial Step towards Sustainable Economic Development

Researcher In charge : Ms. KEM Keothyda

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1. Introduction

In Cambodian and most Southeast Asian societies, gender relations have been claimed to be relatively equal.¹ However, gender inequality remains a reality in Cambodia, impeding socio-economic growth² as the majority of women are employed in the informal sector,³ especially in micro enterprises which accounted for about 65 percent,⁴ and as unpaid family workers.⁵ Women continue to be responsible for household chores, including taking care of their children and other dependent household members, preparing meals and doing other housework and, as a result, they cannot fully devote themselves to more productive work.⁶

Societal and historical attributes have placed women in lower educational levels than their male counterparts, resulting in a vicious cycle of poverty.⁷ Consequently, low educational status results are placing women in a lower socioeconomic group, with insufficient savings and chronic poverty.⁸ Because of this, the contribution of women in the process of economic development is rather small. To achieve inclusive growth, it is important to have greater gender equality⁹ and women's empowerment.^{[10][11][12]}

By using secondary data and existing documents, this briefing note focuses on the contribution of women's economic empowerment¹³ in achieving sustainable economic development in the context of Cambodia.

2. Women's Economic Empowerment and Sustainable Development

Human capital development has played an important role in the economic development process. Cambodia has achieved peace and political stability, which are fundamental for socio-economic development. As a result, the poverty rate has dropped sharply from 47.8 percent in 2007 to 17.7 percent in 2012.¹⁴ Although the share of females in the labor force has increased significantly over the years, the poverty rate of the female headed households remains high compared with male headed households. This implies that given their lower educational status, women tend to receive lower wages and unequal employment opportunities.¹⁵

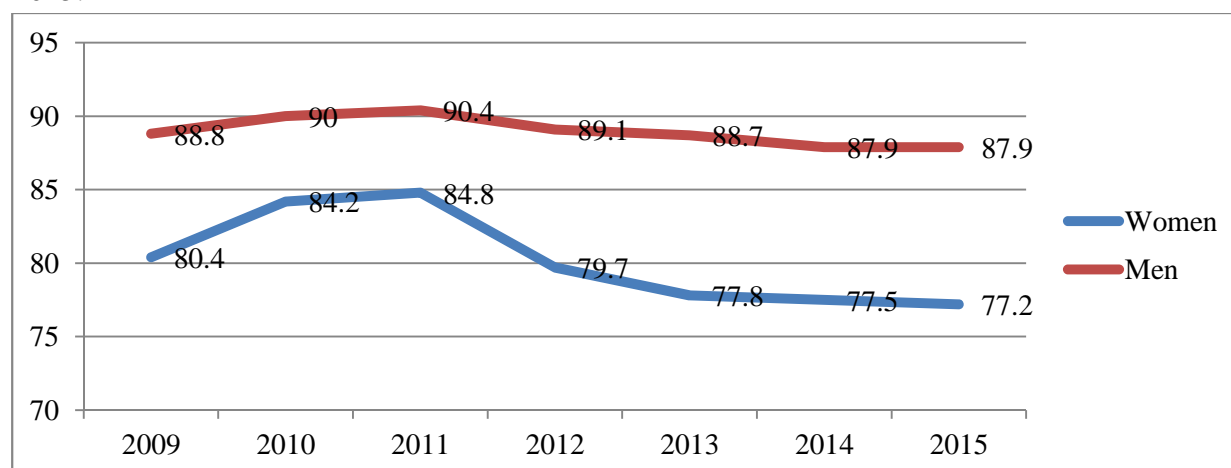
The economic status of women can be improved by increasing the quantity and quality of women in schools. Human capital development which gives equal weight to women will help them actively participate in socio-economic and political activities, and in turn they can improve their socio-economic status, which is essential for sustainable economic development of the country in the future.¹⁶

2.1. Women's Participation in the Labor Force

The 2014 Gender Inequality Index (GII) showed that the global average of female participation in the labor market is 78.8 percent;¹⁷ but according to the 2015 Global Gender Gap Index for economic participation, Cambodia scores 63 for female labor force participation.¹⁸ The growth of trade, services and manufacturing, agriculture, and hotels contributed to a 77.5 percent increase in job opportunities for women aged 15-64 compared with those of men 88 percent (See Figure1 below).¹⁹ These figures clearly indicate the labor

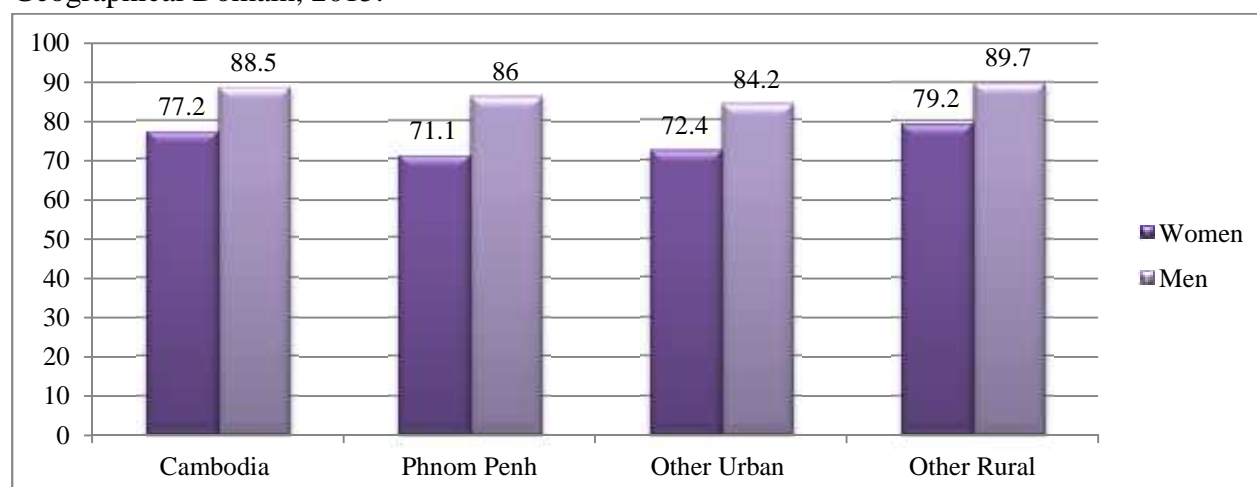
participation gap between men and remains and the gap is even wider, especially in rural areas. Figure 2 shows that in rural areas, women's participation in labor force is higher than in Phnom Penh (77.2 percent in Phnom Penh vs. almost 80 percent in other rural areas). When compared to Vietnam and Lao PDR, Cambodian women's participation rate in the labor market is slightly lower which (See Table 1 below)²⁰. It means Cambodian women remain low skills and education background than women in our neighboring countries, which is a barrier of them in participating in the labour force. Due to this reason lead Cambodian women become fewer paid employed than men (43.4 percent for women and 54.0 percent for men)²¹. But there are more women working as self-employed (52.7 percent for women and 42.3 percent for men)²² and unpaid family worker (women 3.8 percent and men 3.5 percent)²³ which force them remain in vulnerable employment as it fall into informal worker that are not recognized, not regulated, and not entitled to legal protection.²⁴

Figure 1: The Percentage of Labor Force Participation Rates (15–64 years) by Sex, 2009–2015.



Source: NIS, Cambodia socio-economic survey 2015.

Figure 2: The Percentage of Population and Labor Force by Age (15-64 years), Sex, and Geographical Domain, 2015.



Source: NIS, Cambodia socio-economic survey, 2015.

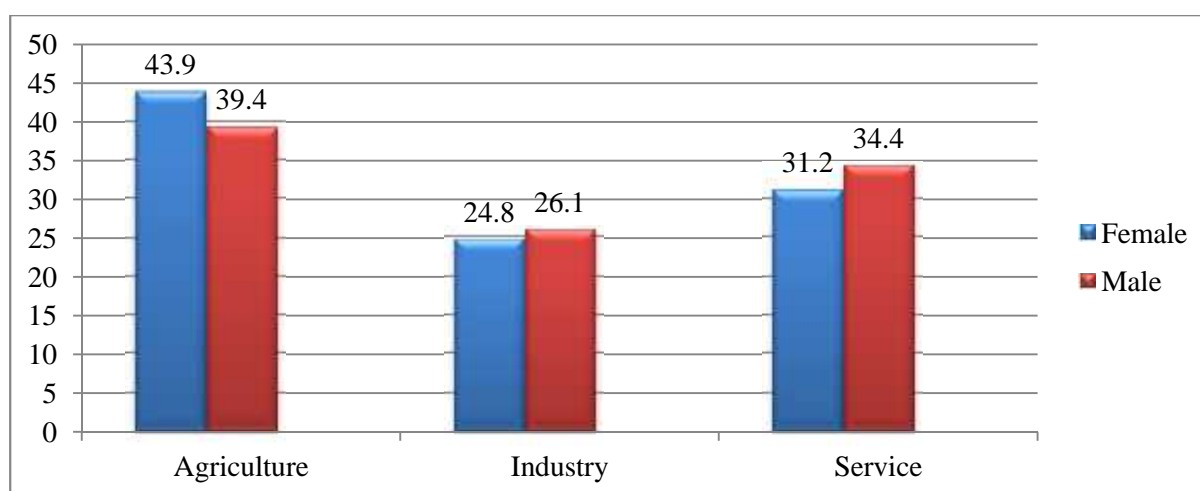
Table 1: Percentage of Women and Men participation in Labor (2013-2015)

	2013			2014			2015		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Cambodia	77.84	88.53	82.99	77.7	88.36	82.84	77.78	88.51	82.96
Lao PDR	80.96	78.46	79.72	80.9	78.47	79.7	81.01	78.85	79.94
Vietnam	79.27	86.30	82.77	79.45	86.43	82.92	79.72	86.70	83.19

Source: ILO database, 2015.

2.2. Share of Women in the Employment Sector

Figure 3 suggests that the share of men and women employed in agriculture (including forestry and fisheries) industry, and services including wholesale and retail trade are insignificantly different.²⁵ The participation of women in agriculture is higher than the other two sectors indicating that women contribute directly to rural livelihoods. However, between 2008 and 2012, industrial growth was higher than those of services and agriculture, 6.3 percent in industry, versus 5.5 percent in services, and 4.5 percent in agriculture. As a result, agriculture accounted for about one-third of gross domestic product (GDP) between 2007 and 2012.

Figure3: Employment population aged (15-64 years) by industrial sector, 2015. In Percent

Source: NIS, Cambodia socio-economic survey 2014

2.3. Women as Entrepreneurs

Women in business have been taken for granted in many societies, but the contribution of women as entrepreneurs in the process of economic development is undeniable. The descriptive statistics from the Cambodian economic census 2011 provides that women operate and own 65 percent of micro and small and medium enterprises.²⁶ Therefore, it is critical to empower women, economically speaking, and strengthen their capacity to become economic agents to speed the country's economic development. Women were in the minority in formal public-sector employment, and have lost out proportionately as men and educated people were given preference for these jobs. Hence, uneducated people or poor women, work in the informal sector and on the farm, or take care of their children and families without pay.

Table 2: Number and Percentage of Women and Men Participating in Business Activities (2011)

Business Activities	Number of Enterprises		
	Total	Male owners	Female owners
Total Enterprises	505,134	176,128	329,006
	100%	34.9%	65.1%
Wholesale and retail trade; repair of motor vehicles and motorcycles	289,130	73,516	215,614
	57.2%	14.6%	42.7%
Accommodation and Food Service Activities	69,569	14,612	54,957
	13.8%	2.9%	10.9%
Manufacturing	75,031	39,998	35,033
	14.9%	7.9%	6.9%
Other Activities	71,404	48,002	23,402
	14.1%	9.5%	4.6%

Source: NIS, Economic Census of Cambodia, 2011

Empowerment and promoting women's participation in the economic sector are fundamental to strengthening women's rights and enabling women to have control over their lives and exert influence in society. However, they often face discrimination and persistent gender inequalities and exclusion because of factors such as ethnicity.²⁷

3. Legal Hindrances in Accessing Economic Resources

Even though women are equally important for the socio-economic development and numerous legal frameworks and policies to empower women are in place, there are still some legal barriers preventing women from having equal opportunities in accessing economic resources.

3.1. Equality between Men and Women in Theory

According to the United Nations Committee on the Elimination of Discrimination against Women report 2013, the RGC should consider must amend its legislation by adopting a comprehensive definition of discrimination, which prohibits both direct and indirect discrimination to provide equal opportunities to women to access economic resources.²⁸

The Committee is concerned about poor working conditions for women employed in the garment industry and female domestic workers, including migrant women. There is an occupational segregation and a concentration of women in low wage and unskilled labor sectors as well as a gender pay gap²⁹ that could be resulted from the *Chbab Srey*, the traditional code of conduct for women, which is deeply rooted in Cambodian culture and continues to define everyday life of women in the society based on stereotypical roles of women and men in the family and in society.³⁰ This traditional code is still seen as a barrier for women's economic empowerment and for women to access to economic resources. It should be noted however; in response to this the RGC is revising its school curricula and textbooks to eliminate this stereotype.

3.2. Expanding Legal Protection in the Informal Sector

People who are working in the informal sector, including wage laborers, self-employed workers and informal operators, are not recognized by the government and are not entitled to legal protection under business and labor laws and regulations. That is the reason why they are often subject to extortion, repression, and harassment.³¹

4. Public - Private Partnerships to Strengthen Women's Economic Empowerment

Private investments have a significant impact on the development of lessor developed countries like Cambodia. Because of this, the Ministry of Women's Affairs (MoWA) has played a very important role as a bridge for promoting public-private partnership in order to enhance women's economic empowerment. As a result, in 2006 the MoWA implemented one pilot project with grant funding from the Japan Fund for Poverty Reduction (JFPR) and was administered by the Asia Development Bank (ADB).³² This project worked with the Women's Development Center (WDC) in two provinces (Siem Reap and Kampong Chhang), with the aim of reducing poverty by increasing access to services that support women's social and economic empowerment. This project was also intended to update and provide market-oriented skills training, entrepreneurship and micro-enterprise development support, socio-cultural empowerment, and shared facilities for information, production and marketing. Then, the MoWA solicited MasterCard from Singapore to provide more funds in order to continue this project until it was completed in 2010. MasterCard continues to find markets for women in communities and helps them develop more market-oriented skills.³³ Through this program, women in communities can improve the quality of their products to meet demand which, in turn, will help increase their income and improve their standard of living.

5. Conclusion

This paper has shown that women are now visible and very active in economic arenas in Cambodia, to an unparalleled degree. Women has played a leading role in informal economy and some of formal sectors such as garment and financial sector in terms of much larger number than their male colleagues employed in those sector. The key note is on fewer women represented in leadership role. Women's economic empowerment and Gender equality, especially with respect to equal access to employment, education and earnings will continue to be part of the nation's overall strategy for sustained growth. Therefore, strengthening women's capacity is a key to ensure their equal participation and opportunities in accessing to economic resources. This study also found that women were still in the minority in formal public-sector employment, and have lost out proportionately as men. Hence, uneducated people or poor women, work in the informal sector and on the farm, which are not recognized by the government and are not entitled to legal protection under business and labor laws and regulations.

As such, in order to help the poor informal worker in Cambodia to get better achievements and have real impact on their level of livelihood. It is important to know how many people are in the informal economy, which is a starting point for considering the extent and content of policy responses required. Understanding the needs and identifying the obstacles, that the informal sector is facing, proper and sustainable regulations can be established. Therefore, there is a great need for appropriate regulations, laws and policies to be addressed and the regulation should be focusing on the activities of the informal sector which is an immense challenge, legalize and regulate the sector, more information and dialogue with the informal sectors, how to increase the productivity, quality, and working conditions of the informal sector, how to avoid of putting extra pressure on the informal sector, that turns development in an unwanted direction, the poor informal workers than the informal companies in order to avoid the extra burdens of registration, and the capacity building of the informal workers in order to make the development sustainable in the long run.

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- ¹ MOWA 2008. Cambodia Gender Assessment: A Fair Share for Women. Phnom Penh, Cambodia., p.4
- ² Ibid., p.21.
- ³ *Informal economy is defined as actions without official status, regulation or protection by state institutions. Informal economy includes actions that characterize some of the followings: no firm or postal address; employees are self-employed; the activities are not recognized; labor intensive and quick turnover; non-structured premises; without licenses; and outside taxation.*
- ⁴ GADC 2015. Women and Informal Economy in Cambodia: Opportunities and Challenges for Women's Economic Empowerment. Phnom Penh, Cambodia., p.1.
- ⁵ MOWA 2014a. Cambodia Gender Assessment: Women's Economic Empowerment. Phnom Penh, Cambodia: Ministry of Women Affairs , p. 4.
- ⁶ MOWA 2008. Cambodia Gender Assessment: A Fair Share for Women. Phnom Penh, Cambodia. p. 21.
- ⁷ Ibid., p. 83.
- ⁸ MOWA 2014a. Cambodia Gender Assessment: Women's Economic Empowerment. Phnom Penh, Cambodia: Ministry of Women Affairs , p. 4.
- ⁹ *Gender Equality refers to the equal rights, responsibilities and opportunities of women and men and girls and boys. Equality does not mean that women and men will become the same but that women's and men's rights, responsibilities and opportunities will not depend on whether they are born male or female.*
- ¹⁰ *Sustainable Development is Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.*
- ¹¹ *Inclusive Growth is concept that ensures equitable distribution of resources and thereby conferring benefits to each and every section of society.*
- ¹² ADB 2015. Promoting Women's Economic Empowerment in Cambodia, Phillipine, Asian Development Bank., p.56.
- ¹³ *Economic empowerment is the capacity of women and men to participate in, contribute to and benefit from growth processes in ways which recognize the value of their contributions, respect their dignity and make it possible to negotiate a fairer distribution of the benefits of growth.*
- ¹⁴ THE WORLD BANK 2014. Data: Cambodia. The World Bank.
- ¹⁵ MOWA 2014a. Cambodia Gender Assessment: Women's Economic Empowerment. Phnom Penh, Cambodia: Ministry of Women Affairs , p. 4.
- ¹⁶ MOWA 2014b. Cambodian Gender Strategic Plan - Neary Rattanak 4. Phnom Penh, Cambodia: Ministry of Women Affairs., p. 7.
- ¹⁷ UNDP 2015. Human Development Report: Gender Inequality Index (GII)2015.
- ¹⁸ WORLD ECONOMIC FORUM 2015. Gender Gap Index 2015.
- ¹⁹ NATIONAL INSTITUTE OF STATISTICS & MINISTRY OF PLANNING 2015. Cambodia Socio-Economic Survey 2014. Phnom Penh, Cambodia., p. 66.
- ²⁰ ILO Database.
- ²¹ NATIONAL INSTITUTE OF STATISTICS & MINISTRY OF PLANNING 2015. Cambodia Socio-Economic Survey 2014. Phnom Penh, Cambodia., p.54.
- ²² Ibid.
- ²³ Ibid.
- ²⁴ ILO 2016. *Key Indicators of the Labour Market, Ninth edition*, Geneva International Labour Organization , p16.
- ²⁵ NATIONAL INSTITUTE OF STATISTICS & MINISTRY OF PLANNING 2015. Cambodia Socio-Economic Survey 2014. Phnom Penh, Cambodia., p. 75.
- ²⁶ WORLD ECONOMIC FORUM 2015. Gender Gap Index 2015.
- ²⁷ OECD 2011. Women's Economic Empowerment: Issue Paper., p. 6.
- ²⁸ UN 2013. Committee on the Elimination of Discrimination against Women., p. 2.
- ²⁹ Ibid., p.7.
- ³⁰ Ibid., p. 4.
- ³¹ MOWA 2008. Cambodia Gender Assessment: A Fair Share for Women. Phnom Penh, Cambodia., p. 59.
- ³² GILBERT, B. 2013. Case Study on Local Economic Development in Cambodia., p.1.
- ³³ *Cambodia's Global Dialogue*, 2012. Directed by MOWA. Phnom Penh, Cambodia.