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# ILO policy brief on youth employment in Cambodia

ILO Sub Regional Office for East Asia

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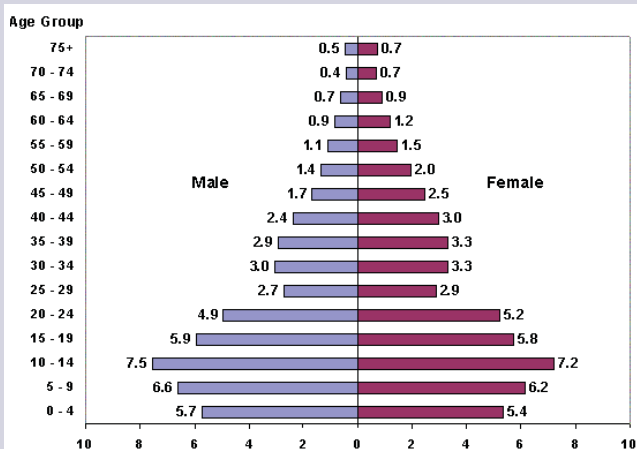
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## Brief overview

Cambodia has a young population with 39 per cent of the population in 2004 below 15 years of age, down from 43 per cent in 1998. By 2004 the dependency ratio showing the children and elderly as a percentage of the intermediate group was 74 per cent.<sup>1</sup> Youth aged 15–24 represented 22 per cent of the population that year. Large numbers of young people are entering the labour force as a result of a baby boom in the 1980s. Measures must be taken to ensure that youth do not add to underemployment in the countryside or lead to higher rates of urban unemployment but instead contribute to growth and development through productive employment.

Population Pyramid, Cambodia, 2004



Source: NIS: Cambodia Inter-Censal Population Survey 2004, General Report, Phnom Penh, November 2004, Figure 2, p. 13.

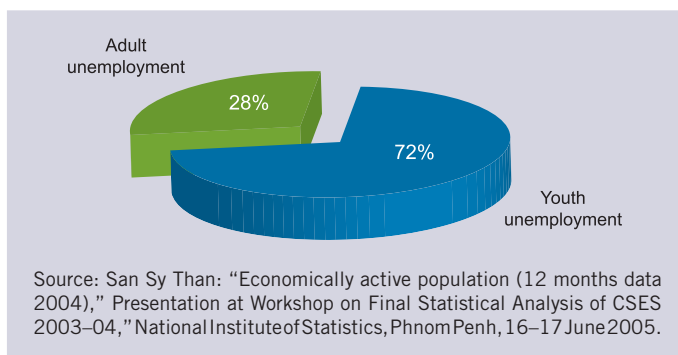
Many young women have found new employment opportunities in Cambodia's garment factories. While they benefit from paid employment, the changes that have resulted in both sending communities of rural areas and urban destinations such as Phnom Penh related to working conditions, labour standards and union issues have prompted broad debate about policies for employment, development and trade.<sup>2</sup> Garment workers actually represent a small percentage of the labour force. Yet there are high expectations for regular remittances to rural areas with a substantial contribution to rural livelihoods.<sup>3</sup> The security of these jobs also depends on international agreements and global markets.

<sup>1</sup> NIS: Cambodia Inter-Censal Population Survey 2004, General Report, Phnom Penh, November 2004, p. 16.

<sup>2</sup> UNIFEM: A fair share for women: Cambodia gender assessment, Phnom Penh, April 2005, p. 47–49.

<sup>3</sup> The World Bank: Cambodia: Halving Poverty by 2015? Poverty Assessment 2006, Report No. 35213-KH, Document of the World Bank, East Asia and the Pacific Region, 7 February 2006, Box 3.2, p. 42.

## Shares of youth (15–24 years) and adults (25+ years) in total unemployment, Phnom Penh, 2004



If the unemployed are defined as those who worked less than one hour during the reference week and are both available and looking for employment, the measured unemployment rates<sup>4</sup> in Cambodia are extremely low at less than one per cent in 2004. However, unemployment rates are higher for youth than adults. Unemployment rates in Phnom Penh were 6.2 per cent for teenagers aged 15–18 years and 7.8 per cent for young adults aged 20–24 years during 2004. Youth accounted for 72 per cent of total unemployment in the capital city that year.

## Youth and adult unemployment rates, Cambodia, 2004

	Total	Male	Female	Phnom Penh	Other Urban	Rural
Unemployment using “strict” definition						
15 - 19	1.4	1.3	1.4	6.2	2.7	0.9
20 - 24	1.6	1.9	1.2	7.8	1.4	0.8
15 - 24	1.5	1.6	1.3	7.2	2.1	0.9
25 +	0.6	0.5	0.7	1.4	1.0	0.4
15 +	0.9	0.9	0.9	3.3	1.4	0.6
Unemployment using “relaxed” definition						
15 - 19	7.9	7.3	8.5	24.8	10.1	6.2
20 - 24	6.5	5.4	7.6	16.6	7.1	5.1
15 - 24	7.2	6.4	8.0	20.1	8.6	5.7
25 +	4.7	2.4	6.9	5.8	4.6	4.6
15 +	5.6	3.9	7.3	10.9	6.0	5.0

Note: The “strict” definition includes only those who are actively seeking work while the “relaxed” definition includes those without work and available for work but not necessarily seeking employment.  
Source: NIS: Cambodia Socio-Economic Survey 2004.

<sup>4</sup> The unemployment rate is the unemployed population as a percentage of the labour force defined as the unemployed plus employed in the same age group.

If the “relaxed” definition for unemployment, measuring those not working but available for work, is used instead of the “strict” definition that counts only those actively seeking employment, then the unemployment rates are significantly higher and quite alarming for young people in Phnom Penh at 20.1 per cent in 2004: 27.8 per cent for teenagers 15–19 years and 16.6 per cent for young adults aged 20–24 years. The growing numbers of young people in need of job opportunities and appropriate skills will continue to be a challenge over the coming years. Unemployment of youth represents a waste to the economy and society as well as to individuals.

It is normal for youth rates to be relatively high since it takes time for new entrants to the labour force to find gainful employment. This is particularly true for educated youth who want their first job to be an appropriate one. Another aspect of educated unemployment is that there is a greater likelihood that young people with more education have family support through household incomes to tide them over until they can find a suitable position. Youth from families that are relatively well off are obviously not pushed by poverty to accept just any opportunity that comes along.

Youth unemployment becomes a concern, however, when the rates become high indicating that job opportunities are not expanding fast enough to keep pace with growth of the labour force. High unemployment rates may also reflect the fact that young people looking for their first jobs do not have the education and skills required to meet labour market demands. A mismatch between the education and skills of youth and the demands by employers is a common problem throughout the region. Young people also become discouraged in jobs with low income and little security. Lack of decent work together with open unemployment can result in wasted potential for young people, foregone opportunities for economic development and greater risk of social unrest.

Internal mobility as well as international migration is an important labour market issue. Migration within Cambodia has been increasing in recent years with most movement from one rural area to another. However, Phnom Penh and the port area around Krong Preah Sihanouk have the greatest concentration of migrants. Recent migration rates for young people are very high, especially for youth in their twenties. Youth often move closer to institutions for education and training. Many migrants move for employment-related reasons followed by their families. Others have returned to their homes after being displaced by conflict or disaster. Young women from rural areas have found jobs in the garment factories of Phnom Penh. More than half of female migrants in the labour force of urban areas are employed in sales jobs or in farming and fishing.





## Key challenges

### *New entrants to the labour force*

Cambodia will need to meet the challenge of growing numbers of young people in need of job openings and appropriate skills. Revised population estimates using data from the Cambodia Inter-Censal Population Survey 2004 show an increase in the size of the youth population aged 15–24 years. The total number of young people is expected to grow from 3.2 million in 2005 to 3.6 million in 2011. Young people as a proportion of the total population will remain at 24 per cent. By 2011 youth are projected to be 30 per cent of the population aged 10+ years and 35 per cent of the population aged 15+ years. There is concern about whether the main engines of growth – garments, construction and tourism – can continue to absorb an estimated 275,000 young job seekers expected to enter the labour market each year over the next five years.

### *Education and skills*

One of the legacies of the past is low levels of human capital. Improvements in literacy, education and training are essential for achieving decent work. While there has been significant progress in education for girls and young women, the enrolment rates for secondary school remain low with considerable differences between rural areas and the capital city. As is the case elsewhere in the region, responsibility for education and training is located in a number of government ministries with educational institutions and training providers offering services in the private sector.

While much of the workforce is unskilled and finds employment opportunities in the informal economy, many of the educated youth cannot find jobs due to a mismatch of skills and aspirations, on the one hand, and job requirements and available positions, on the other. In order to identify the skill needs addressed by the education system and training providers, it will be necessary to involve employers in needs assessments and skills planning.

The development of human resources has lagged behind the demand in both the civil service and private sector. The current leadership and senior technocrats of Cambodia are reaching retirement age. There are fears that the next age cohort is less educated and less prepared to take over roles of leadership and management.<sup>5</sup> Whether or not this is the case, it will be necessary to ensure that young people are provided the education, training and experience to take over these roles in the future.

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<sup>5</sup> Monika Kaing and Sandra D'Amico: *Cambodia: youth employment and social dialogue*, Draft proposal by CAMFEBA, March 2007, p. 7.



## *Unemployment rates*

While measurements for overall unemployment rates following international statistical standards are very low, the youth rates are considerably higher than the adult rates. Some are unemployed because their wage reservations and job aspirations are not in line with reality. The fact that one in five of the young people in the capital city is without a job although not all are looking for work, is just the tip of the iceberg in terms of inadequate employment. Many workers including young people are trapped in jobs with low productivity and low earnings in informal employment and rural areas. Others are forced to “trade down” by accepting employment below their level of education and training. Graduates from university face difficulties finding jobs. Many who do find employment end up in temporary, part-time, intermittent, casual and insecure jobs in poor working conditions and with little income security.<sup>6</sup> Long-term unemployment can lead youth to experience despair and hopelessness.

## *Labour migration*

Youth are more likely than adults to move in search of employment. Many migrate to Phnom Penh or seek new opportunities in foreign countries especially in Thailand and Malaysia. Large numbers are unskilled and unprepared to take up jobs at places of destination, unaware of their rights and uninformed about the risks including trafficking, exploitation and abuse. Young people need better preparation before accepting work outside their local communities. In addition, both youth and communities would benefit from making better use of remittances and skills acquired through employment of migrants.

## *Young people in a post-conflict society*

A long period of internal conflict has left a significant impact on the social fabric of Cambodia. University graduates entering the labour market with diplomas and degrees can become disillusioned by the limited prospects for productive employment. Without guidance from government leaders, experienced professionals or business managers, they risk becoming marginalised and turning toward violence, crime and other socially unacceptable behaviour.

## *Representation and voice*

As is often the case, youth in Cambodia do not have many channels to voice their views about policies and programmes that affect their opportunities for decent and productive work. In addition to youth associations there is potential to provide a greater role to young people in both employers' organizations and trade unions.

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<sup>6</sup> Elizabeth Morris: “Youth employment – The way forward,” ILO Issues, Vol.3, No. 3, December 2004, pp. 6-7.

## *Links between unemployment and health*

Youth without ties to education and work are at risk of sexually transmitted diseases, drug abuse and HIV/AIDS. Programmes in schools and at the workplace can be used to inform young people about the dangers and point to methods of prevention.



### **NSDP priorities**

The National Strategic Development Plan (2006–2010) sets out measures to implement the Rectangular Strategy and meet the Cambodian Millennium Development Goal targets for 2010. The NSDP mentions a systematic policy “to create more jobs especially for young people entering the labour market and indeed for all Cambodians through various measures.” (4.81) Direct references to youth in the NSDP point to issues of unemployment, migration, drugs, education, sports, reproductive health and HIV/AIDS prevention:

- “Youth issues therefore constitute a key concern and challenge, particularly as youth unemployment and migration are rising and there are signs of increasing youth risk behaviour including drug abuse.” (2.67)
- “The long-term objective is to ensure that all Cambodian children and youth have equal opportunity to quality education regardless of social status, geography, ethnicity, religion, language, gender or disabilities.” (4.85)
- The NSDP should support “Further development of youth and sports sector, with increased attention to youth in various walks of life.” (4.88)
- The plan calls for efforts to “Improve reproductive health services and information, including maternal child health and birth spacing; address youth sexual and reproductive health issues and services.” (4.95)



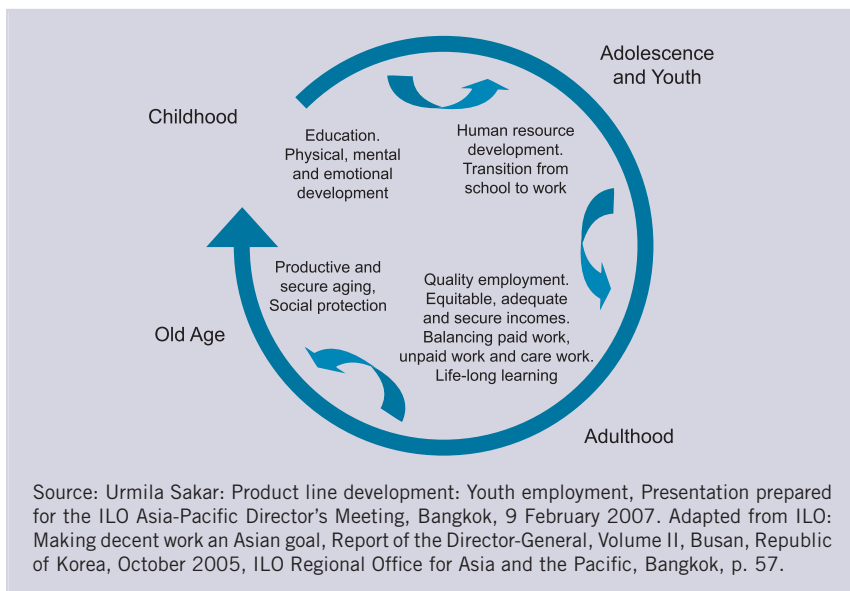
### **ILO approaches**

Over the years the ILO has used a number of approaches to addressing the youth employment challenge. Employment and youth should be at the heart of policies for social and economic growth and development together with targeted interventions to overcome specific disadvantages faced by young people entering the labour market.

The ILO uses a life cycle perspective that looks at opportunities for employment across generations. Youth employment cannot be separated from child labour, adult employment and old age. At each stage the ILO is concerned about decent work that encompasses the quality of work as well as the number of jobs.



## Decent work over the lifecycle



The ILO serves as the secretariat for the Youth Employment Net (YEN) that is a partnership among the United Nations, ILO and World Bank. The YEN has been working through global networks as well as action plans and implementation strategies at the country level supporting the “4-Es” to enhance employability, ensure equality, promote entrepreneurship and create employment for young people.

The “Resolution concerning youth employment” of the International Labour Conference in June 2005 outlines a number of priorities for action. Youth employment is essential for realizing the ILO Asian Decent Work Decade outlined at the 14th Asian Regional Meeting in 2006.

ILO has worked in several areas: suggesting policies and programmes to facilitate the transition of young people especially disadvantaged youth from school to work; providing assistance with skills training and career guidance; developing methods to provide youth employment opportunities in local economic development; addressing the quality of jobs and conditions of work through steps to improve occupational safety and health, prevent the worst forms of child labour, address challenges related to HIV/AIDS and reduce gender equalities; integrating youth employment in national development strategies; and supporting the tripartite constituency to become engaged in policy debates.

Unfortunately, it is often the case that child labour exists alongside youth unemployment. While children are at work rather than where they should be in school, the labour supply of young people goes unutilized or underutilized. Many young people above the minimum working age and below 18 years do not have a smooth transition from school to work. With inadequate access to education, training and apprenticeship matched to local labour market needs, these young people become vulnerable to the worst forms of child labour. In fact, child labour exacerbates the problem of youth employment. Dropping out of school at an early age leaves children less prepared to find productive jobs later in life and increases the risk of falling into a poverty trap consequently becoming unable to provide livelihoods for their families and education for their children.

Measures can be taken to re-orient the demand for labour away from children toward youth making sure that young women and young men are protected from exploitation in the worst forms of child labour.<sup>7</sup> Through the ILO sub-regional project to prevent trafficking in women and children and the national programme to combat the worst form of child labour, a number of community-based interventions have been implemented in Cambodia to provide children with education and training and families with employment alternatives and livelihood support. Awareness raising about hazardous work for children and safe migration for youth have also been key components of these programmes.

National policy to combat the worst forms of child labour is progressing through the development of national plans of action to end the worst forms of child labour and to combat human trafficking. These initiatives have been led by ILO tripartite constituents and civil society partners at the national level and in local communities. In addition, the ILO has laid the foundations through a number of projects for decent work in the informal economy, empowerment of women, small enterprise development, income generating activities and peer learning for people with disabilities. A new project implemented by employers' organizations and trade unions funded by Norway will promote youth employment and social dialogue.

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<sup>7</sup> See ILO: *Labour and social trends in ASEAN 2007: Integration, challenges and opportunities*, ILO Regional Office for Asia and the Pacific, Bangkok, 2007.



## Policy options

### *Enhanced employability*

- Provide core skills to unskilled youth with low levels of formal education
- Involve employers in identification of skills standards and training needs
- Link training and work following good examples in the region
- Establish innovative systems for on-the-job training and youth apprenticeships
- Advocate for quality education, vocational training and lifelong learning

### *Local development*

- Set up projects to promote local development for decent work in sending areas for labour migrants such as border provinces and receiving areas in urban areas including Phnom Penh
- Improve agricultural extension services in ways that will employ and benefit young people
- Raise awareness in local areas about hazardous work for children and safe migration for youth

### *Direct employment*

- Establish a job corps for young people focusing on life skills and community development and addressing such concerns as the environment
- Include youth in development and maintenance of infrastructure
- Provide new jobs for young people in the civil service to improve social services for education and health
- Introduce special measures to reach disadvantaged youth including the working poor

### *Youth entrepreneurship*

- Ensure that improvements in the business climate benefit young people
- Pilot the ILO package on Know About Business (KAB) in secondary school and training institutions
- Strengthen business development services for young people
- Establish mentoring programmes in which an established company provides support to a youth business

## *Improved information*

- Build a knowledge base about youth employment in Cambodia
- Encourage that published tabulations from national surveys include statistics for youth (15–24), teenagers (15–19) and young adults (20–24)
- Conduct a school-to-work transition survey (SWTS)
- Analyse and use data from the Cambodian Federation of Employers and Business Associations (CAMFEBA) surveys of employers and youth
- Develop links to youth information on websites developed by the Ministry of Labour and Vocational Training
- Prepare a “pocket guide” for youth employment with information about job search, resume writing, interview techniques, training institutions, required licenses, workers’ rights, useful websites and other information
- Introduce job fairs for young people

## *Greater participation and voice*

- Link initiatives to existing organizations such as CAMPRONET and the Khmer Youth Association
- Support the ILO-Norway project on social dialogue through CAMFEBA and trade unions
- Strengthen capacity for youth to participate in policy discussions about employment
- Build links to the Youth Employment Network (YEN)
- Organize youth-to-youth consultations about aspirations and opportunities for employment
- Organise a national conference on youth employment for awareness raising and policy advocacy

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