Training and Workshop on Public-Private Partnership Contribution to Academy of Culinary Arts-Cambodia (ACAC)

ACAC As TVET And Long-term Support Of Molvt: Policies And Strategies

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Phnom Penh, August 09 2017
Outline

• Recent Growth and Development in Cambodia
• Current Situation of Labour Market
• Policy Interventions
• Achievement
1. Recent Growth and Development in Cambodia

Cambodia’s GDP Annual Growth: Past, Present and Future (2000 constant; %)

Source: This figure is taken out from the presentation of H.E Dr. Pich Sophoan, Secretary of State of Ministry of Labour and Vocational Training, at Cambodia Japanese Cooperation Center dated on 28 August 2016.
1. Recent Growth and Development In Cambodia

- **Cambodia has achieved higher economic growth than other countries in the region and low income countries.**

![Annual GDP growth (%)](image-url)

Source: Word Development Indicators (WDI), 2017
1. Recent Growth and Development in Cambodia

- Due to the high economic growth, the structural change has been taking place as reflected by the decrease of the share of agriculture and the increase of the share of industry in GDP.

**Share of Sectoral GDP (constant 2000 price), 1993-2019**

- Agriculture, Fishery & Forestry
- Industry
- Services

Source: MEF, 2016
1. Recent Growth and Development in Cambodia

Employed people aged 15-64 by sectors, 2007-2014

During the Khmer Rouge regime, about one third of the population died.

High population growth rates and high fertility rates were observed during the 1980s and 1990s (a baby boom period).

- The fertility rates in 1980 and 1990 were 5.87 and 5.60 respectively.

After the war, Cambodia population increase very fast (about 2.4 times) from 6.7 million in 1980 to 16.1 million in 2017.

- 51.2% of them are women.
2. Current Situation of Labour Market

Cambodian WAP (15-64); generational entries, exits and total balance; yearly values in thousands; 1990-2025

2. Current Situation of Labour Market

Population structure by age and gender, 1990 & 2017

2. Current Situation of Labour Market

- Cambodia is at the early stage of demographic dividend, while Vietnam and Thailand already passed their peaks.
- However, this is burdens for education and training system and employment creation.

![Graph showing the ratio of population (aged 15-64) over (aged 0-14 & 65+); 1950-2100]

2. Current Situation of Labour Market

- The educational attainment has substantially improved as reflected by the decrease in the share of no education and incomplete primary education as well as the increase in the primary competition rate.

2. Current Situation of Labour Market

Primary completion rate, total (% of relevant age group)

SDG 2030 Target: 100%

Source: Word Development Indicators (WDI), 2017
2. Current Situation of Labour Market

...But lower secondary competition rate is still low compared to other countries in the region and lower middle income countries.

Source: Word Development Indicators (WDI), 2017
2. Current Situation of Labour Market

...Gross school enrollment rate in tertiary education is still limited.

School enrollment, tertiary (gross)

Source: Word Development Indicators (WDI), 2017
Cambodia has the lowest share of students in secondary education enrolled in TVET program. This is the main obstacle for economic diversification as well as for becoming the upper lower middle income.

2. Current Situation of Labour Market


Source: NEA, 2016 (unpublished documents)
2. Current Situation of Labour Market

Educational share in 2014 and average annual absolute growth and average growth rate 2014-2019 for the whole economy

Source: NEA, 2016 (unpublished documents)
2. Current Situation of Labour Market

There are growing recruitment difficulties and skills mismatches!

Share of hard-to-fill vacancies by sector, 2015

Source: NEA, 2016
Among difficulties, skills shortage is one major problem!

Reasons of hard-to-fill vacancies, 2015 (%)

- Low number of applicants with the required skills: 41.1%
- Not enough people interested in doing this type of job: 36.5%
- Lack of work experience the company demands: 31.6%
- Too much competition from other employers: 29.8%
- Low number of applicants with the required...: 28.5%
- Poor terms and conditions (e.g. pay) offered for post: 20.2%
- Lack of qualifications the company demands: 16.0%
- Low number of applicants generally: 13.5%
- Job entails shift work / unsociable hours: 6.7%
- Poor career progression / lack of prospects: 5.8%
- Remote location / poor public transport: 3.1%
- Seasonal work: 3.1%

Source: NEA, 2016
2. Current Situation of Labour Market

Share of skill shortage by occupation, 2015

- Service and sales workers
- Plant and machine operators, and assemblers
- Managers
- Craft and related trades workers
- Technicians and associate professionals
- Professionals
- Clerical support workers
- Elementary occupations

Source: NEA, 2016
3. Policy Interventions

The Royal Government has prepared and adopted Cambodia Industrial Development Policy 2015 – 2025

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<th>Vision</th>
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<td>The RGC envisages a transformation and modernization of Cambodia's</td>
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<td>industrial structure from a labor-intensive industry to a skill-based</td>
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<td>industry by 2025, linking with global value chain, integrating into</td>
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<td>regional production networks and developing clusters, while strengthening</td>
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<td>competitiveness and improving productivity of domestic industries, and</td>
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<td>marching toward developing a modern technology and knowledge based</td>
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<td>industry.</td>
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<th>Targets by 2025</th>
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<td>• Share of Sectoral GDP: Industry(30%), in which manufacturing (20%)</td>
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<td>• Export products diversification: Non-garment and footwear (15%),</td>
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<td>processed agricultural products (12%)</td>
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<td>• To officially register 80% to 95% of SMEs, out of which 50% to 70% of</td>
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<td>them to have accurate accounts and balance sheets</td>
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<th>Strategic Framework</th>
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<td>• Attracting FDI and mobilizing domestic private investment for industrial</td>
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<td>development</td>
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<td>• Developing and modernizing SMEs</td>
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<td>• Improving the legal environment</td>
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<td>• Coordinating supporting policies such as HR and skills development...etc.</td>
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## 3. Policy Interventions

| Priority Sectors | 1) new industries or manufacturing ventures with the capability of breaking into new markets  
2) SMEs in all sectors especially those involved in drugs and medical equipment production, construction materials, packaging equipment for export, furniture manufacturing and industrial equipment, etc.  
3) agro-industrial production for export and domestic markets  
4) various types of supporting industries for the agriculture, tourism and textile sectors  
5) industries serving regional production lines and those of future strategic importance such as in ICT, energy, heavy industries, cultural/historical/traditional handicraft, and green technology |
| --- | --- |
| Policy measures and action plans | ✓ **Investment Promotion** by improving investment climate and developing of Special Economic Zones (SEZs) and Industrial Zones  
✓ **Expansion and Modernization of SMEs** by focusing on institutional arrangements and incentives, registration and accounting practices, and promotion of agro-industrial development  
✓ **Improvement of Regulatory Environment** including trade facilitation and export promotion measures, industrial standards and property rights, facilitation for payment of tax and excise, and labor market development and industrial relations  
✓ **Coordination of Supporting Policies** such as skills and human resource development; sciences, technology and innovation promotion; establishment and development of industrial infrastructure; and financing measures |
3. Policy Interventions

• Coordination of supporting policies, RGC launched the National Employment Policy 2015-2025 focusing on:
  ➢ *Increasing* decent and productive employment opportunities
  ➢ *Enhancing* skills and human resource development
  ➢ *Enhancing* labour market governance

• RGC also launched the National TVET Policy 2017-2025 focusing on:
  ➢ *Improve* quality and relevance of TVET system
  ➢ *Increase* access and equity to VET programs
  ➢ *Strengthen* PPP framework in TVET system
  ➢ *Strengthen* management and good governance in TVET system
4. Achievement

Expansion of access

- More than 704 providers (public, NGO, private); with 214 registered with MoLVT, among those 39 are MoLVT’s public institutions (9 Institutes/Polytechnics, 5 RTCs, 25 PTCs).
- Training: institution-based (formal, non-formal); workplace-based (pre-employment, in-service); community based training.
- Increased no. of TVET trainees/graduates: higher education training (4-4.5 yrs); post-secondary training (2-2.5 yrs); long-term training (3 yrs); and short-term training (1-4 mos).
- Non-formal skill training intervention: PM Samdech Techo’s Special Fund, Voucher Skill Training Program, Skill Bridging Program, Special Training Needs, National Training Fund, Post-harvest Technology, and Apprenticeship Training

Governance/stakeholder engagement

- National Training Board (NTB), National Employment Agency (NEA), Industry Advisory Group

Quality

- Cambodia National Qualification Framework (8 levels) which unifying and improving learning pathway
- Competency Standards for construction (21 occs), mechanics (21 occs), business-ICT (21 occs),
- Setting up TVETMIS and LMIS
4. Achievement

- Setting up of the National Employment Agency (NEA) in the 2009 to:
  - provide a single platform that allows jobseekers, employees, employers, and skill training providers to effectively interchange information openly and provide them the opportunities to meet one another.
  - provide new graduates, out-of-school youth and the unemployed with labour market information and training information.
  - offer job placement, services, career guidance, employment counseling, technical and vocational training counseling,…etc
  - conduct researches and develop labour market information system.

Video highlight!
Thank you for attention!

www.nea.gov.kh
Email: info@nea.gov.kh
Facebook: www.facebook.com/neakhmer
Tel: 023 884 692/088 678 5678

Government gateway to: Job, Workforce, and Labour Market Information