Youth Employment: Why is it an issue for Cambodia?

The single most important issue confronting youth in Cambodia today is employment. Across the globe, the economic crisis has had a dramatic impact on the challenges facing young people seeking jobs. Between 2008 and 2009, the youth unemployment rate has seen the largest annual increase on record, reversing the pre-crisis trend of declining youth unemployment rates since 2002 and rising to 13 per cent in 2009. “Youth” are defined by the United Nations as persons aged 15–24. Unemployment in Cambodia is primarily a youth issue.

The labour force is increasing by as many as 300,000 per year and will soon reach 400,000 per year, however the country’s industries are not growing sufficiently to absorb them. Small and Medium Enterprises make up over 99 per cent of all the enterprises in Cambodia and account for almost half of all employment. However, young people often leave school ill-equipped and lacking in the skills private enterprises need their staff to possess.

Leaving school early is a major obstacle to ensuring gainful and productive work, yet only a minority of the population complete secondary school. Even for those who stay in school, poor quality of education means that attending school is not always rewarded. Employers’ surveys say that a growing demand for workers with a mix of soft and technical skills remains largely unmet by education and vocational training. In these studies, employers say graduates are moderately or severely lacking in skills.

The quality of the employment available for youth is a major concern. Low rates of unemployment are not unusual in fast-growing low-income countries such as Cambodia as people need work and will occupy themselves in any type of job to earn an income. Most young workers start their career in low-paying jobs in agriculture or family enterprises instead of accessing more productive jobs. These are usually the least-paid activities and ones which do not tend to require sophisticated skills. As they grow older, cohorts of unpaid family workers remain self-employed in low-paid and low-skilled informal sector jobs.

Youth Employment at a glance

- Youth are a quarter of the country’s labour force (25.8 per cent).
- The youth unemployment rate is 3.3 per cent compared to the adult unemployment rate of 1.1 per cent.
- 7 per cent of young people aged 15 – 24 are unemployed. Youth unemployment is highest in Phnom Penh at 20 per cent.
- Young people living in poor households constitute 26 per cent of the country’s population, of which about 35 per cent live below the poverty line.
- 63 percent of Cambodia’s youth are out of school, either having never attended school or having left school before completing basic education. 94 percent of the youth labor force have not completed secondary education.
- 69 per cent of the youth workforce is found in the agricultural sector, which is predominantly dependent on rain-fed farming. Investment in agriculture was only 0.55 per cent of GDP in 2004. It represents less than 33 per cent (a decline from 46 per cent in 1994) as a share of the economy.
- In the three biggest sectors outside of agriculture (garments, tourism and construction) only one out of five firms say that graduates from vocational training courses are equipped to do their job.
There is insufficient waged work in Cambodia and youths are driven into informal sector jobs that involve poor working conditions and salaries that are not even sufficient to meet regular monthly expenses. Circumstances for young women are especially difficult as they often face wage discrimination or find themselves in unpaid work. As 69 per cent of the youth workforce is found in the agricultural sector, which is predominantly dependent on rain-fed farming their livelihoods, these youth often experience food insecurity. They tend to receive less education and have little or no access to vocational training. They live in households that are routinely in debt and have high dependency ratios. These households have dwindling and resources and poor employment prospects.

Migration for economic and educational opportunities is sending numbers of young people into urban centres. While migration represents new job opportunities, it exposes them to possible high-risk behaviour associated with dislocation in urban areas including sexual reproductive health risks, including increased risk-taking behaviour associated with HIV infection, alcohol and drug abuse, gang violence, crime and rape. For those who remain in rural communities, opportunities are limited. Young people who migrate across borders are even more vulnerable to losing their rights, becoming subject to arrest, or working in jobs that entail health risks. Some are exposed to drug use to induce long working hours, while some women are subject to sexual exploitation and forced prostitution. A recent study by CDRI (2007) showed that cross-border demand for unskilled labour has increased, particularly in Thailand, and in Malaysia.

In summary, Cambodia’s young workers lack of Decent Work exposes them to high levels of economic uncertainty. A poor employment record in the early stages of a young person’s career can harm job prospects for life. Youth without hope for decent employment can be a problem for families, the economy and society at large. The inability to find stable employment creates a sense of frustration and idleness among young people. It poses significant challenges, therefore, to youth themselves, but also significant economic costs in terms of lost output and social costs. Furthermore, it hampers the capacity of companies and countries to innovate and develop competitive advantages.

**The Way Forward**

Investing in youth employment is crucial if Cambodia is to meet its poverty reduction goals by 2015, as laid out in the targets of the Cambodian Millennium Development Goals. It is not only the quantity but also the quality of the jobs created that matters. In the experience of the ILO, there is a serious need for a coordinated, long-term employment policy that encompasses a comprehensive programme on school-to-work transition and career guidance and takes into account the country’s pattern of economic growth. The development of youth-centred employment programmes promoting gender equality and decent work principles, coupled with further investment in social protection can put us on the right track to providing our young people with the decent jobs climate they deserve.

The Royal Government of Cambodia has already recognized this crucial necessity and has taken a leadership role in creating the National Employment Agency, which must be a key partner in providing effective and efficient labour market services especially for young people so that they are guided to future jobs foreseen under into the National Strategic Development Plan. Additionally, the private sector, which has already taken innovative steps in recognising the need to create jobs for young people, must fully incorporate this into their training and recruitment policies. Trade Unions must also play a pivotal role in advocating the rights of young employees.

*For further information see: www.ilo.org/youth*