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ANZ Royal

Cambodia Outlook Brief

2014, № 02

Human Resource Development and Education for a Competitive and Creative Cambodia

"Investing in education is investing in the life of our economy."

H.E. Dr Hang Chuon Naron, Minister
Ministry of Education, Youth and Sport
Royal Government of Cambodia

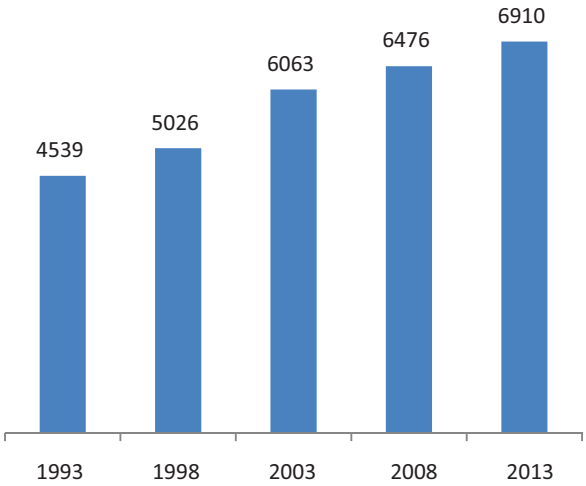
Building Cambodia's Future

Human resource development holds the key to success during Cambodia's next phase of development. As the economy approaches lower middle-income status, it must avoid the middle-income trap – a phenomenon where increases in per-capita GDP remove low-cost labour as a comparative advantage, causing GDP growth to stagnate. Building human resource capacity will enable the workforce to avoid this trap and diversify into higher-skilled manufacturing processes and products, ensuring Cambodia is competitive in an ASEAN single market.

The government and development partners have produced comprehensive policy models to prepare the labour force for the future. The Rectangular Strategy phase I, II and the Education Strategic Plan 2009-2013 (ESP) aim to deliver standardised education nationally; to increase access to education across the population at primary, secondary and tertiary level; to build teacher/trainer capacity and to improve quality and efficiency in education services. More resources have also been made available to implement these policies: education spending increased around 60 percent overall from 2007 to 2010.

Over the past two decades, the government has made much progress in enhancing Cambodia's education infrastructure. In particular, there have been great strides in the provision of schools for primary education: between 1993 and 2013 the government built on average more than 100 new schools a year (Figure 1).

Figure 1: Number of Primary Schools in Cambodia



Source: Ministry of Education, Youth and Sport

This is a summary of the 2014 Cambodia Outlook Conference Session 2 panel discussion. Participants included H.E. Dr Hang Chuon Naron, Minister, Ministry of Education, Youth and Sport; Mr Mak Chamroeun, President, Khmer Youth Association (KYA); Dr Chet Chealy, Rector, Royal University of Phnom Penh; Dr Srinivasa Madhur, Director of Research, CDRI; Mr Martin McCarthy, Managing Director and Country Representative, Total Cambodia. The session moderator was Ms Sandra D'Amico, Managing Director HR Inc, Vice-President CAMFEBA.

The development of education policy and corresponding infrastructure has led to gains in widening education provision. According to government statistics, Cambodia is close to achieving universal primary education: 97 percent of primary-aged students enrolled in the 2012-13 academic year.

Creating a global-standard education system capable of pushing Cambodia through the next phase of development is a major undertaking that will require improvements at primary, secondary and tertiary levels. There are three core areas that policy will have to address: increasing the quality of education at all levels, widening access to secondary and tertiary education across the country, and closing the gap between skills needed to drive the economy and skills that the education system provides.

A Quality-centered Approach

The quality of education provision is an issue at primary, secondary, and tertiary level education. A focus on enrolment statistics has often masked structural inadequacies in Cambodia's education system. A core problem is that both primary and lower secondary schools have low course completion rates, particularly in rural areas (Figure 2).

There is a need to shift the focus of education provision and corresponding policy performance indicators towards a quality-centered approach, with a focus on completion rates at all educational levels as a performance indicator.

Low quality teaching and teaching facilities is a feature of Cambodia's education system at public primary and secondary institutions, especially in rural areas where resources are most scarce. Teachers in rural schools earn about USD100 per month, and often have to work additional jobs. This has led to corruption in education provision, including selling exam questions to pupils.

Corruption embedded in primary and secondary education structures means that the payment of informal fees is necessary to achieve academic success. Informal costs discourage poor families from sending their children to school and lead to higher drop-out rates among poorer students.

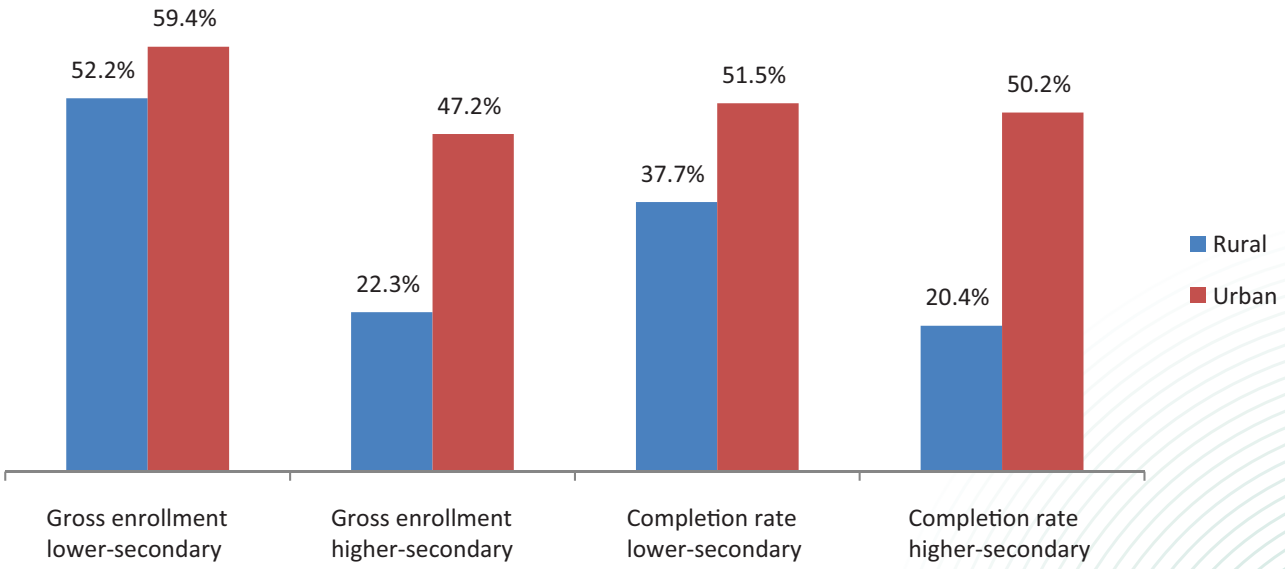
Students in rural areas have less access to materials required to succeed in a modern economy. Crucially, many students at rural schools have limited access to ICT facilities. This has a knock-on effect in their ability to access tertiary education, or to pursue better-paid careers.

The key to improving primary and secondary education in Cambodia is increasing public funding, prioritising rural areas. This includes funding for better facilities and equipment, providing better salaries for teachers, providing better training for teachers in core subjects like mathematics, English and science, and making sure that children are adequately nourished so that they can cope with the physical and intellectual demands of learning.

Human resource development in primary and secondary schools requires efforts beyond the classroom. Successful schools have engaged pupils' families in their education, encouraging them to send their children to school, and to promote home study outside school hours.

Developing a culture of education in Cambodia needs to start at a young age so that it defines students'

Figure 2: Rural-urban Divide in Secondary Education



Source: Ministry of Education, Youth and Sport

engagement with education throughout their schooling. To this end, the government is promoting pre-school education: it hopes to significantly increase enrolment rates here, too, over the medium-term.

HEIs in Cambodia also suffer from low quality teaching and facilities. An underlying issue is that higher education is private sector led and poorly regulated, often prioritising profit over quality.

Without quality controls, effective monitoring and standardised qualifications, HEIs tend to provide poor training and worthless qualifications. This can be a drain on the resources of families who may have not enough information to assess the wisdom of paying to acquire such qualifications.

Low capacity and poor regulation of HEIs negatively affects Technical and Vocational Education and Training (TVET): poorly trained staff are recruited from HEIs to teach TVET courses, resulting in quality issues spreading there.

Appropriate career guidance for prospective students and tight regulation of HEIs, including monitoring, evaluation and standardisation of courses and qualifications, will help to address problems of quality in HEIs and TVET.

If Cambodia's education system is to provide highly-skilled workers in high-tech disciplines then it will need to improve facilities at key HEIs. A major constraint is a lack of laboratories where science skills can be taught in core subjects such as biology, chemistry and physics. The development of these skills is necessary for high-tech industries such as chemical engineering, medical and pharmaceutical industries and mechanical engineering.

It is important to engage the private sector to fund state-of-the-art, global standard science facilitates, which would benefit companies requiring highly skilled workers. Developing such facilitates would also attract high-caliber academics to Cambodian HEIs – crucial for creating a culture of research excellence and feeding into high-quality teaching.

Widening Access to Education

While there have been great gains in access to primary education, access to secondary and tertiary education still remains an issue that government needs to address. At lower secondary level, enrolment declined from 55 percent in 2011-2012 to 53 percent in 2012-13; and at the higher secondary level it declined from 30.6 percent to 27 percent in the same period. In general, enrolment rates are lower in rural areas (Figure 2).

The government is committed to improving enrolment figures by building more schools, particularly in rural and remote areas, increasing incentives for teachers to locate in peripheral areas, encouraging pupils to participate in secondary education and cultivating a culture of education in Cambodian society by including parents in schooling.

A problem caused by students leaving school before completing upper secondary level is the very low skill base in this large demographic – most can only participate in unskilled agricultural and industrial processes. A key issue for government is how to skill this 63 percent to gain employment that betters their own living standard and is able to drive the economy forward. Policy makers have concluded that the extension of TVET provides a solution to this problem.

There have been major gains in the up-scaling of TVET during the last two decades, increasing from just a handful of institutes in the early 1990s to more than 300 in 2012. However, this increase still falls far short of requirements considering the number of unskilled workers that Cambodia's school system produces each year.

Increasing the number of TVET institutes will require both an increase in public funding and the continued engagement of the private sector. In 2012, 55 out of 331 institutes were public funded, 227 private funded, with the remaining 49 run by non-governmental organisations. This demonstrable will from the private sector to engage with TVET must be strengthened; mechanisms to cultivate new partnerships with the private sector must be developed.

There is a pronounced rural-urban divide in access to TVET. Few institutes are located outside urban centres; many rural households cannot afford the time and expense associated with accessing education and training services, and/or are unaware of their benefits. This contributes to underemployment in the rural sector, and inefficiency in the national labour market, because excess agricultural workers do not gain the skills necessary to contribute to other sectors of the economy.

There are several issues in extending the reach of training programmes to include peripheral areas that policy makers must overcome: private sector actors may not be interested in funding TVET institutes far away from centres of production; public funds for such projects are limited; and low salaries for trainers limits incentives to take positions in peripheral areas.

Although enrolment in tertiary education improved marginally from 12.9 percent in 2010 to 14.5 percent

in 2011, the majority of students are from more affluent and/or urban backgrounds. There are few scholarships available to enable bright pupils from poorer backgrounds to attend HEIs, and a lack of knowledge in rural areas about opportunities for higher education. The government's Education Strategic Plan (ESP) framework has highlighted the need for outreach programmes and scholarships to improve the talent pool for tertiary education, and promote more equitable access to HEIs.

Addressing the Skills Mismatch

The structure of Cambodia's labour market is not representative of present or predicted economic conditions. A major issue is the oversupply of inappropriately-skilled graduate workers, and a corresponding shortage of semi-skilled workers. CDRI projected that in 2012 the labour market would demand around 16,000 graduates, but higher education institutions produced around 29,000; it is estimated that the figures will be 22,000 versus 70,000 in 2014.

This trend indicates that education resources in Cambodia are deployed inefficiently, resulting in an overqualified demographic of workers with aspirations that cannot be met.

Policy makers must ensure that Cambodia's education system closes the gap between the skills and knowledge delivered to students and the actual needs of the workplace. This means addressing the supply side constraints to service sector skill development to boost Cambodia's hospitality and tourism sectors, and technical skills to drive garments and manufacturing.

Developing a high-capacity workforce to strengthen these pillars of growth will ensure competiveness in the ASEAN Single Market and make the economy more attractive to Foreign Direct Investment.

A core issue is to encourage more prospective students to enroll in TVET, rather than in white-collar graduate programmes. There is a stigma attached to TVET because of its association with manual labour; the image of TVET needs to change if it is to draw prospective students away from white-collar courses.

In addition, it is necessary that students and families are given appropriate career guidance so that their expectations and aspirations are grounded in reality: many households may expect their children to gain white-collar jobs on completion of their degrees, but this is often not the case.

Curricula at all levels must represent the needs of employers if workers are to be appropriately skilled. In the manufacturing and service sectors a common complaint from employers is a lack of emphasis on soft-skill development, which limits improvements needed in workplace attitude, problem solving and creative thinking.

Building effective mechanisms that ensure private sector needs are represented in curricula is important as Cambodia diversifies into new industries and up the value chain

An issue that may limit industrial development is a lack of emphasis on science and technology subjects, resulting in a lack of Cambodian scientists, engineers and other core high-skilled professionals. Such human capital is necessary to develop Cambodia's infrastructure and diversify the economy through harnessing new industrial processes.

The private sector, particularly transnational companies located in Cambodia, have assessed this skills mismatch as a fundamental constraint to the country's human resource development. At present, curricula at both primary and secondary levels do not include adequate training in mathematics and science subjects. This means that pupils going into HEIs in technical subjects requiring high-school level knowledge in core subjects are behind students in other parts of the world.

Transnational companies involved in developing curricula for HEIs often have to spend resources training students in concepts that should have been learnt at high-school. It is crucial, therefore, to include science and technology subjects in school curricula at a young age to lay the foundations for workforce up-skilling in tertiary education.

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