

Growing Rich before Growing Old? Youth, Work and Aspirations

Introduction

The lives of young Cambodians today are significantly different to what they were two decades ago. With socio-structural changes, key contexts for growing up have transformed. Education has become more accessible and students stay in school longer, and the labour market has afforded more occupational choices and greater physical and social mobility. Better living standards, higher mobility and greater information access, particularly among girls and rural youth, have diversified life priorities and cultural expressions. However, these opportunities and associated risks such as schooling and work quality are unevenly distributed. Educational gaps, income inequalities and differentiated employment opportunities, for instance, are common along gender and rural-urban lines.

This policy brief draws on the research project *School-to-Work Transitions in Cambodia: Young People Navigating Opportunity Structures and the World of Work*, funded by a grant from the Greater Mekong Subregion Research Network, aiming to explore young Cambodians' experiences of school-to-work transition by focusing on how they navigate such experiences and the contexts they are in. It

discusses key drivers of youth school-to-work transition in Cambodia and how they are (mis)aligned in the shaping of young people's life course. This policy brief is a key reference for educators and policymakers to better understand the challenges facing young people during the school-to-work transition process and to develop early and sustained supporting mechanisms for youth to successfully engage in the world of work.

The research study

Three datasets were used for this study. First, to investigate gender- and class-based inequalities in economic participation, patterns and experiences of transition into working life, the research team conducted a preliminary analysis of secondary data from the Cambodia School-to-Work Transition Survey (SWTS) 2014, a nationally representative survey of 3,396 young people aged 15 to 29 in the capital and all provinces of Cambodia.

"Class" is conceptually complex. This brief refers to "class" along the line of physical place of origin, that is, rural versus urban place of birth. In other words, this study categorised youth into two "class" groups: those born in a rural area and those born in an urban area.

Table 1: GDP and employment by sector (percent)

Indicator		1998	2013
Agriculture	GDP	46.3	33.5
	Employment	77.5	48.7
Industry	GDP	17.4	25.6
	Employment	4.2	19.9
Services	GDP	36.3	40.8
	Employment	18.2	31.5
Urban population		15.7	21.4

Sources: Cambodia Population Census 1998, Cambodia Inter-Censal Population Survey 2013, World Bank Development Indicators 2016

The second set of data came from interviews with 23 policymakers and program administrators at state, public and non-governmental institutions conducted between September 2016 and February 2017. These interviews provided insights and information often inaccessible to the public and researchers outside policy and program circles. The data was used to aid the analysis of the social and institutional contexts of school-to-work transitions, as well as to understand the structural conditions of young people’s individual experiences.

The third set of data came from focus group discussions with 20 groups of young people aged between 15 and 30, conducted between September 2016 and February 2017: 6 in industry, 10 in services and 4 in agriculture. Each focus group comprised 4 to 9 people, giving a total of 139 participants. Six groups were classified as in “professional” or “high-skilled” jobs, including engineer, auditor, economist, lawyer, university lecturer, journalist, designer and medical professional. Fourteen groups were classified as in “low-” or “non-skilled” jobs, including smallholding farmer, construction worker, factory worker, restaurant worker, salesperson, receptionist, secretary, bank teller and cashier.

Discussion of findings

Changing life course context

Cambodia has undergone significant social, economic and cultural changes over the past 20 years. Sustained robust economic growth has transformed economic and employment structures (Table 1). This has had significant implications for young people’s life courses. Industrialisation began gaining momentum in the early 1990s, contributing 17 percent of GDP in 1998 and 26 percent in 2013. Employment in industry increased from just 4 percent in 1998 to 20 percent in 2013. Services also absorbed an increasing share of the country’s workforce, from 18 percent in 1998 to 32 percent in 2013. Agriculture’s shares of GDP and employment declined significantly in the same period.

Economic growth has been accompanied by changes in two key socio-structural contexts: wage labour and urbanisation. Rural people have increasingly abandoned, temporarily or permanently, farming for labour-intensive jobs in urban areas. This has resulted in rapid urbanisation, with the population of Phnom Penh alone tripling in the last 20 years. With more and more young people leaving the countryside and their elderly parents with the burden of farming, wage labour in agriculture has also risen.

Table 3: Key youth (15–29) labour market indicators by sex and birthplace (percent)

	All youth			Youth labour force participation rate	Employment status (non-agriculture)	
	Employed	Unemployed	Inactive		Formal	Informal
<i>Sex</i>						
Female	80.1	2.0	17.9	82.2	7.0	93.0
Male	86.9	2.1	11.0	89.0	6.6	93.4
<i>Birthplace</i>						
Rural	86.5	1.5	12.0	88.0	6.7	93.3
Urban	69.5	4.4	26.2	73.8	6.8	93.2
Average	83.1	2.1	14.9	85.2	6.8	93.2

Source: Authors' calculation using data from SWTS Cambodia 2014

Cambodian rural youth are moving away from family farming to urban wage jobs as they enter working life. Between 2004 and 2014, the proportion of youth aged 15 to 29 employed in agriculture dropped from 60 to 47 percent, with corresponding increases in youth employment in industry and services (Table 2).

Table 2: Youth (15–29) employment by economic sector (percent)

Sector	2004	2014
Agriculture	60	47
Industry	17	22
Services	23	31

Source: Authors' calculation using data from CSES 2004 and SWTS Cambodia 2014

Cambodia has a youth bulge, with 32 percent of the population aged between 15 and 29 (Cambodia Inter-Censal Population Survey 2013). Forty-one percent of this cohort falls into the 15–19 age bracket, a critical life stage when young people usually leave school and/or take up full-time work. This puts immense pressure on state institutions to provide essential social and economic services, the lack of which has

translated into reliance on family resources as well as significant inequalities in school-to-work transition.

Rural young women, compared to their urban counterparts, are particularly disadvantaged given their higher fertility rates and constraints on educational and occupational opportunities during pregnancy and child rearing.

Normative life course pathways have changed in recent years, especially for women. Physical mobility and education have expanded their life course possibilities – real or imagined – beyond traditional household-bound roles.

Given rapid changes in recent decades, life course expectations for the young generation have gradually shifted away from early marriage and parenthood, stable work identity and filial piety. Anecdotal evidence suggests well-resourced youth have increasingly appreciated experiences beyond work and family formation such as travelling, exploring their potential without feeling restricted by traditional norms, and engaging in non-economic activities.

The majority of young people entering the labour market are ill equipped for

employment. Without a welfare state, they rely largely on family resources. This generates highly inequitable pathways to employment, whereby the well-resourced move into clerical or professional occupations and the poorly resourced into labour-intensive jobs.

Entry into working life

Eighty-five percent of young Cambodians aged 15–29 are in the labour force. At just over 2 percent, the unemployment rate in this cohort is low. If unemployment is a relative privilege in a relatively poor country, and if delays of entry into working life among youth mean greater opportunities for education and skill training, urban youth are clearly better off than rural youth, with higher unemployment and lower labour force participation rates among the former than the latter (Table 3). On the other hand, that fewer young women than young men are in the labour force (82 percent versus 89 percent) suggests a disadvantage for the former as a less economically productive group. Overall, over nine in 10 young people, excluding those in the agricultural sector,

are informally employed, depriving them of employment protection measures such as formal contracts and work-related social protection.

Vulnerable employment, commonly defined as own-account workers and contributing family workers, is characterised by inadequate social protection and lack of quality job opportunities. Evidence from SWTS 2014 shows that two-thirds of Cambodian youth, and significantly more rural than urban youth, are in vulnerable employment. The majority of youth are also ill equipped in both education and work skills.

Almost half of the Cambodian youth labour force still relies heavily on agriculture, which is generally considered susceptible to risk across the life course due to limited irrigation and farming technologies as well as the absence of state welfare support. Therefore, young people, especially those lacking a full education or vocational training, have found opportunities in manufacturing – mainly garments and footwear – and construction, representing 78 percent and

Table 4: Youth employment by occupational grouping (ISCO-08) (percent)

	Sex		Birthplace		Total
	Female	Male	Rural	Urban	
Legislators, senior officials and managers	0.5	0.4	0.4	0.6	0.4
Professionals	3.4	2.9	2.7	5.5	3.2
Technicians and associate professionals	1.6	1.5	1.4	2.1	1.5
Clerks	2.1	1.0	1.2	3.6	1.6
Service, shop and market sales workers	25.8	13.6	14.9	46.9	20.2
Agricultural and fishery workers	42.8	47.8	51.2	14.7	45.1
Craft and trade workers	18.7	17.3	18.3	17.0	18.1
Plant and machine operators, assemblers	0.4	4.5	2.1	3.2	2.3
Elementary occupations	4.7	10.4	7.5	6.3	7.3
Armed forces	-	0.6	0.3	0.2	0.3

Source: Authors' calculation using data from SWTS Cambodia 2014

20 percent, respectively, of total youth employment in the industrial sector. These jobs are mostly labour-intensive and equally taken up by urban and rural youth. The industrial sector is clearly stratified, with 94 percent of young women and 58 percent of young men employed in manufacturing, and 39 percent of young men and 5 percent of young women employed in construction. In services, the majority of young Cambodians (57 percent), especially young women (63 percent versus 49 percent of young men), are engaged in trades, mostly small trades given the dominance of micro and small-scale enterprises, again leaving them without any formal social or legal protection.

The labour-intensive nature of youth employment is also reflected in occupational groupings by skill level (Table 4). Up to 73 percent of young Cambodians are in jobs – skilled or unskilled – that rely on physical strength, including as agricultural and fishery workers, craft and trade workers, plant and machine operators, and labourers. Another 20 percent are in service, shop and market sales jobs, which although classified by the ILO as non-manual involve considerable labour or non-office work. Urban youth and more female than male youth take up this kind of work.

Significant proportions of young people employed in service and sales work (36 percent) and in elementary occupations (37 percent) are overeducated for their job. Moreover, for other occupational groups, young Cambodians are considerably undereducated for their job, especially in high-skilled or professional occupations. These two concerning aspects may point to the poor quality of education and misalignment between education and training and the labour market. However, qualitative research with young people demonstrates that the Cambodian education system is still highly effective as a life course

institution, providing young people with a sense of self-competence and career goal development.

In terms of income distribution, two-thirds of Cambodian youth earn below the national average wage. Young women and rural youth are particularly disadvantaged, earning 80 percent and 77 percent, respectively, below the national average. Nevertheless, most Cambodian youth conveyed that they are “satisfied” with their job regardless of their work conditions and earnings.

Life priorities and aspirations: Dignity, family, hope and uncertainty

Cambodian youth are highly motivated, not only because they feel the need to make a living, especially the economically disadvantaged majority, but also because they generally desire better pay, better work conditions or new experiences. A majority of youth, especially the younger ones, expressed the desire to change jobs, mainly to seek better paid work or better working conditions. While this may be a function of the fluidity of labour-intensive jobs among low- or unskilled youth, or of skill-job mismatch among educated youth, from an agentic¹ viewpoint, these young people undertake “active mobility” in search of what they subjectively consider a “real occupation,” or *archib* in Khmer.

For half of Cambodian youth, when asked about their main life goal in the SWTS 2014, the answer was “having a good family life”. The weight of the family was more prevalent among rural than urban youth (53 percent versus 39 percent) due to the critical realities of mutual family support as well as demands. More for cultural reasons, more young women than young men (54 percent versus 46 percent) chose a good family life as the main life goal. Our qualitative research on young people’s life experiences and thoughts

about the future corroborates this result. When discussing decisions and life course events, such as staying on at school, leaving school, choosing university majors, selecting or changing careers, major concerns in life, dignity and future aspirations, the family plays a central role.

Opportunities, risks and uncertainties related to working life resulting from social change and new possibilities are a constant reality for young Cambodians. The precariousness of work and economic pursuit is a reality, well supported by survey data on various employment and labour market indicators. Still, young people generally remain hopeful about their future even as they cope with uncertainties on a daily basis. For many young migrant workers, their earnings, work experiences and life away from home have generated optimism and sometimes confidence that with perseverance and family support a better future is within reach. For more privileged youth, higher education and the expanding professional labour market have sustained hope and confidence that a good life is within reach. For both groups, work is always available, though may not always be what is desired, and a good future life is inclusive of financial prosperity and a good family life, which includes being able to care for elderly parents and providing a warm and loving home and education for children. However, those severely lacking family resources or sense of personal competence tend to find their future as fateful as others find their future manageable.

Policy implications

The dominance of informal employment and the lack of quality education and skills training to improve access to decent jobs, especially among rural youth, seem to have

a negative impact on economic outcomes for youth and on economic growth in the long run. Despite the growing job opportunities in manufacturing and services, Cambodian youth will continue to live with uncertainty if they are neither supported nor protected through their school-to-work transitions and at work. Below are some recommendations drawn from this study to ensure young people can, in relative terms, grow rich before growing old:

- Compulsory and higher education, attractive career prospects, upward social mobility and middle-class aspirations should be promoted and made more accessible to those on the lower rungs of the socioeconomic ladder by improving various state welfare programs.
- To increase youth participation in skilled jobs, technical and vocational training linked to job market needs should be provided in secondary education. Building school-industry/private sector partnerships can retain more youth in education or training, delaying their entry to the labour market while inspiring them to develop career aspirations.
- Laws and regulations to institutionalise the transition to adulthood and working life, such as minimum age for employment and marriage, legal requirements for work compensation and compulsory basic education, should be strengthened. Policies and public services to facilitate these regulations have been slow to materialise or poorly implemented. Therefore, to shield citizens from life course risks, such as old age and illness, laws and regulations to institutionalise such transitions should be expanded and their implementation strengthened and hastened.