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LANDLESSNESS AND CHILD LABOUR IN CAMBODIA

Introduction

The widespread use of child labour in Cambodia persists: 755,250 (19 percent of total) children aged between 5 and 17 work, 30 percent of whom are engaged in risky occupations such as the sex and drugs trade, or have been trafficked (NIS and ILO 2013).

Child labour in Cambodia is a rural phenomenon. Most working children are engaged in tasks such as fishing, feeding livestock, growing crops and collecting wood, mostly as unpaid family helpers and occasionally as informal sector workers; less than 2 percent work in sweatshops (NIS 2004, 11). Child labour is a complement to family income and labour shortage, rather than a substitute (Siddiqui 2012). Landlessness or near landlessness is a major cause of rural poverty: to have no or insufficient access to land is to have insufficient household income. Consequently, children are sent out to work as a household livelihood strategy.

Knowledge is still limited on the links between landlessness and child labour. This article addresses these shortcomings in the literature by seeking answers to the following questions:

1. How is landlessness related to child labour?
2. How does child welfare and socioeconomic status differ in landless and landholding households?
3. What are boys' and girls' perceptions of their roles in the family livelihood?

This article draws on a CDRI study (Phann et al. 2014), available at www.ehs.unu.edu/file/get/9018. Full citation: Phann Dalis. 2015. "Landlessness and Child Labour in Cambodia." *Cambodia Development Review* 19(3): 1-5. Phnom Penh: CDRI.



Child labour in Cambodia is a rural phenomenon. Takeo, May 2015

Definitions of child labour and landlessness

Child labour: The Ministry of Planning (2012), in line with Cambodian Labour Law (adopted in 1997), defines child labour as any form of economic or non-economic activity for at least one hour a week that could be harmful to a child's health or physical, mental, spiritual, moral or social development. Labour Law sets the minimum working age at 15 but allows children aged 12-14 to do light work for up to 14 hours a week.

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Table 1: Working hours defining child labour

Age groups	Non-hazardous	Hazardous
5-11	≥ 1 hour per week	
12-14	≥ 14 hours per week	Even ≤ 14 hours per week

Note: Hazardous work is defined as (ILO 2002, 34):

- work which exposes children to physical, psychological or sexual abuse; to temperatures, noise levels or vibrations damaging to health
- work underground, underwater, at dangerous heights or in confined spaces
- work with dangerous machinery, equipment and tools or carrying heavy loads; or work for long hours at night.

Landlessness: Landless households do not have farmland, regardless of reason.

Methodology

The study employed a mixed quantitative-qualitative approach. Following previous studies (Bhalotra 2000; Emerson and Souza 2003; Khan 2007; Bhalotra and Heady 2003), to investigate and determine the effects of landlessness on child labour, we used a probit model with a set of control variables, especially a dummy variable for agricultural land.

Relationships between variables are expressed in the equation:

$$Y = \alpha + \beta L_d + \delta X + \gamma Z + e$$

where Y takes 1 for child labour and 0 otherwise, α is a constant term, β is the coefficient focused on the effect of the agricultural land dummy L_d (1 for landless, 0 otherwise) on the incidence of child labour, δ and γ are the coefficients of other controlled variables, and e is the error term for remainders of excluded variables. Child characteristics X refer to age, sex and school completion. Household characteristics Z include age, marital status, sex, education and occupation of household head, number of household members by age group, ethnic background, region, and wealth quintile dummy.

Qualitative methods involved the conduct of in-depth interviews to collect information on individual histories, perspectives and experiences, and focus group discussions to gather broader opinions on issues of interest. The information collected does

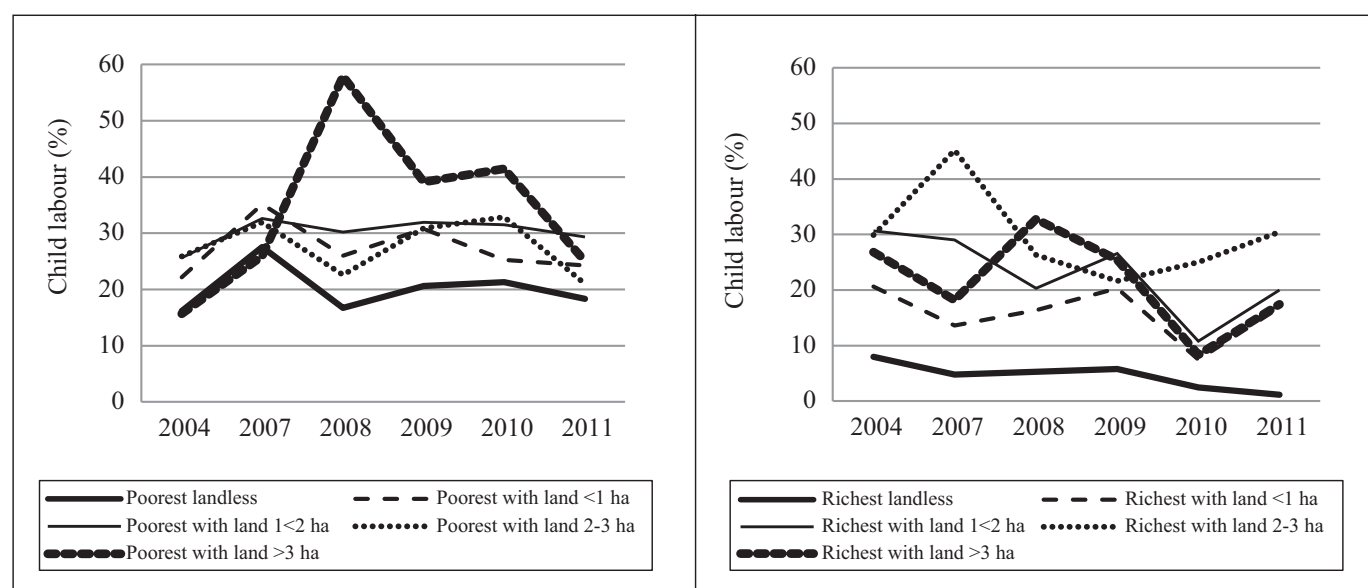
not represent the overall view of Cambodian adults and children but of the participants in selected villages.

Quantitative analysis relies on data from the nationally representative Cambodia Socio-Economic Survey (CSES) 2004, 2007, 2009, 2010 and 2011. Qualitative analysis is based mainly on the fieldwork conducted in the provinces of Pursat, Oddar Meanchey, Preah Vihear, Kratie and Koh Kong in 2014. We selected two villages in each province, and in each village organised two focus group discussions, three in-depth interviews and one key informant interview. In consultation with the village chief, sample households were selected from four household categories: IDPoor with agricultural land, IDPoor without agricultural land, non-IDPoor with agricultural land and non-IDPoor without agricultural land.

Landlessness

The study traced the causes of landlessness based on a 2014 survey conducted by CDRI on the poverty dynamics of 1183 households in 11 rural villages in nine provinces—Battambang, Kompong Thom, Kratie, Kampot, Kandal, Prey Veng, Kompong Speu, Preah Sihanouk and Preah Vihear. The survey results indicate that the largest number of landless households had never had land. Other causes were landsales, transfer to children, relocation and land grabs. Concentrated in urban areas, agricultural landless households accounted for 28 percent of total households between 2004 and 2011; they are typically engaged in service sectors, wealthier than landholding households and associated with higher levels of household head educational attainment.

Figure 1: Child labour by the first (left) and fifth (right) land wealth quintiles, 2004-11



Source: Compiled from CSES 2004-11

Child labour prevalence

Data from the CSES (Table 2) shows that the incidence of child labour was consistently higher in rural households in the period 2004-11. While the share of child labour in Phnom Penh and urban areas halved, that in rural areas rose by 2 percent.

Further, twice as many children (18 percent) were living in landless than in landholding (9 percent) households. Of working children, only 10 percent did not attend school at all, and 80 percent combined work and schooling (10 percent did not respond to the survey).

Table 2: Child labour by region, 2004-11

	2004	2007	2008	2009	2010	2011
Children aged 5-14	15,603	4024	3632	12,674	3348	3287
Phnom Penh	1107	634	583	884	533	513
Other urban	2178	743	652	1286	579	599
Rural	12,318	2647	2397	10,504	2236	2175

Percentage of child labour

Total child labour	21.8	23.3	21.1	25.1	18.6	18.7
Phnom Penh	6.1	5.2	4.6	3.2	3.0	1.6
Other urban	15.8	14.3	14.4	11.0	9.0	9.0
Rural	24.3	30.2	27.0	28.6	24.8	25.4

Source: CSES 2004-11

Table 3: Incidence of child labour by land size of agrarian households, 2004-11 (%)

	2004	2007	2008	2009	2010	2011
Landless (land=0)	18.9	20.0	17.1	19.1	18.3	20.7
<1 ha	25.9	29.7	26.4	29.0	24.7	23.9
1-2 ha	29.6	34.6	33.0	34.1	25.4	30.1
2-3 ha	30.3	39.4	26.8	29.6	31.0	28.4
>3 ha	28.9	33.3	35.7	32.5	25.1	28.2

Source: CSES 2004-11

The prevalence of child labour was found to be more frequent in landholding than landless households. The incidence of child labour is related to landholding size, fluctuating around the 19 percent mark in landless households and a mean of 30 percent (in a range of 24 to 39 percent) in landholding households (Table 3). When all household occupations are included, child labour is more prevalent in poor than rich families.

Empirical results

Probit model estimates indicate that children in landless households are less likely to be involved in the labour market than those in landholding households. This result is consistent with previous studies (Mead 1977; Bhalotra and Heady 2000).

Child labour prevalence is significantly related to the educational level of the household head: children in households where the head has completed at least primary education have less chance of being sent out to work. Boys are more likely to participate in economic activities than girls. Other contributing factors are household dependency on child labour for survival and living in a rural agricultural household.

On the other hand, model estimates for interactions between child labour and land wealth

show that landless households are less likely to involve their children in work than landholding households, regardless of how rich or poor they are (Figure 1). However, children in the poorest landless households have a larger probability of working than those in the richest landless households.

Qualitative findings

There are differences between children in landless and landholding households. Those in landless households work mainly on rice and cash crop fields to get money to fulfill basic needs, usually food. They accept any type of work as long as they are paid daily. These children get less of their parents' time when they need their parents the most, and forfeit regular schooling because there is no food, proper school materials or transport. Some follow their parents to work everywhere.

Children in landholding households often work on the family farm or in the family business when they are not at school. They are closely supervised by their parents and are not left to work alone; their parents hire workers to do heavy jobs. These children have sufficient food and other necessities whether they work or not. Some complete grade 12 or university, while some quit school and dedicate themselves to the family business.

Parents, adults and elders in the family have the strongest influence on children's lives and economic activities. Boys know that they will have to follow their father, doing mostly heavy work such as cutting trees and bamboo, digging up cassava, ploughing, collecting fodder, and so on. Girls take on their mother's tasks which are considered light work, such as baby sitting, growing, cutting and drying cassava, transplanting, clearing grass, embroidering pillows and weaving mats, to name a few.

Conclusion

Landlessness and child labour in agrarian households are interrelated. Children in landless households are less likely to work than those in landholding households because of the limited opportunities for them to engage in rural seasonal work and a lack of resources to move elsewhere to find work.

Children of poor landless households are more likely to participate in work than those of rich landless households. Factors that reduce child labour are the education of the household head and the presence of more adults in the family. Living in a farm household, many children aged 0-4 years and rural residency are the key factors contributing to child labour.

The following recommendations can help free children from the necessity of working:

- Make labour saving technology more accessible to farm households
- Instill in families the importance of the long-term value of education
- Integrate practical skills into the education system
- Introduce flexible scheduling in schools
- Provide food security for poor children's families by improving access to farmland
- Build parenting skills
- Provide school materials, uniforms and transport.

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Disaster Management Planning in Rural Cambodia

Background

Cambodia has been affected by many weather-related natural disasters such as heavy rain, flood, drought and severe storms, and climate change is intensifying these phenomena. People living in rural areas are the most vulnerable to these shocks because their capacity to deal with climate variability and extremes is limited. In efforts to mitigate vulnerabilities and improve disaster resilience, the government has created mechanisms for emergency management to help affected communities cope with and recover from disasters.

Set up 1995, the National Committee for Disaster Management (NCDM) has overall responsibility for developing and coordinating emergency plans and responses. Disaster management agencies such as the Provincial Disaster Management Committee, District Committee for Disaster Management (DCDM), Commune Committee for Disaster Management (CCDM), and Village Disaster Management Group (VDMG) are responsible for disaster planning at their respective levels. These agencies receive technical and financial support from NGOs and the NCDM. At commune and village level there are two kinds of action plans, one for emergency preparedness and response and the other for disaster risk reduction.

This article describes village and commune-level planning processes for disaster management in rural Cambodia. It draws on the initial findings of a larger study (Sam 2015) conducted to determine the situation of NGO-assisted community-based disaster management projects, and the best ways to promote effective emergency planning and preparedness in rural communities. The study was commissioned by the Japanese Institute for Irrigation and Drainage.



Method

Primary data was collected from four focus group discussions organised with members of Srey Snom DCDM and Tram Sosor CCDM in Siem Reap province, and members of Sangkat Lolok Sor and Kompong Po CCDMs in Pursat province. Further information was gathered from seven key informant interviews with representatives from NCDM, Plan International Cambodia, Action Aid, Life with Dignity DanChurchAid/ChristianAid, Oxfam GB, and Partnership for Development in Kampuchea.

Secondary data was collected from the NCDM, and from local NGOs involved in emergency management and which focus on providing disaster management training.

Key findings

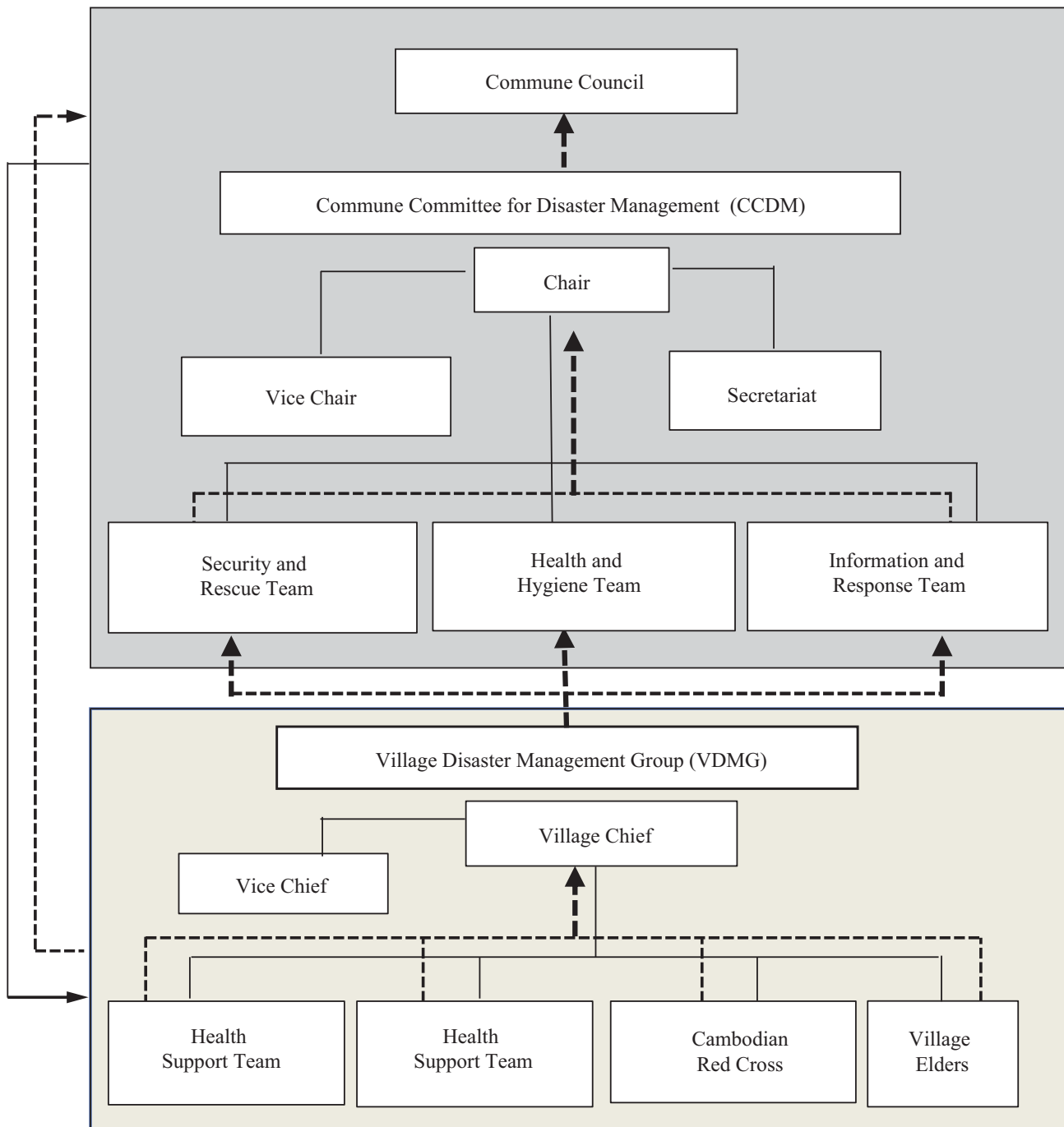
Structure and functions of CCDM and VDMG

Sub-decree No. 61, dated 29 June 2006, authorised the establishment of CCDMs, and Direction No. 315, dated 21 July 2010, led to the creation of VDMGs. As seen in Figure 1, the CCDM comprises three teams working across three main areas, and the VDMG is made up of four groups. All committee and group members are volunteers. If there is NGO support, they get some funds plus travelling costs from their respective commune authorities.

The main responsibilities of the CCDM are to develop plans for disaster risk reduction and emergency preparedness and response, carry out the activities detailed in both plans, coordinate

This article was prepared by Sam Sreymom, research associate, Environment Unit. Full citation: Sam Sreymom. 2015. "Disaster Management Planning in Rural Cambodia." *Cambodia Development Review* 19(3): 6-10. Phnom Penh: CDRI.

Figure 1: Disaster management structures



Sources: Consortium AAC/DAC/PIN/Oxfam/SCI 2014; Leng 2014; NCDM 2013a; Khna Sanday CCDM 2013; Lolok Sa CCDM 2014

district and village-level disaster risk management and emergency response activities, and implement disaster management policies and strategies. The main roles of the VDMG are to reinforce disaster preparedness mechanisms by sharing disaster information among local people, disseminate warnings of impending threats and assist evacuation of people and livestock in times of emergency.

The CCDM is responsible for commune contingency planning and the VDMG for local

disaster risk reduction planning. Both receive support from NCDM line departments, provincial and district committees for disaster management, local NGOs and development partners.

Supporting NGOs follow the disaster management activities set out in the technical guidelines for contingency and emergency planning (NCDM 2013b), and provide pre-planning training to CCDM and VDMG members. Training covers the following topics:

- data collection
- plan development
- disaster and management and recovery basic concepts
- mechanisms, structures, duties and roles of local disaster management committees
- stakeholder mapping
- lessons learned from disaster management
- disaster impacts on women, children and other vulnerable groups
- vulnerable group analysis
- hazard mapping to an appropriate planning level or scale
- risk scenarios and risk levels
- emergency preparedness and response planning
- how to identify local resources.

Training on data collection covers how to gather primary information on the problems and difficulties vulnerable people face and their ability to deal with them (NCDM 2013a, c).

Developing an emergency preparedness and response plan

The NCDM (2013b) has produced technical guidance on contingency and disaster planning at municipality, province, district and khan levels but not at the commune level. In the absence of specific guidelines, commune plans are developed in the same way as those at khan and district level (Figure 2).

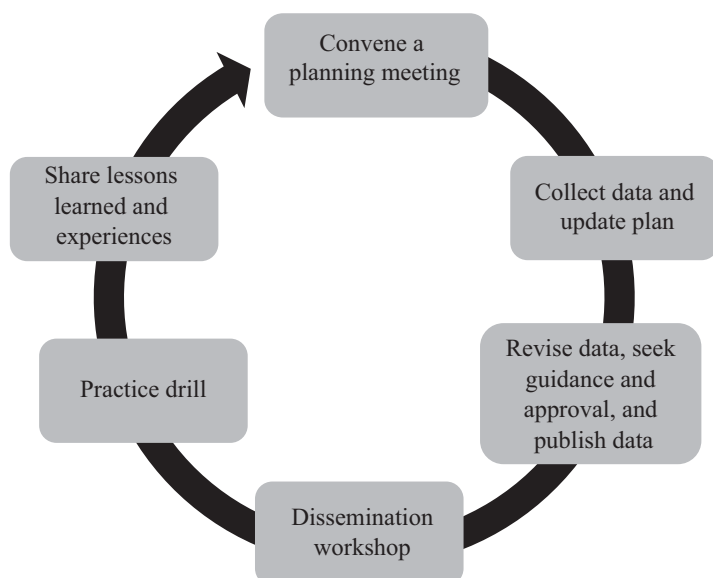
Participatory planning requires the involvement of all stakeholders concerned, but especially supporting NGOs and district and commune committees for disaster management. Before the planning process can begin, in accordance with NCDM's technical guidance, committee members attend training on various topics. Even so, depending on the supporting NGO, the content of emergency and preparedness response plans (EPRPs) may differ slightly from NCDM recommendations. The plans mainly focus on institutional preparedness and response and the resources they require, and need to be updated every year.

Developing a disaster risk reduction plan

Disaster risk reduction plans (DRRPs) do not exist in the three study communes. But a representative from Life with Dignity reported that such plans have been developed in the project's target villages and communes, where they are often known as a disaster risk management plan or community development plan.

The DRRP evolved from the process of identifying disaster risk management needs and prioritising local development projects. Before the creation of VDMGs, these activities were mainly the responsibility of the village chief with support from commune councillors. Once identified, priority problems and needs would be screened by the commune council and incorporated into the commune development plan and the commune investment plan. Thus, over

Figure 2: Development of commune emergency preparedness and response plan



Sources: Interviews 2014; NCDM 2013c

time, disaster risk reduction has been incorporated into commune planning.

With support from NGOs, distinct commune EPRPs and DRRPs are being developed. The latter differ from that recommended by NCDM and suggested by supporting NGOs. The NCDM recommends that DRRPs take the form of a table of activities, while supporting NGOs prefer a report containing disaster profiles, risk assessments, information about key local institutions and a preparedness plan. Commune and village DRRPs are reviewed every 2-3 years.

Challenges

A main challenge to the development of actionable commune and village plans for emergency preparedness, response and recovery is limited local knowledge about disaster management. This is largely due to the complexity of risk assessment and planning activities, low educational attainment among local people and limited timeframe for training, though training has been extensively conducted as part of project implementation.

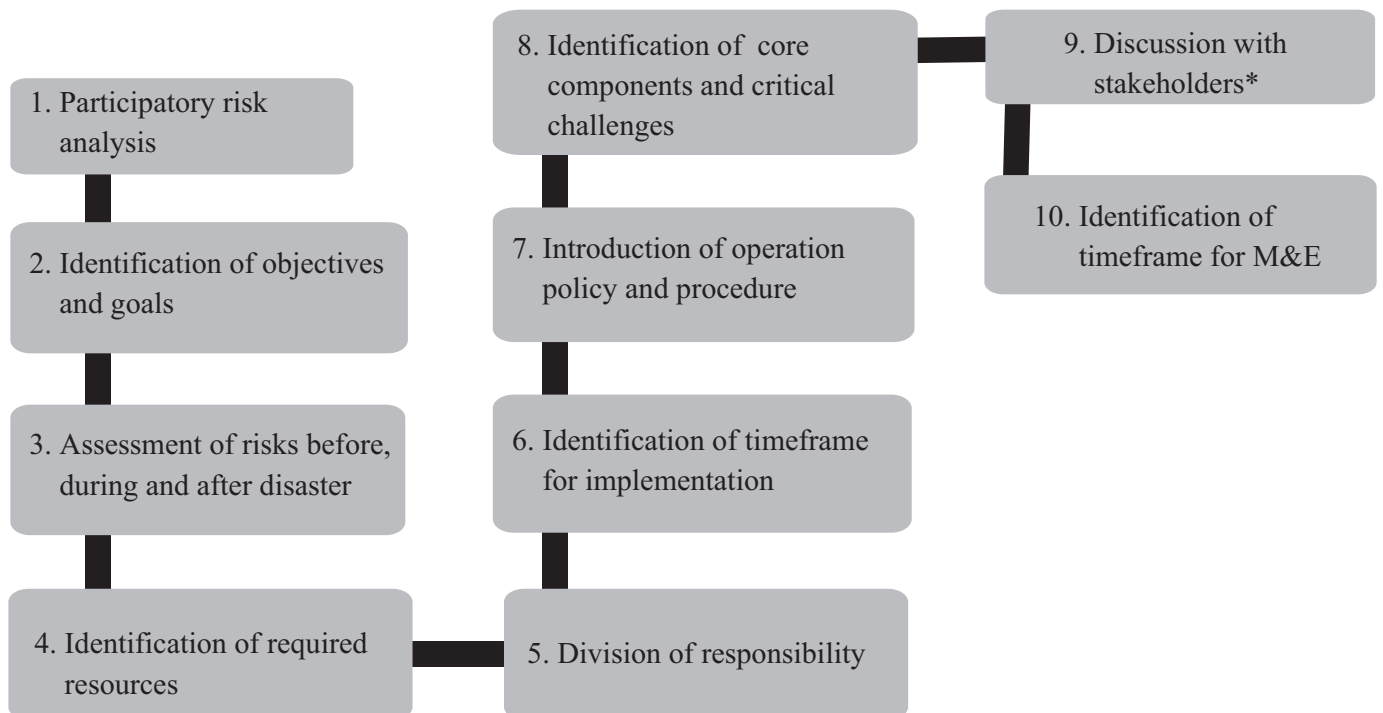
Another issue affecting the development of effective disaster management plans concerns time and space constraints. Participatory planning

typically involves a large number of people, but the demands and pressures of everyday life mean that committee and group members do not always have sufficient time and energy to engage fully in local initiatives. For example, collecting enough information to assess risks and develop an action plan requires local people’s participation. Yet the possibilities for data collection are limited because people must put all their efforts into earning their livelihoods.

Unless these constraints are recognised and properly addressed, innovation and planning can become self-defeating: capacity for active participation does not get built up or keep pace with technological innovation; individuals and communities fail to recognise how climate and disaster threats and related impacts can be reduced; a sense of powerlessness or the belief that their efforts will make no difference lead to inertia and acceptance of the status quo. This was evident to some extent from the discussions with DMCC and CCDM members; questions about the problems they face elicited few ideas.

The sustainability of disaster management and recovery assistance was also highlighted; discussants and interviewees stressed the critical need for

Figure 3: Development of a disaster risk reduction plan



Note: *Stakeholders include local communities, district and commune committees for disaster management, and supporting NGOs
 Source: Consortium AAC/DAC/PIN/Oxfam/SCI 2014

continuous financial and technical supports. The limited funds available for emergency management and response activities, as well as lack of community participation in disaster efforts, has reportedly constrained the implementation of emergency response and risk reduction plans at local level.

The problem of limited funds obstructing plan development and implementation was raised in all three study communes and by NGO representatives. The active involvement of local people is vital in dealing with disaster risks; they are required to cooperate with their VDMG and CCDM before, during and after disaster strikes. But it was clear from the discussions and interviews that some people ignore the warnings provided by their VDMG and CCDM. Instead, they usually wait until disaster hits and then act, thereby hampering the effectiveness of emergency planning and response activities.

Conclusion and suggestions

Despite extensive consultation and training, local people's actual involvement in disaster management planning remains limited. This emphasises the urgent need for continuous support from line agencies and NGOs to sustain all stages of planning and implementation.

Community planning is not new to village and commune authorities who have experience of assessing local needs and priorities and preparing community development and investment plans. However, emergency preparedness, response and recovery is hampered by local authorities' limited capacity to carry out the complex risk assessment exercises and disaster management activities, constraints on local participation in data collection, and difficulties getting community cooperation in disaster situations.

The following suggestions may help remove the obstacles to disaster management planning identified in the study:

- Enhance CCDM and VDMG members' understanding and ability through simplified risk assessment and planning activities and more follow-up training.
- Improve meaningful community participation by encouraging CCDM and VDMG members to share disaster information.
- Ensure sustainable planning and implementation through securing financial and technical support from line agencies and NGOs.

- Train CCDM and VDMG members on how to write proposals to seek funding from NGOs and other supporters
- Mobilise local leadership, ideas and efforts throughout the implementation of community action plans.

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Economy Watch—External Environment

This section describes economic indicators of major world economies and economies in Southeast Asia.

In the second quarter, real GDP growth in Indonesia increased 4.7 percent from a year earlier. In this quarter Indonesia experienced the lowest growth since 2010. Growth in Malaysia was 4.9 percent higher than the previous year; however, annual real GDP growth dropped 0.7 percentage points from the preceding quarter. Lower commodity prices and domestic demand contributed to weaker growth. Real GDP growth in Singapore shrank to 1.8 percent from a year earlier, lower than the 2.6 percent of the preceding quarter. Year-on-year growth in Thailand increased to 2.2 percent in the second quarter, higher than the 0.3 percent a year earlier. The main contribution to the expansion included public investment and tourism. Real GDP growth in Vietnam increased to 6.5 percent year on year.

Growth in China and Hong Kong declined slightly to 7.0 and 2.8 percent in the second quarter, respectively. Growth in South Korea dropped to 2.2 percent, and in Taiwan to 0.5 percent. The decline of the growth rate in Taiwan was mainly caused by a drop in exports.

Growth in the EU in the second quarter increased to 1.2 percent from 0.7 percent a year earlier. Japan's real growth was 0.7 percent year on year. In this quarter Japan's economy made up for contraction in growth because of the weak yen; however, it is not a solution for long-term recovery. Real GDP growth in the US decreased slightly to 2.3 percent, from 2.6 percent a year earlier. The growth was driven by services, mainly health care and transport.

World inflation and exchange rates

Inflation rates in some rich countries were lower than expected, and some countries struggled to combat deflation.

Inflation in Cambodia remained stable at 1.0 percent year on year. Lower fuel prices caused inflation to decline. In Indonesia inflation expanded to 7.1 percent from 6.6 a quarter earlier. The level and volatility of inflation in Indonesia were higher than in its peer emerging nations. Singapore experienced deflation during the last three consecutive quarters. In the second quarter, deflation in Singapore was 0.4 percent—the lowest during the last four years. Thailand also faced deflation of 1.1 percent in the second quarter, while Vietnam's inflation decreased to 1.0 percent from 4.7 percent a year earlier.

Inflation rates were still low in China and other Asian tigers. In China, the rate increased slightly to 1.4 percent because of rising food prices. Inflation in Hong Kong contracted to 3.1 percent, and in South Korea to 0.5 percent. Taiwan experienced deflation of 0.7 percent. Inflation in the euro area rose to 0.2 percent, while Japan declined to 0.5 percent. Inflation in the US grew from 0.4 percent deflation to nil.

In the second quarter, the riel depreciated 0.7 percent from a year earlier against the dollar, to KHR4056.7. The Thai baht depreciated 2.5 percent year on year against the dollar and the Vietnamese dong 3.8 percent. The Chinese yuan appreciated 0.5 percent against the dollar from a year earlier, while the Japanese yen depreciated 18.9 percent against the dollar.

Commodity prices in world markets

Prices of major commodities in world markets decreased in the second quarter from a year earlier. Maize dropped 21.6 percent to USD168.4/tonne, palm oil 25.2 percent to USD664.0/tonne and rubber 14.2 percent to USD1525.9/tonne. Prices of rice declined 3.7 percent and of soybeans 30.4 percent. The price of crude oil contracted 42.9 percent to USD60.5/barrel, contributing to decreased prices of gasoline and diesel of 33.9 and 37.2 percent, respectively.

Table 1: Real GDP growth of selected trading partners, 2008-15 (percentage increase over previous year)

	2008	2009	2010	2011	2012	2013	2014					2015	
								Q1	Q2	Q3	Q4	Q1	Q2
Selected ASEAN countries													
Cambodia	6.7	0.1	6.0	7.1	7.3	7.4	-	-	-	-	-	-	-
Indonesia	6.1	4.2	6.2	6.5	6.3	5.8	5.2	5.1	5.0	5.4	4.7	4.7	4.7
Malaysia	4.6	-2.4	9.0	4.9	5.4	4.6	6.2	6.4	5.6	5.8	5.6	4.9	4.9
Singapore	1.1	-4.5	14.7	4.7	1.3	3.8	5.1	2.4	2.4	2.1	2.6	1.8	1.8
Thailand	2.6	3.3	7.9	0.0	6.7	2.8	3.1	0.3	0.6	2.2	3.3	2.2	2.2
Vietnam	6.2	4.7	6.4	6.2	5.2	5.4	4.8	5.5	6.4	6.8	6.1	6.5	6.5
Selected other Asian countries													
China	9.0	8.2	10.4	9.3	7.7	7.7	7.1	7.5	7.3	7.3	7.1	7.0	7.0
Hong Kong	2.4	-3.2	6.9	4.9	2.9	3.0	2.5	1.8	2.7	2.2	2.1	2.8	2.8
South Korea	2.2	-1.0	6.1	3.6	2.1	2.8	4.1	3.5	3.2	2.8	2.4	2.2	2.2
Taiwan	0.1	-3.6	11.1	4.2	1.2	2.2	3.1	3.7	3.8	3.3	3.4	0.5	0.5
Selected industrial countries													
Euro-12	0.9	-3.8	1.6	1.6	-0.5	0.1	0.9	0.7	0.3	0.9	1.0	1.2	1.2
Japan	-0.7	-5.4	4.1	-0.8	1.7	1.7	3.1	-0.1	-1.2	0.5	-0.9	0.7	0.7
United States	1.1	-2.5	2.7	1.8	2.1	1.8	2.3	2.6	2.3	2.4	2.7	2.3	2.3

Sources: International Monetary Fund, Economist and countries' statistics offices

Table 2: Inflation rate of selected trading partners, 2008-15 (percentage price increase over previous year—period averages)

	2008	2009	2010	2011	2012	2013	2014					2015	
								Q1	Q2	Q3	Q4	Q1	Q2
Selected ASEAN countries													
Cambodia	19.7	-0.5	4.1	5.5	3.0	3.0	4.5	4.9	4.0	2.2	1.0	1.0	1.0
Indonesia	10.1	4.7	5.1	5.4	4.3	7.0	7.7	7.1	4.3	6.5	6.6	7.1	7.1
Malaysia	5.3	0.4	1.7	3.2	1.7	2.1	3.5	3.3	3.0	2.8	0.7	2.1	2.1
Singapore	6.5	0.5	2.9	5.2	4.6	2.3	1.0	2.3	0.9	-0.1	-0.3	-0.4	-0.4
Thailand	5.5	-0.9	3.1	3.8	3.0	2.2	2.0	2.5	2.0	1.1	-0.5	-1.1	-1.1
Vietnam	23.3	7.3	9.0	18.6	9.3	6.6	4.8	4.7	4.5	5.4	0.7	1.0	1.0
Selected other Asian countries													
China	5.9	-0.8	3.2	5.4	2.7	2.6	2.1	2.2	2.0	1.5	1.2	1.4	1.4
Hong Kong	4.3	-0.3	2.4	5.3	4.1	4.0	4.1	3.6	4.9	5.0	4.4	3.1	3.1
South Korea	4.6	2.8	3.0	4.4	2.1	1.1	1.1	1.6	1.4	1.0	0.6	0.5	0.5
Taiwan	3.2	-1.1	1.0	1.4	1.9	0.8	1.1	1.6	1.5	1.6	2.9	-0.7	-0.7
Selected industrial countries													
Euro-12	3.3	0.4	1.6	2.7	2.5	1.4	0.6	0.6	0.4	0.2	-0.3	0.2	0.2
Japan	1.4	-1.3	-0.7	0.1	-0.03	0.4	1.5	3.6	3.4	2.6	2.3	0.5	0.5
United States	3.8	-0.4	1.7	3.2	2.1	1.5	1.4	2.1	1.8	1.3	-0.4	0.0	0.0

Sources: International Monetary Fund, Economist and National Institute of Statistics

Table 3: Exchange rates against US dollar of selected trading partners, 2008-15 (period averages)

	2008	2009	2010	2011	2012	2013	2014					2015	
								Q1	Q2	Q3	Q4	Q1	Q2
Selected ASEAN countries													
Cambodia (riel)	4054.2	4140.5	4187.1	4063.6	4037.8	5369.6	3993.8	4026.9	4059.5	4070.1	4042.2	4056.7	4056.7
Indonesia (rupiah)	9699.0	10,413.8	9089.9	4374.0	9363.0	13892.2	11765.8	11615.3	11775.7	12244.1	12809.9	13125.2	13125.2
Malaysia (ringgit)	3.3	3.5	3.2	1.5	3.1	4.2	3.3	3.2	3.2	3.4	3.6	3.7	3.7
Singapore (S\$)	1.42	1.5	1.4	1.3	1.2	1.7	1.3	1.3	1.3	1.3	1.4	1.3	1.3
Thailand (baht)	33.36	34.3	31.7	30.5	31.1	41.0	32.6	32.4	32.1	32.7	32.6	33.2	33.2
Vietnam (dong)	16382	17725.2	19200.8	20574.3	20856.9	27987.1	21093.8	20923.2	21221.9	21314.0	21372.9	21712.7	21712.7
Selected other Asian countries													
China (yuan)	6.94	6.8	6.8	6.5	6.3	8.2	6.1	6.2	6.2	6.1	6.2	6.2	6.2
Hong Kong (HK\$)	7.8	7.8	7.8	7.8	7.8	10.3	7.8	7.8	7.8	7.8	7.8	7.8	7.8
South Korea (won)	1137.2	1277.8	1156.3	1108.6	1126.6	1460.0	1069.7	1028.9	1027.5	1088.4	1101.7	1097.4	1097.4
Taiwan (NT\$)	31.5	33.0	31.3	29.4	29.6	39.6	30.3	30.1	30.0	30.9	31.6	30.8	30.8
Selected industrial countries													
Euro-12 (euro)	0.8	0.7	0.8	0.7	0.8	1.0	0.7	0.7	0.8	0.8	0.9	0.9	0.9
Japan (yen)	102.5	93.6	87.8	79.9	79.8	130.2	102.8	102.1	104.0	114.6	119.2	121.4	121.4

Sources: International Monetary Fund, Economist and National Bank of Cambodia

Table 4: Selected commodity prices on world market, 2008-15 (period averages)

	2008	2009	2010	2011	2012	2013	2014					2015	
								Q1	Q2	Q3	Q4	Q1	Q2
Maize (USNo. 2)—USA (USD/tonne)	223.1	165.5	185.9	291.7	298.4	259.4	209.9	214.0	174.1	173.5	174.2	168.4	168.4
Palm oil—north-west Europe (USD/tonne)	948.5	682.8	900.8	1125.4	999.3	856.9	911.3	887.1	772.0	715.3	627.9	664.0	664.0
Rubber SMR 5	1431.6	1884.8	3405.7	4630.6	3200.7	2575.3	2034.7	1777.6	1672.1	1538.1	1450.2	1525.9	1525.9
Rice (Thai 100% B)—Bangkok (USD/tonne)	615.3	524.5	506.6	558.5	594.8	533.8	450.7	411.7	447.0	430.3	426.0	396.3	396.3
Soybeans (US No.1)—USA (USD/tonne)	522.8	436.9	449.8	540.7	591.4	538.4	552.3	517.8	457.3	439.7	363.9	393.7	393.7
Crude oil—OPEC spot (USD/barrel)	99.4	57.7	76.8	106.2	109.5	105.9	104.7	105.9	100.8	73.4	50.9	60.5	60.5
Gasoline—US Gulf Coast (cents/litre)	68.1	40.8	53.3	71.9	74.6	71.2	70.1	74.1	70.0	48.3	40.1	49.0	49.0
Diesel (low sulphur No.2)—US Gulf Coast (cents/litre)	76.2	43.0	56.1	75.7	80.7	78.4	77.5	77.1	73.7	57.5	44.6	48.4	48.4

Sources: Food and Agriculture Organisation and US Energy Information Administration

Economy Watch—Domestic Performance

Main economic activities

Fixed asset investments approved in the second quarter of 2015 contracted 91.1 percent from a quarter earlier and 33.2 percent year on year, to USD254.6 m. During the same quarter, agricultural investment, 15.0 percent of the total, increased 47.4 percent to USD38.1 m. Industrial investment accounted for 51.4 percent of the total. Garment investment approvals dropped 33.6 percent from the previous quarter to USD42.4 m. Services accounted for 33.6 percent, but there were no approvals for hotels and tourism in this quarter.

In the second quarter, total foreign arrivals dropped 27.6 percent compared to the previous quarter, but increased 6.5 percent from the same quarter last year. Arrivals by air decreased 31.4 percent and by land and water 23.3 percent from the previous quarter. The decline occurred in top tourist source countries, such as Vietnam, China and South Korea. The outbreak of the Middle East respiratory syndrome (MERS) in May contributed to the decrease in tourist arrivals.

Total exports rose 0.55 percent from the previous quarter, and 17.3 percent from a year earlier. Garment exports rose 3.42 percent from a quarter earlier, from USD1548.8 m to USD1601.7 m. Exports to the EU and US rose 11.1 and 0.7 percent from the previous quarter but to ASEAN and Japan declined 0.8 percent and 22.9 percent. Agricultural exports dropped 19.1 percent compared with the preceding quarter. The decrease in exports of wood was 29.4 percent, of rubber 1.8 percent, of rice 19.1 percent and of other agriculture products 21.7 percent.

Imports in the second quarter contracted 7.5 percent from a quarter earlier, and 19.0 percent from the previous year to USD2920.3 m. Imports of gasoline expanded 4.8 percent and of construction materials 22.4 percent, but of diesel fuel dropped 7.8 percent.

Public finance

Total government revenue in the second quarter increased 25.4 percent from a quarter earlier to KHR3301.6 bn, of which current revenue rose 24.8 percent to KHR3274.5 bn. Tax revenue, which was 91.0 percent of the total, grew 24.4 percent to

KHR3006.1 bn. Non-tax revenue increased 29.8 percent to KHR268.5 bn. In the same quarter, total expenditure declined 16.5 percent from a quarter earlier to KHR1737.2 bn. This is due to decreases of 43.1 percent in capital expenditure to KHR371.3 bn and of 4.4 percent in current expenditure to KHR1365.9 bn.

Inflation and foreign exchange rates

In the second quarter, overall prices increased 1.0 percent from a year earlier. The prices of food and non-alcoholic beverages increased 3.9 percent but of transportation dropped 7.9 percent. The riel depreciated 0.4 percent against the dollar, but appreciated 1.4 percent against the Thai baht and 1.0 percent against the Vietnamese dong from the previous quarter. The price of gold shrank 4.3 percent from the previous quarter, while diesel fuel increased 5.5 percent and gasoline 5.1 percent.

Poverty situation

Compared with August last year, real daily earnings of scavengers, garment workers, cyclo drivers, rice field workers, motorcycle taxi drivers, waiters/waitresses and porters increased, while those of three other vulnerable groups declined.

From May, only two groups' earnings rose. Rice field workers could find more work to increase their earnings by 22 percent, reaching KHR9869/day. Seventy-five percent of those interviewed were the main income source for their families. Forty-five percent of them also earned from other sources such as collecting common resources and selling labour elsewhere. Fifty-five percent got loans from relatives or moneylenders.

Garment workers' daily wages increased by 4.8 percent, to KHR15,515. Their average education was grade six. Only 19 percent attended sewing classes before being employed, while the others were provided on-the-job training. Workers worked on average six days or 55 hours/week. The total spending of garment workers was 39 percent of their income. Food spending was 70 percent of total spending, housing rental 18 percent. Seventy-three percent of them could not save for their future. If their factory were to close, they would return home, according to 41 respondents.

In August, earnings of vegetable vendors plummeted by 21 percent from the preceding survey, the largest fall among all groups, to KHR 14,423/day. Only 10 percent of the vendors were living in Phnom Penh, while the others were mostly from Kandal and Prey Veng provinces. Seventy-three percent of them came alone. They rent lodgings with an average of three other people. They spent on average 30 percent of their total earning, mostly on food, which took 94 percent of total spending. They could not save to expand their business because their earnings were not even enough to support their families.

Scavengers' earnings fell by 14 percent to KHR12,237/day due to more scavengers in the collecting areas. Eighty-eight percent of the interviewees moved to Phnom Penh with their families. Thirty-two percent of them returned to their village occasionally to work as farm labourers when they could not earn much in Phnom Penh. The scavengers spent on average 31 percent of their total earning, especially on food. Spending on lodgings averaged KHR37,000 per month.

Unskilled construction workers' daily earnings

went down by 9.9 percent to KHR13,916 because of fewer jobs and more workers. The workers were from Prey Veng and Svay Rieng provinces. They were the main earners, while their income could only partly support their families. Their daily expenses were 37 percent of their total earnings, which went mostly on food.

Porters' earning dropped to KHR14,314/day, 9.3 percent less than in the previous survey. All the respondents were from the provinces, mainly Prey Veng (70 percent). They shared lodging with an average of six people, and paid rent of KHR65,000/month. Their spending was mostly on food, which took 37 percent of their earnings. They saved some to support families raising livestock at home, said 60 percent of respondents.

Daily earnings of waiters/waitresses went down by 7.3 percent to KHR8100. Ninety-three percent of them were provided accommodation at the shop house. Their daily spending was all on food, taking 29 percent of total earnings. The respondents could not save because all their remaining money was sent to their families. It could only partly support the family, however.

Economy Watch—Economic Indicators

Table 1: Private investment projects approved, 2008-15*

	2008	2009	2010	2011	2012	2013	2014				2015	
							Q1	Q2	Q3	Q4	Q1	Q2
	Fixed Assets (USD m)											
Agriculture	92	615.0	530.7	725	531.6	930.5	28.9	27.6	0.0	0.0	25.8	38.08
Industry	724.9	818.5	403.7	2860.1	829.3	3257	179.0	239.3	434.3	149.9	342.8	130.91
<i>. Garments</i>	142.8	90.1	122.8	393.9	497	324.1	109.3	172.4	81.6	30.3	63.9	42.4
Services	10,003.2	4432.0	1337.3	3425.4	916.6	140.7	219.1	114.4	191.5	0.0	2504.6	85.64
<i>. Hotels and tourism</i>	8758.1	3980.1	1105.1	2850.9	691.5	106	163.3	15.4	268.1	0.0	60.6	0.0
Total	10570.9	5865.5	2271.7	7010.42	2278.0	4328	426.9	302.2	625.8	149.9	2873.2	254.6
	Percentage change from previous quarter											
Total	-	-	-	-	-	-	-75.8	-29.2	64.1	-76.0	1816.8	-91.1
	Percentage change from previous year											
Total	308.6	-44.5	-61.3	209	-67.5	90.1	95.1	-81.8	142.7	-91.5	573.0	-33.2

* Including expansion project approvals. Source: Cambodian Investment Board

Table 2: Value of construction project approvals in Phnom Penh, 2008-15

	2008	2009	2010	2011	2012	2013	2014				2015
							Q1	Q2	Q3	Q4	Q1
	USD m										
Villas, houses and flats	376.2	213.9	220.1	405.1	547.3	658.9	133.6	84.0	33.1	20.4	122.3
Other	740.9	187.8	217.8	199.9	463.6	859.6	190.0	141.7	105.6	11.7	49.8
Total	1117.0	441.2	489.8	605.0	1010.9	1518.5	323.6	225.7	138.7	32.1	172.0
	Percentage change from previous quarter										
Total	-	-	-	-	-	-	34.3	-30.2	-38.5	-77.8	437.3
	Percentage change from previous year										
Total	75.7	-60.5	11.0	23.5	67.1	28.1	8.0	-9.2	-64.2	-86.7	-46.8

Source: Department of Cadastre and Geography of Phnom Penh municipality

Table 3: Foreign visitor arrivals, 2008-15

	2008	2009	2010	2011	2012	2013	2014				2015	
							Q1	Q2	Q3	Q4	Q1	Q2
	Thousands											
By air	1239.4	1111.7	1304.3	1480.4	1722.1	2017.7	699.0	438.2	497.5	638.8	725.1	497,429
By land or water	881.9	999.7	1094.6	1401.4	1862.2	2192.5	569.0	495.2	501.2	663.9	647.6	496,725
Total	2121.3	2111.5	2398.9	2881.8	3584.3	4210.2	1268.0	933.4	998.7	1302.7	1372.6	994,154
	Percentage change from previous quarter											
Total	-	-	-	-	-		10.0	-26.4	7.0	30.4	5.4	-27.6
	Percentage change from previous year											
Total	5.0	-0.5	13.6	20.1	24.4	17.5	8.0	1.4	3.5	13.0	8.3	6.5

Source: Ministry of Tourism

Table 4: Exports and imports, 2008-15*

	2008	2009	2010	2011	2012	2013	2014				2015	
							Q1	Q2	Q3	Q4	Q1	Q2
	USD m											
Total exports	3097.8	2901.6	3630.2	4929.5	6106.4	6982.4	1976.5	1859.8	2132.5	2137.1	2170.1	2182
Of which: Garments	2986.2	2565.3	3223.4	4259.6	5015.4	5386.1	1464.0	1379.2	1624.7	1492.6	1548.8	1601.7
. To US	1908.3	1512.6	1853.9	2055.3	2143.3	2075.2	531.1	452.5	511.2	468.8	491.08	494.3
. To EU	689.0	644.7	809.5	1322.2	1716.9	1969.6	532.7	558.5	673.8	638.7	617.3	685.9
. To ASEAN	10.8	6.9	9.9	17.6	39.4	60.2	21.9	19.3	20.5	21.7	24.8	24.6
. To Japan	25.2	44.5	86.5	147.0	188.6	278.7	101.4	74.9	117.6	89.2	121.4	93.6
. To rest of the world	352.9	356.5	463.6	717.5	927.2	1002.9	277.0	273.9	301.6	274.2	294.2	303.4
Agriculture	44.5	73.1	164.9	362.1	376.7	554.5	167.0	157.3	133.7	166.4	150.3	127.3
. Rubber	35.8	51.6	89.1	197.6	176.6	175.2	31.7	40.0	34.8	47.5	41.7	40.9
. Wood	3.4	3.5	34.1	48.8	36.8	73.6	55.9	48.4	19.6	8.2	13.9	9.8
. Fish	2.3	3.9	2.8	3.1	2.0	1.2	0.3	0.2	0.1	0.2	0.2	0.2
. Rice	2.6	10.9	34.7	106.6	146.4	262.3	57.9	52.8	55.8	82.0	89.5	72.4
. Other agriculture	0.5	3.0	4.1	6.0	14.9	42.4	21.2	16.0	23.5	28.5	5.2	4.0
Others	67.1	263.2	242.0	307.9	714.4	1088.2	345.5	323.3	373.0	478.2	471.0	452.9
Total imports	4272.0	4331.5	5190.6	6375.9	8593.3	8639.4	2238.2	2454.4	2794.8	2807.9	2717.3	2920.3
Of which: Gasoline	84.9	91.13	108.6	294.4	308.0	306.4	77.4	83.2	80.2	93.9	34.5	92.2
Diesel	119.5	180.67	203.8	447.0	559.5	569.1	148.5	142.5	163.4	147.9	45.1	152.7
Construction materials	56.3	49.74	57.6	48.1	66.1	80.8	27.8	29.2	29.0	31.6	12.4	42.0
Other	4011.8	4010.0	4820.6	5586.4	7659.1	7682.6	1984.5	2199.5	2522.2	2534	835.2	2633
Trade balance	-1174.7	-1429.9	-1560.5	-1446.4	-1341.6	-1610.9	-261.7	-589.5	-662.3	-670.8	-547.2	-738.3
	Percentage change from previous quarter											
Total garment exports	-	-	-	-	-	-	9.8	-5.8	17.8	-8.1	3.8	3.4
Total exports	-	-	-	-	-	-	8.9	-5.9	14.7	0.2	1.5	0.5
Total imports	-	-	-	-	-	-	5.1	9.4	14.1	0.5	-3.2	7.5
	Percentage change from previous year											
Total garment exports	1.6	-14.1	25.7	32.1	17.7	7.4	19.5	9.6	3.6	11.9	5.8	16.1
Total exports	1.6	-6.3	25.1	35.8	23.9	14.3	25.3	14.8	8.3	17.7	9.8	17.3
Total imports	13.3	1.4	19.8	22.8	16.8	0.5	2.1	10.8	35.7	31.8	21.4	19.2

* Import data includes tax-exempt imports. Sources: Department of Trade Preference Systems, MOC and Customs and Excise Department, MEF (website)

Table 5: National budget operations on cash basis, 2008-15 (billion riels)

	2008	2009	2010	2011	2012	2013	2014	2015			2015		
								Q1	Q2	Q3	Q4	Q1	Q2
Total revenue	5290.0	4885.2	5989.0	6251.4	7691.9	8255.2	2220.5	2793.7	2580.6	2948.6	2633.5	3301.6	
Current revenue	5210.7	4855.9	5859.1	6179.3	7443.8	8233.2	2219.2	2765.2	2571.4	2803.6	2623.7	3274.5	
Tax revenue	4409.9	4268.0	4693.0	5277.5	6334.8	7198.1	1988.7	2383.1	2264.6	2358.8	2416.8	3006.1	
Domestic tax	3248.4	3088.6	3533.6	4071.6	5002.8	5728.1	1593.6	1943.2	1798.0	1891.6	2002.8	2474.6	
Taxes on international trade	1161.5	1064.7	1159.4	1205.9	1331.7	1470.0	449.0	439.9	466.5	467.2	414.0	524.5	
Non-tax revenue	800.8	702.1	1166.1	901.8	1118.2	1035.2	176.6	382.1	306.9	444.8	206.9	268.5	
Property income	78.0	64.6	291.1	63.8	143.0	84.0	11.1	40.8	21.2	15.4	3.0	16.7	
Sale of goods and services	424.7	408.0	460.1	588.7	667.4	750.3	160.3	197.5	212.9	300.5	189.2	219.2	
Other non-tax revenue	298.2	228.2	408.9	249.3	298.8	200.8	5.2	143.7	72.7	128.9	14.7	32.6	
Capital revenue	79.3	29.3	129.9	72.1	247.9	73.4	1.3	28.5	9.2	145.0	9.8	27.1	
Total expenditure	6297.8	7383.5	8784.6	9032.4	9660.9	12535.7	2618.8	2867.2	3349.0	4471.4	1958.1	1737.2	
Capital expenditure	2574.4	2694.9	2853.2	3546.9	3628.3	5567.3	1187.1	1395.9	1421.7	1586.0	529.4	113.7	
Current expenditure	3809.0	4440.0	4773.1	5341.2	6188.4	6968.3	1431.7	1471.4	1927.3	2885.4	1428.7	1365.9	
Wages	1397.0	2012.0	2048.8	2170.6	2486.6	2997.3	860.0	931.0	918.4	1046.1	935.1	945.8	
Subsidies and social assistance	927.1	871.4	1099.4	1518.8	1586.8	1563.0	213.1	259.6	434.8	719.5	194.3	207.2	
Other current expenditure	1384.9	1556.6	1624.8	1651.8	2115.1	2408.0	358.6	280.8	574.1	1119.9	299.3	201.1	
Overall balance	-1007.8	-2498.3	-2795.7	-1271.4	-1969.0	-4280.6	-398.4	-73.5	-768.5	-522.8	675.5	1564.4	
Foreign financing	2055.1	1746.1	1845.2	-2781.0	2457.8	4326.2	977.9	1123.9	1,012.5	857.9	232.2	116.7	
Domestic financing	-127	474.9	938.6	2379.2	-332.9	824.4	-915.0	-172.9	-279.3	-61.4	-687.8	-1159.4	

Source: MEF website

Table 6: Consumer price index, exchange rates and gold prices (period averages), 2008-15

	2008	2009	2010	2011	2012	2013	2014	2015			2015		
								Q1	Q2	Q3	Q4	Q1	Q2
(October-December 2006:100)	Consumer price index (percentage change from previous year)												
Phnom Penh - All Items	19.7	-0.7	4.1	5.4	2.3	3.9	4.6	4.8	4.0	2.1	1.0	1.0	
- Food & non-alcoholic bev.	33.1	-0.3	4.4	6.5	2.5	4.9	5.7	5.3	5.1	3.4	4.2	3.9	
- Transportation	19.4	-10.7	7.0	6.9	3.3	-1.0	-1.1	0.5	-0.2	-3.3	-10.9	-7.9	
	Exchange rates, gold and oil prices (Phnom Penh market rates)												
Riels per US dollar	4058.2	4140.5	4187.1	4063.6	4039.2	4036.2	3993.8	4026.9	4059.5	4064.7	4042.2	4056.7	
Riels per Thai baht	123.5	121.1	133.1	133.2	130.0	124.9	123.0	124.8	127.1	124.6	124.4	122.6	
Riels per 100 Vietnamese dong	24.8	23.4	21.7	19.7	19.4	19.1	19.1	19.2	19.2	19.1	19.0	18.8	
Gold (US dollars per chi)	105.9	113.1	147.5	184.5	200.9	152.3	156.6	155.9	155.5	141.1	150.9	144.4	
Diesel (riels/litre)	4555.2	3170.9	3859.3	4761.2	4941.2	4852.1	4971.2	5006.7	5047.6	4382.8	3823.4	4032.0	
Gasoline (riels/litre)	4750.8	3593.1	4368.1	5044.5	5312.7	5083.3	5171.5	5200.0	5348.6	4613.0	3986.2	4189.0	

Sources: NIS, NBC and CDRI

Table 7: Monetary survey, 2008-15 (end of period)

	2008	2009	2010	2011	2012	2013	2014	2015			2015		
								Q1	Q2	Q3	Q4	Q1	Q2
	Billion riels												
Net foreign assets	10,345.0	14,655.0	16,697.9	17,893.9	18,154.5	21,260.1	23,344.4	26,235.8	26,817.8	26,699.7	26,823	27,975.3	
Net domestic assets	1513.3	1573.0	2778.9	5760.8	10,437.4	11,508.3	11,817.4	12,024.4	13,950.5	15,859.8	16,863.2	18,178.3	
Net claims on government	-2987.0	-2252.0	-2126.6	-2123.1	-2486.4	-2794.9	-3349.3	-3747.3	-4113.0	-4359.1	-5064	-5666.1	
Credit to private sector	9894.0	10,532.0	13,331.2	17,552.8	23,536.6	27,608.8	28,584.5	30,621.3	33,226.4	36,244.6	37,759.4	40995	
Total liquidity	11,858.0	16,228.0	19,476.8	23,654.7	28,591.9	32,768.4	35,161.8	38,259.9	40,768.3	42,559.5	43,685.2	46,153.7	
Money	2399.0	3120.0	3220.9	3956.2	4045.7	4878.2	5376.2	5231.3	5583.1	6308.4	6628.0	6293.1	
Quasi-money	9459.0	13,108.0	16,255.9	19,698.5	24,546.2	27,890.2	29,785.7	33,028.5	35,185.2	36,251.1	37,058.2	39,860.6	
	Percentage change from previous year												
Total liquidity	4.8	36.9	20.0	17.8	20.9	14.6	15.4	20.8	38.9	29.9	24.2	20.6	
Money	16.9	30.1	3.2	16.9	2.3	20.6	19.5	14.1	18.3	29.3	23.3	20.3	
Quasi-money	2.2	38.6	24.0	17.9	44.6	13.6	14.6	22.0	42.8	30.0	24.4	20.7	

Source: National Bank of Cambodia

Table 8: Real average daily earnings of vulnerable workers (base November 2000)

	Daily earnings (riels)										Percentage change from previous year		
	2012		2013		2014		2015		2015		2015		
	Feb	May	Feb	May	Feb	May	Aug	Nov	Feb	May	Aug		
Cyclo drivers	10,303	10,438	10,832	10,764	9867	11,634	12,950	12,467	11,799	19.6	15.8	19.6	
Porters	12,143	13,247	12,141	12,590	13,399	16,189	16,798	15,782	14,314	38.4	25.4	6.8	
Small vegetable sellers	10,771	11,366	12,294	13,581	15,373	17,735	15,007	18,171	14,423	22.1	33.6	-6.2	
Scavengers	8680	9819	9593	9214	8337	9548	10,627	14,169	12,237	10.8	53.8	46.8	
Waitresses*	6111	6697	7449	6696	7565	9435	8466	8742	8100	13.7	30.3	7.1	
Rice field workers	6151	6599	8932	5836	8494	6781	8,303	8063	9869	-7.0	37.9	16.2	
Garment workers	8932	10,161	9548	11,412	11,607	12,092	14,644	14,803	15,515	53.4	29.7	33.7	
Motorcycle-taxi drivers	12,930	13,450	13,227	13,401	12,656	14,259	14,549	14,692	14,124	10	9.6	11.6	
Unskilled construction workers	11,078	13,184	15,162	15,343	15,401	15,437	16,678	15,453	13,916	10	0.7	-9.6	
Skilled construction workers	13,743	15,442	15,163	15,792	20,420	18,303	17,050	19,918	18,905	12.4	26.1	-7.4	

* Waitresses' earnings do not include meals and accommodation provided by shop owners. Surveys on the revenue of waitresses, rice-field workers, garment workers, motorcycle taxi drivers and construction workers began in February 2000. Source: CDRI

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Executive Director introduced the new senior managers: Dr Chem Phalla, Acting Director of Research, is well-known in Cambodia and the region for his research on water resources management and climate change; and Dr Ouch Chandarany, Acting Senior Administration Manager (replaces Director of Operations), who has a background in finance, is the first female senior manager at CDRI. Modalities to appropriately implement the new organisational structure to strengthen financial and operational management were discussed.

4 September: At the 11th East Asian Institutes Forum on “The ASEAN Economic Community and Beyond: External and Internal Dimensions,” hosted by the Korea Institute for International Economic Policy (KIEP) and Institute of Strategic and International Studies (ISIS) in Kota Kinabalu, Malaysia, the Executive Director moderated a session on “Multilateral Development Cooperation in East Asia.” His attendance at this forum is part of CDRI’s efforts to share its experience with major regional think tanks.

8-9 September: The Executive Director gave a presentation titled “Think Tank Capacity Building for Better Policy Impact: CDRI 25 Years of Experience” at the Asian Think Tank Development Forum 2015, organised by the Asian Development Bank (ADB) in Kuala Lumpur, Malaysia. This annual forum is essential for CDRI to share its experience in policy research with other regional think tanks.

15-16 September: CDRI hosted the 8th DRF Symposium on “Building Research Capacity for Cambodian Universities and Think Tanks: What Needs to be Done?” at Hotel Cambodiana, Phnom Penh. The symposium aims to build a research community, identify research directions and priorities, and identify needs and challenges in support of the development of DRF Phase III.

RESEARCH

Agriculture

The team completed three projects, and work on seven others continues. Research outputs include four working papers, two of which are joint studies

with the Health Unit under ReBUILD. The other two—“Impact of Contract Farming on Smallholder Livelihoods” and “Farm Mechanisation and Agricultural Labour Market Trends”—received support from the Swedish International Development Agency (Sida). A fifth paper titled “Impact of Rice Export Promotion Policy and Food Security” is forthcoming.

Close to completion is the first draft report for the study on *Livestock Production and Value Chain Analysis*, supported by the Australian Centre for International Agricultural Research (ACIAR). The team is preparing the progress report for the project on *Impact of Education Public Spending on Human Capital, Poverty and Inequality: A CGE Approach for Cambodia*, carried out with financial support from the Partnership for Economic Policy (PEP). Field data collection and processing was completed for the FAO-funded study on *Off-farm Income Generation Activities in Cambodia*.

The working documents for two new projects are being finalised. The first focuses on *Rice Policy Analysis: Implications of Vietnam’s Rice Export Policy for Cambodia*, which receives financial support from the United States Agency for International Development (USAID) through the Lower Mekong Public Policy Initiative (LMPPI). The second is a three-year (2015-18) research study on *Testing Innovative Models of Extension in Cambodia’s PADEE Programme*, funded by the International Food Policy Research Institute (IFPRI); research activities will begin this November. Due to start in late October, with financial support from the Australian National University, is a seven-month project on *Irrigated Agriculture in Cambodia*.

Economics

Following a competitive call for regional research proposals under the three-year GMS-Net program on *Improving Job Prospects for the Young: Labour Markets, Skill Development and Private Sector in the Greater Mekong Subregion*, supported through a grant from IDRC, we selected eight best proposals (three from Cambodia; two from Vietnam; one each from Thailand, Laos and China) for funding. Researchers from CDRI won a grant to conduct study on *Vocational Training and Labour Market Transitions: A Randomised*

Experiment among Cambodian Young Adults. The GMS-Net project coordinator is preparing a first technical workshop for all research teams to be held in mid-November 2015.

Report writing for *Interrelation between Partner Countries' Public Policies, Migration and Development: Case Studies and Policy Recommendations*, a study funded by the Organisation for Economic Cooperation and Development (OECD), is underway; the remaining two components—Labour Market Policy and Credit Market—of the Sida-supported five-year research project on *Inclusive Growth* are making good progress. Also making steady progress is a project on *Revisiting the Unfinished Agenda: Determinants of Credit Access and its Impact on Farm Production and the Use of Fertiliser in Rural Cambodia*; a desk review of the literature and interim report are making headway.

Education

The final report for the *Baseline Survey of Training Needs Assessment in Northern Provinces of Cambodia*, a collaborative project with the Economics Unit, was completed. The research team presented the findings to the Skills Development Programme Consortium of the Swiss Agency for Development and Cooperation (SDC) in late July, and to members of the Coordination Working Group on Technical and Vocational Education and Training (TVET) at the Ministry of Labour and Vocational Training in August.

Two research training workshops on Reference Management using Zotero and Qualitative Data Analysis using NVivo were held in August. These were attended by junior researchers including volunteers and interns.

In early September, the Unit Head led a group of delegates from the Ministry of Labour and Vocational Training, Ministry of Tourism, Ministry of Economy and Finance, SDC and Cambodia Women Entrepreneurs Association on a working visit to Switzerland to learn at first-hand from the Swiss TVET system. The Swiss education system is designed in such a way that it offers clear pathways into future jobs, allowing students to explore their educational and career choices while equipping them with job skills through apprenticeship and practical work experience.

Environment

The three-year IDRC-funded project on *Climate Change and Water Governance in Cambodia* is nearing completion. National and provincial-level validation workshops have been held in Sihanoukeville and Siem Reap to gather feedback on the findings of a series of mini-studies undertaken in three subcatchments of Cambodia's Tonle Sap Basin. The studies and an accompanying synthesis report are being compiled for a new book. Titled "Challenges and Perspectives for Water Security and Climate Change in Selected Catchments, Cambodia", the book will be published in December this year.

Data analysis and report writing are underway for two projects. The first explores how community-based natural resource management can be improved to maintain or enhance its contribution to climate change adaptation and food security. This project receives support from Sida. The second is a commissioned work for Plan International Cambodia on *Promoting Climate Change Resilient Livelihoods for Small-scale Farmers in Most Vulnerable Dryland Areas in Siem Reap and Kompong Cham Provinces*.

The Unit Head delivered presentations at three events: on "Water Governance and Climate Change in Cambodia" at the Development Research Forum in Phnom Penh, on "Disasters and Livelihoods in Cambodia" at the Poverty Alleviation in the Wake of Typhoon Yolanda Workshop in Manila, Philippines, and on "Participatory Vulnerability Assessment in the Three Catchments of Tonle Sap Basin" at a workshop on Climate Change: Challenges and Opportunities for Research and Appropriate Solutions, held at the RUPP, Cambodia.

Governance

Research continues apace, with attention to strategies for regional water institutional reform and overcoming the limits to deconcentration reform. The findings of the completed *Social Accountability* project were shared with members of the Local Governance Initiative and Network (LOGIN). For the study on *Capacity for Deconcentration Reform in Cambodia*, the literature review and detailed fieldwork plan are being finalised; fieldwork is due to begin immediately after the Pchum Ben holiday.

The research team for the *Space for Dialogues on Mekong Water Governance* project is preparing

a report detailing the findings from the fieldwork they conducted in Stung Treng province in mid-August. These findings will be shared at the Annual 2015 Greater Mekong Forum on Water, Food and Energy organised by CGIAR on 21-23 October. The team will also host a session on “Mekong Water Governance: Challenges and Opportunities for Responsive and Accountable Dialogue Space” at the forum. The discussion panel will comprise four experts from the NGO Forum, RUPP, Institute of Water Policy and Ministry of Water Resources and Meteorology.

Towards building project capacity, in September, two researchers attended training at the National University of Singapore. One was awarded a partial scholarship by the Temasek Foundation to attend a two-week Water Leadership Programme at Lee Kuan Yew School of Public Policy. And the other participated in a one-day training course on Negotiation Skills at the Institute of Water Policy.

Health

The team’s work on *Research for Building Pro-poor Health Systems during Recovery from Conflict (ReBUILD)*, a major seven-year research program funded by DFID, has concluded with the completion of the final reports for the three subprojects: Health Financing, Health Human Resources, and Health Contracting.

A further four projects are in progress. The draft report on *Obstetric Referral in the Cambodian Health System* was completed and submitted for comment. This is a joint project with the Nuffield Centre for International Health and Development and the University of Leeds, and receives support from the ReBUILD Responsive Fund. The other three projects entail a synthesis report of our research on child labour under the *Eliminating Exploitative Child Labour through Education and Livelihoods (EXCEL)* project; *Opinion Leader Research (OLR) on Infant and Young Child Feeding (IYCF)*; and *Verification of Sanitation Outcomes* to assess the impact of improved rural sanitation. All three are at the data analysis and report writing stage.

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CDRI UPDATE

MAJOR EVENTS

8 July: CDRI's Executive Director took part in a panel discussion on "Institutional Challenges and Opportunities for the Next Leap of the GMS" at the Mekong Forum 2015 on "Modernizing the GMS towards the Post-AEC 2015", hosted by the Mekong Institute in Khon Kaen, Thailand. HE Dr Sok Siphana, CDRI Board Chair, was the keynote speaker. This was a great opportunity for CDRI to interact with Mekong region think tanks and to promote its Greater Mekong Subregion Research Network (GMS-Net) program, supported by the International Development Research Centre (IDRC) of Canada, on "Improving Job Prospects for Young, Low-Skilled and Women Workers in the Mekong Region".

10 July: CDRI hosted the 12th Development Research Forum (DRF) Phase II Steering Committee Meeting. The purpose was to collect comments, inputs and suggestions for the 8th DRF Symposium-2015 program, and to discuss the proposal and partnerships for DRF Phase III.

21-22 July: The Executive Director was a keynote speaker at an international conference on "Professional Social Work in SE Asia: Education and Qualifications" organised by the Department of Social Work of the Royal University of Phnom Penh (RUPP) at Sunway Hotel, Phnom Penh. He gave a

talk on "Adult Learning Strategies for Cambodian University". It was a very good opportunity to network and identify potential key partners to eventually contribute to CDRI's education program.

21 August: The Executive Director attended a policy roundtable organised by RUPP at the Cambodia-Korea Cooperation Center (CKCC) on "How to Foster Research Culture in Cambodia? Perspectives on Curriculum and Conducive Environment in Higher Education." The roundtable was an excellent platform for CDRI to engage in meaningful dialogue with top academic leaders, receive constructive criticism and obtain useful inputs to guide our research projects.

26 August: A DRF-Policy roundtable on "Medical Professionalism in Cambodia: Issues and Ways Forward", organised by CDRI at Phnom Penh Hotel, was attended by major health care councils (medicine, pharmacy, nursing, midwifery), senior officials from the Ministry of Health, medical schools and the private sector (pharmaceutical companies). Several policy and action research topics related to professionalism in health care were identified.

28 August: At the Mid-Year Board Meeting, the Board thanked Mr Ung Sirn Lee, who stepped down from his post as Director of Operations in September, for his contributions to CDRI. The

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