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# TRUST IN COMMUNE/SANGKAT COUNCILS IN CAMBODIA

**Introduction**

Cambodia's commune councils were officially established with the first commune/sangkat election in February 2002. They have broad authority to promote local development and represent the needs of local constituencies in local and national development planning processes. However, the commune faces a number of key challenges as the government's decentralisation and deconcentration reform is not making the progress expected, as outlined in the 10-year National Program for Sub-National Democratic Development 2010–2019.

*Commune councils are popular and respected by most Cambodians, from their role in local development to conflict resolution. Phnom Penh, May 2018*

The commune, despite performance-related legitimacy questions from local citizens, continues to be highly respected and the most trusted level of government in Cambodia. In a nationally representative survey conducted by CDRI in 2017, citizens gave a high trust rating to commune councils compared to other public institutions. This finding draws is consistent with the findings of previous studies[1] conducted after the first commune election. This suggests that decentralisation at commune level has genuinely contributed to building confidence in the government and closer relations between the state and citizens. The preference for local officials also reflects the way in which villagers build relations with commune authorities, primarily through personal relationships rather than institutions. The article concludes with suggestions on ways to support and further strengthen trust in the commune for enhancing civic participation and local government performance.

**Commune/Sangkat councils in Cambodia**

The commune/sangkat election in 2002 marked the start of Cambodia's official decentralisation reform. It was assumed that local government would be closer to the citizens and be informed about their needs and demands and hence be more responsive to local needs. Decentralisation reform brought about important changes at the commune level. Commune councillors for the first time were directly elected by local people, resulting in representatives

## In this Issue



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[1] See Ninh and Henke 2005, and FitzGerald and So 2007.

from several major political parties being elected to sit on the councils between the 2002 and 2012 elections.[2] There has also been a fundamental shift in the function of the commune, from the security-focused roles and responsibilities of the 1990s to development-focused responsibilities and activities. Communes are now responsible for managing participatory development planning in order to identify and implement local development projects using the national transfer fund called the Commune/Sangkat Fund (CSF). Communes have also been tasked to provide civil registration services, register voters and mediate local conflicts.

Research studies have found that commune councils face a number of difficulties in performing their functions as they try to represent and respond to the expectations of their constituents (Rusten et al. 2004; NCDDS 2012; World Bank 2013; Eng 2016). This is mainly due to three factors. First, the commune budget remains dependent on the national transfer fund and is relatively small, although it has been steadily increasing. Over the last 16 years, the share of the national budget allocated to CSF has grown from just 2 percent of domestic revenue in 2002 to 3 percent in 2018. The fund has provided the commune councils discretionary power to implement their respective commune development plans. So far they have focused on small-scale infrastructure projects such as road maintenance and repair of irrigation facilities. There has also been some progress with regard to the implementation of the 2001 Law on Commune/Sangkat Administration and Management, particularly the provisions that allow commune councils to collect their own revenues and taxes. Since 2018, the commune has received a 1 percent share of provincial tax revenues. The commune also collects administrative fees for civil registration and other administrative services. However, these revenues are minimal, and the CSF remains the main source of income. Studies have consistently shown that limited revenue is a key impediment to commune councils fulfilling their roles in promoting local development as well as being seen to be accountable to constituents (Kim 2012; Mansfield and Macleod 2004; Öjendal and Kim 2011; Rusten et al. 2004; World Bank 2012).

Second, the devolution of line ministry functions to the district level has made negligible progress, and as a consequence, has significant implications for the authority and accountability of the commune in promoting the delivery of basic public services (Eng 2016; NCDDS 2012; Particip Consortium 2016). This is because the commune elects the district council and is expected to represent local needs at the district level, as outlined in the 2008 Law on Administrative Management of Capital, Provinces, Municipalities, Districts and Khans. Despite repeated calls by the National Committee for Sub-National Democratic Development to line ministries to transfer functions to the district level, efforts have been hampered by the complexity of the task and the difficulty of coordinating different line ministries. Implementation Plan 3 for the National Program of Sub-National Democratic Development 2018–20 renews the government's commitment to devolve more responsibilities to the district. Current developments on this subject hint that rather than functional devolution, all line ministries' district offices will be integrated into the district administration. This initiative is expected to be rolled out in 2020.

Third, the commune is constrained by weak capacity to perform its functions and engage with citizens (COMFREL 2007; NCDDS 2012; Particip Consortium 2016). Since 2002, elections have replaced some unpopular local officials with more popular faces on the councils. Nonetheless, commune council seats are mostly occupied by elderly men with decade-long service within the local leadership group. They often lack formal education and training as these generations grew up during the Khmer Rouge years. Women's representation in the councils remains small, albeit gradually increasing from 8.5 percent in 2002 to 15 percent in 2007 and 17.8 percent in 2012. Due to state budget constraints, each commune has a staff of just one commune clerk to assist and work for the council. Commune clerks are currently recruited and supervised by the Ministry of Interior. Although commune clerks are often younger and better trained than commune councillors, they are fully occupied with administrative tasks and paperwork, and have little time and experience to assist the commune with local development initiatives. Some aspects of the capacity gap have been bridged by district and

[2] Representatives from different political parties stood in the 2017 election. However, the disbanding of the main opposition party led to the replacement of elected councillors from that party in late 2017. All commune councillors now belong to the Cambodian People's Party.

Table 1: Who do you think can you trust more (percent)? (N=1,600)

| | 1st | 2nd | 3rd | 4th | 5th |
|---|---|---|---|---|---|
| Media | **12** | 15 | 20 | 29 | 24 |
| Commune | **31** | 30 | 23 | 13 | 4 |
| Police/courts | **12** | 22 | 25 | 24 | 13 |
| Hospitals/schools | **36** | 26 | 23 | 13 | 5 |
| Politicians | **6** | 7 | 10 | 21 | 54 |
| No confidence in any of these | 3 | 0 | 0 | 0 | 0 |

Source: CDRI's Report on Cambodia's young and old generation, Eng et al. Forthcoming

provincial-level staff, particularly around planning, project management and policy implementation. Even so, commune capacity for promoting social services delivery and local development still falls short of what is needed.

Essentially, although the commune councils are expected to represent and respond to local demands, they have difficulty doing so. They therefore depend almost entirely on support and coordination from higher levels of government to deliver services and implement development projects in their localities. Despite this state of affairs, the commune is perceived favourably by Cambodian citizens as the most trusted level of government. Understanding how this has occurred entails examining the way in which local villagers conduct relations with commune authorities.

**Commune-villager relations**

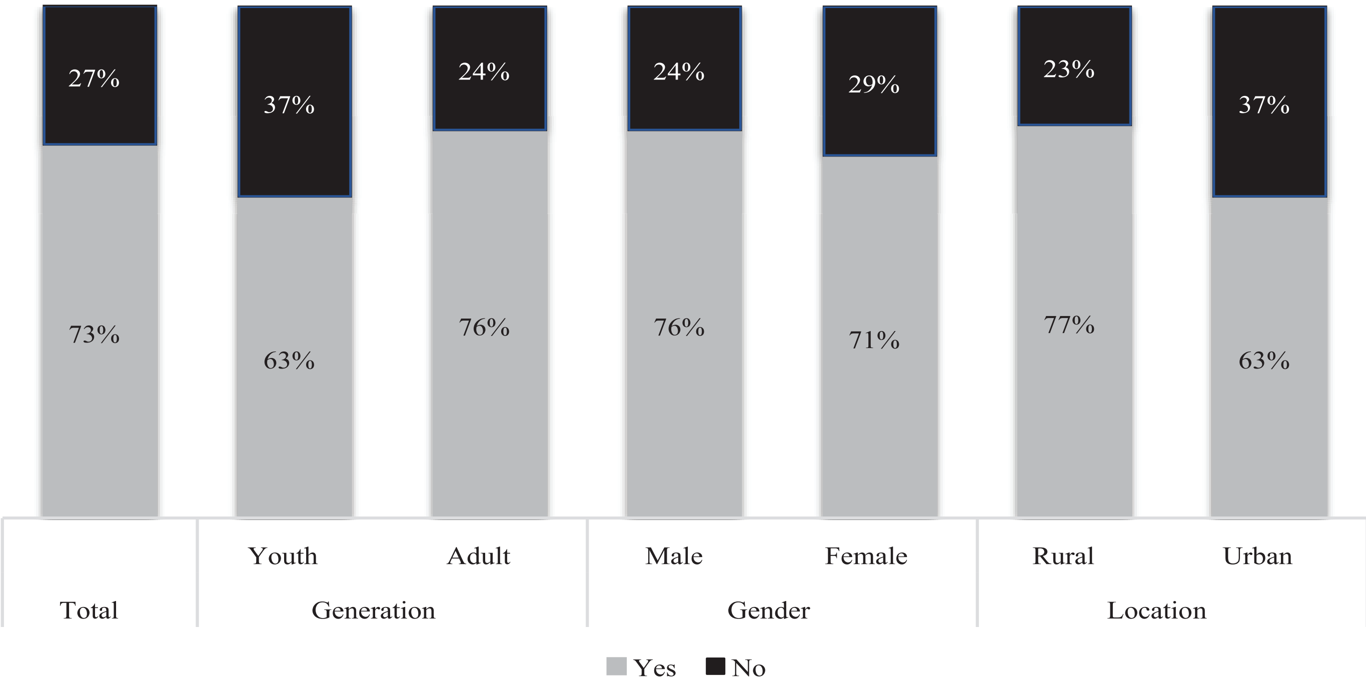
Cambodians have consistently placed more trust in commune/sangkat authorities than in higher levels of government. CDRI's survey of Cambodia's young and old generations' attitudes towards different public institutions conducted in late 2017 revealed that despite generally low trust in institutions, Cambodians trust the commune more than the media, police, courts and politicians (Eng et al. Forthcoming). Service providers at schools and hospitals also received a similar level of trust as the commune/sangkat chiefs. Among a choice of five institutions (listed in Table 1), 36 percent of survey respondents said they trusted schools and hospitals the most, 31 percent chose the commune, 12 percent the media, 12 percent the police and courts, and 6 percent politicians. Our survey also found that most Cambodians (86 percent) respect their commune chiefs. Both young and old, women and men, rural and urban residents think alike when it comes to respect for authority, and they look up to and hold their commune chiefs in high regard (Eng et al. Forthcoming).

This high level of confidence in the commune was also reported in previous studies. A survey conducted by the Asia Foundation immediately after the first commune election found that almost all respondents (99 percent) trusted commune authorities more than provincial officials and parliamentarians (Ninh and Henke 2005, 19). Such a positive attitude was also captured in a poverty study conducted by CDRI in 2007. The study found that respondents in the nine villages surveyed trusted local officials more than higher levels of government: 52 percent and 48 percent for village chiefs and commune councils, respectively (FitzGerald and So 2007, 137–138).

This evidence is significant and existing literature suggests some possible reasons for this high level of trust in the commune. It can be argued that villagers trust the commune as it has been more open than any other level of government, and is perceived to have generally served local people. Most Cambodians (73 percent) have experienced participating in local activities and meetings (Figure 1). Specifically, about one in three Cambodians (37 percent) said they participated in commune council meetings, a further 21 percent had joined in the monitoring of commune projects, and 17 percent took part in public forums (Table 2). It is important to note the gaps between young and old Cambodians, men and women, and rural and urban residents in their experience of local participation. Young Cambodians are less likely than older Cambodians to be involved in commune activities: just 19 percent of youth had participated in commune council meetings compared to 43 percent of adults (Table 2). Women and urban residents are also much less involved in local meetings than men and rural residents.

Previous qualitative research suggested that villagers knew the work of their commune councils and were generally pleased with them (COMFREL 2007; Kim 2012; Mansfield and MacLeod 2004). The communes were found to

Figure 1: Have you participated in these local activities/meetings? (N=1,600)




Source: CDRI's Report on Cambodia's young and old generation, Eng et al. Forthcoming

Table 2: Have you participated in the following events (percent)? (N=1,600)

| | Total | Generation | | Gender | | Location | |
|---|---|---|---|---|---|---|---|
| | | Youth | Adult | Male | Female | Rural | Urban |
| Village meetings | 58 | 37 | 65 | 60 | 57 | 63 | 46 |
| Commune meetings | 37 | 19 | 43 | 44 | 33 | 37 | 38 |
| Monitoring of commune projects | 21 | 13 | 23 | 27 | 16 | 22 | 18 |
| School meetings | 31 | 37 | 30 | 32 | 31 | 34 | 25 |
| Health centre meetings | 43 | 37 | 45 | 38 | 46 | 48 | 28 |
| Public forums | 17 | 10 | 20 | 23 | 13 | 18 | 15 |

Source: CDRI's Report on Cambodia's young and old generation, Eng et al. 2019

have followed procedures, acted in the interests of their constituents, and contributed to improved local development (Öjendal and Kim 2011; World Bank 2013). There was also a perception among citizens that accessing services provided by the commune councils was relatively easy and cheap compared to accessing services provided by other government institutions. Equally important, other qualitative studies revealed that villagers relied heavily on the commune chiefs as their primary point of contact with higher levels of government, and could approach them for information and help with difficulties accessing public services and managing conflict situations (Kim 2012; Mansfield and MacLeod 2004). CDRI's study on poverty in nine villages also revealed that most villagers, when in need of help, only contacted local officials and rarely went beyond the commune level (FitzGerald and So 2007, 123–126).

Arguably, the commune is the level of government with which most Cambodians can confidently interact. This is reflected through the use of kinship terms and investment in personal relationships with local authorities rather than formal institutions. CDRI's study of local leadership in three communes found that villagers address local leaders using the family titles of *ming* (aunt), *pou* (uncle) and *ta* (grandfather) to emphasise closeness and familiarity as well as obligation on the part of the local leaders in protecting and looking after their villagers in the way family members would do for one another (Thon et al. 2009).

More interestingly, the study found that villagers use the terms *mae* (mother), *euv* (father) and *mae-*

Table 3: Where do you get political information from (percent)? (N=1,600)

| | Total | Generation | | Gender | | Location | |
|---|---|---|---|---|---|---|---|
| | | Youth | Adult | Male | Female | Rural | Urban |
| Television | 71 | 73 | 71 | 77 | 67 | 70 | 79 |
| Family | 59 | 61 | 58 | 54 | 62 | 59 | 60 |
| Neighbours | 51 | 48 | 51 | 51 | 50 | 53 | 46 |
| Local authorities | 42 | 35 | 44 | 45 | 39 | 44 | 36 |
| Friends | 41 | 45 | 39 | 52 | 33 | 38 | 49 |
| Radio | 35 | 40 | 34 | 44 | 30 | 38 | 30 |
| Internet | 33 | 58 | 25 | 44 | 25 | 25 | 55 |
| Colleagues | 29 | 33 | 27 | 37 | 23 | 28 | 33 |
| Print newspapers | 8 | 11 | 7 | 13 | 5 | 5 | 16 |
| CBOs/NGOs | 8 | 12 | 6 | 10 | 6 | 8 | 9 |
| I don't get political information | 6 | 5 | 6 | 2 | 8 | 6 | 2 |

Source: CDRI's Report on Cambodia's young and old generation, Eng et al. Forthcoming

*euv* (parents) only for individuals who they consider have lived up to their expectations of ideal paternal care for their villagers (Thon et al. 2009, 37). This village chief was described by villagers as "quiet and nice" and "transparent and not greedy" (Thon et al. 2009, 39). By contrast, villagers refer to local leaders as well as higher level government officials as *achnhathor* (authority) to note the distance, unfamiliarity and distrust.

The preference for personal relationships over institutionalised arrangements means that decentralisation reform has not effectively replaced the informal and indirect with the direct and formal accountability relationship between citizens and the state. Nonetheless, the use of personal strategies for awarding or withholding legitimacy is significant, appears to be clearly perceived by local leaders and is something that commune chiefs pay particular attention to, since gaining the loyalty of their constituents forms an important aspect of their electoral mobilisation strategy. For example, CDRI's survey in 2017 found that commune chiefs were important and ranked equally as friends and as sources of political information by 44 percent of adult respondents and 35 percent of youth respondents (see Table 3). Importantly, the decision to vote also depended on the commune. The Asia Foundation survey in 2014 showed that most Cambodians (74 percent) preferred to cast their votes in the village they originated from rather where they actually lived and worked, even though doing so involved extensive cost of time and money (Everett and Meisburger 2014, 57).

**Conclusion**

There is clear evidence suggesting that commune councils are popular and respected by most Cambodians, from their role in local development to conflict resolution, and to mobilising voter turnout in national and local elections. Such a strong relationship was achieved through becoming more accessible and responsive to local demands but also equally through the embedding of personal relationships into local state-society relations. The impact of this twin strategy has been effective in building trust, but may be waning due to demographic shifts in which young Cambodians are more likely to be mobile, employed in urban areas or abroad, and increasingly depend on social media for political information (BBC Media Action 2014; Eng et al. Forthcoming).

To the extent that personal relations have become a normal way of interacting in Cambodia, the formalisation and institutionalisation of state-society relations, particularly between the commune and villagers, will require not just the establishment of new processes under decentralisation reform, but a more fundamental change in behaviour and attitudes, not just on the part of citizens but also on the part of public officials.

Concrete steps towards enhancing citizens' trust and confidence in government should go hand in hand with the government's commitment to improving service delivery and public sector performance. This can be done through promoting the responsiveness of public officials, improving the transparency of public services delivery, and further facilitating the active engagement of citizens and civil society in public decision-making processes.

Specific recommendations to strengthen commune/sangkat-villager trust include the following actions:

- Increase CSF allocations and commune/sangkat discretion, and at the same time enable the commune to mobilise local revenue sources for more effective responsiveness.
- Enhance accountability relations between commune and district levels in terms of government-wide responsiveness for social services and local economic development including the needs of young people.
- Promote broad-based participation of ordinary villagers and youth in key decision making by engaging strategically with civil society organisations and local businesses.

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# Youth and Older Generation Relations in Cambodia

## Introduction

Cambodia has one of the youngest populations in Southeast Asia. Roughly 63 percent of the population is under 30 years old, of which youth, defined here as those between 15 to 30 years old, accounts for 33 percent. Essentially, the youth cohort in Cambodia makes up a substantial proportion of the politically active and engaged population. Many observers have suggested that recent political changes in national and local elections are to a large extent due to the growing significance of young voters and the dynamics of this "new generation" (Eng and Hughes 2017; Mccargo 2014; Un 2015).

The socioeconomic characteristics of the new generation are distinct from those of their parents. Born in the late 1990s and early 2000s, they grew up in a time of relative peace and stability with regular elections – an era that ushered in decades of impressive economic growth and rapid structural change. Unlike young people in previous generations, they are better educated, mobile, typically find work in urban areas, and connected to global online communities through social media. Arguably, such stark differences between the new and older generations could lead to generational conflict. Yet the findings of a survey of Cambodian citizens conducted by CDRI in 2017 (Eng et al. Forthcoming) suggest otherwise. Despite significant gaps in life experience and socioeconomic background, young and older adults hold similar attitudes towards family, gender relations, life priorities and cultural values. Young Cambodians prioritise family obligations; in return, older Cambodians respect and support young people.

This paper presents the key findings of a study conducted by CDRI in 2017 to examine Cambodia's emerging new generation, their ideas and attitudes, and its implications for future development, society and politics. First, it outlines several distinctive ways in which young people differ from older generations. It then examines the attitudes and outlook of youth and older Cambodians with respect to gender, family, society and culture, politics, and their essential life goals. The conclusion summarises key findings and then discusses why young and older adults share similar attitudes and under what circumstances, and suggests this augurs well for Cambodia's future development.

## Cambodian youth in a time of rapid socioeconomic change

The timeframe and the impact of youth demographics is not so much about emerging adulthood but more about young people's distinct experiences, socioeconomic roles, values and way of life amid rapid and dramatic socioeconomic structural change. They have no personal memory or direct experience of the genocide and violence their parents and grandparents endured. The period they grew up in was marked by sustained robust growth, several institutional and policy reforms, and the emergence of digital technologies and social media.

Cambodia sustained average growth of 7.7 percent between 1995 and 2017 (World Bank 2017), marked by a gradual shift from agriculture as the main source of growth towards industry and services. This has significant implications for Cambodia's millennials in that they have different opportunities, challenges and expectations from those of their parents, for structural change and poverty reduction, and for human development through a rising standard of living and better health and education, especially among young generations. At the same time, the incidence of poverty has fallen quickly, reaching 13.5 percent in 2014 and possibly below 10 percent more recently. However, when deprivations in education and health are taken into account, the estimated poverty rate is close to 35 percent; of this figure, 45 percent are under 19 years old (UNDP 2018).

Cambodia's economic performance and progress have led to significant improvements in key human development indicators, especially education, health and infrastructure. Notably, the country has improved equitable access to primary education for poor and rich girls and boys in rural and urban areas (Lun and Roth 2014). In school year 2016,

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the primary school net enrolment rate stood at 98 percent with a completion rate of 80 percent, and the lower secondary school completion rate was 43 percent (MOEYS 2017).

The availability and accessibility of primary education means that today's young people are attaining higher levels of education than their parents. School-to-work transition surveys (SWTSs) implemented two years apart found that 54 percent of young adults had a higher level of completed education than their father and 69.7 percent a higher level than their mother in 2014 (NIS and ILO 2015, 15), compared to 48.6 percent and 62.8 percent, respectively, in 2012 (Heang, Khieu and Elder 2013, 2).

Although educational attainment remains relatively low in Cambodia, at 2.4 percent, youth unemployment is very low compared to most countries, largely due to plentiful jobs for unskilled and low-skilled workers (NIS and ILO 2015, 3). Of employed youth, 51 percent are unpaid family workers, 33 percent are salaried workers, 16 percent are own-account workers, and less than 1 percent are employers. By main economic sector, 47 percent of youth are employed in agriculture, 31 percent in services and 22 percent in industry (NIS and ILO 2015, 29). However, the high youth employment rate belies the fact that there are not enough decent jobs to go around. Youth are often employed in poor quality jobs, characterised by the combination of low pay, irregular or long working hours and temporary positions.

Structural transformation has led to improved mobility and more employment opportunities for young people, while the rapid growth of the internet along with new technology (laptops, tablets and smartphones) has increased their sphere of influence. One third of Cambodian youth have access to the internet, 40 percent of whom use the internet at least once a day (BBC Media Action 2014).

Cambodian society has undergone marked changes, too. There has been a marked shift towards more egalitarian gender norms and role models, perhaps linked with women's empowerment and ability to question their traditional subordinate status and gender roles. Despite these developments, the importance of family remains prevalent and influences virtually all social interactions (Karbaum 2015; Pen, Hok and Eng 2017). In the 2014 SWTS, 42 percent of young people chose "forming a good family life" as their primary life goal, above wealth, work, education and contribution to society (NIS and ILO 2015, 18). Furthermore, the urban-rural divide and family economic resources are significant in shaping a new pattern of inequality. Better-off urban youth become university graduates and less well-off rural youth improve their lot by becoming migrant workers (Peou 2013).

The country's rapid growth has been facilitated and reinforced by closing almost 68 percent of the total gender gap (WEF 2017), making Cambodia one of Asia's top 10 most gender equal countries (WEF 2018). The current study confirms the findings of previous studies, particularly the fading away of the gender divide for both young and old generations.

**The survey: method and sampling frame**

The survey was conducted in five provinces – Battambang, Kampot, Stung Treng, Svay Rieng, Kampong Cham – and Phnom Penh from October 2017 to January 2018. We used stratified multistage sampling to randomly select 1,600 respondents from 101 villages. The villages were stratified by location into rural and urban, and the respondents into youth (15–30 years) and adults (older than 30) and by gender. The sampling frame for respondents comprised 398 youth and 1,202 adults, 60 percent female and 40 percent male. The comprehensive questionnaire comprised 100 questions and was administered via face-to-face interviews in the respondents' homes. The sampling method, along with the use of existing demographic information, allowed us to minimise selection bias and normal sampling variability due to population distribution. The findings of the survey are therefore representative of the Cambodian population.

**Highlights from the survey findings**

***Socioeconomic profiles of youth and older Cambodians***

That the characteristics of young and older Cambodians differ has become increasingly apparent, and public perception of such differences was evident in our survey. Sixty-six percent of young and 81 percent of older adults agreed that they are "very different" from each other in a general sense.

Figure 1: Educational level of youth and older adults (N=1,600)

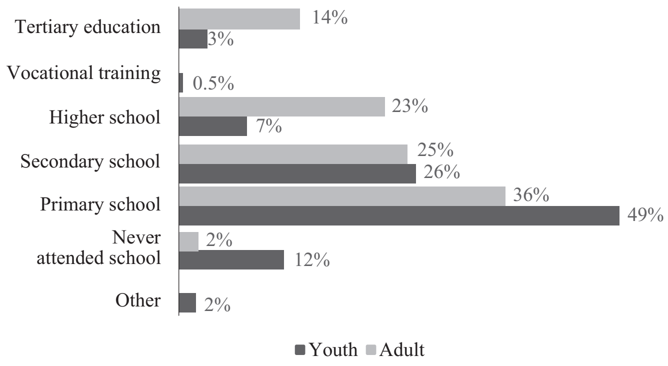



Figure 2: Percentage of respondents who have experienced migration (N=1,600)

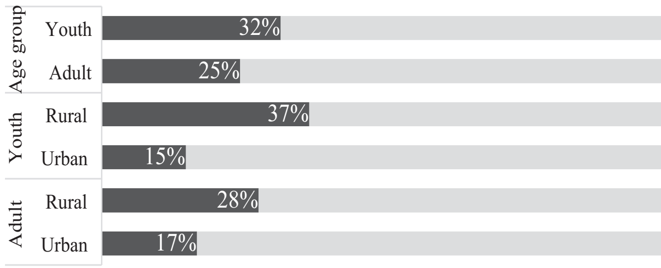
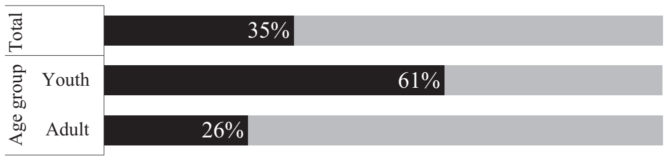



Figure 3: Percentage of respondents switching jobs several times in the last year (N=1,600)


Figure 4: Internet usage (N=1,600)




*Educational attainment:* Young Cambodians have access to more education and have achieved a higher level of education than their parents. As Figure 1 shows, more older adults than young adults have primary and secondary education, but more young adults have high school or university education.

*Occupation type:* The rural-urban divide still determines trends in employment (Table 1). However, young rural Cambodians, even if they are interested in agriculture, are more likely to seek to leave rural areas for better employment in urban areas. More young people than older adults are paid employees. Men generally dominate all employment sectors but women tends to occupy self-employment (own-account worker and unpaid family worker), considered vulnerable employment.

*Mobility:* As Figure 2 shows, more young adults (32 percent) than older adults (25 percent) migrate to find work. This holds true for rural young (37 percent) and rural older adults (28 percent). Young people (14 percent) tend to switch jobs more often than older adults (9 percent) (Figure 3).

*Internet access:* Young Cambodians are more likely than older generations to be connected to the internet: 61 percent of youth use the internet, compared with 26 percent of adults (Figure 4). Of the 35 percent of respondents who identified as internet users, 84 percent use a smartphone, 9 percent a personal computer, 5 percent an office computer and 2 percent a public computer.

Table 1: Main occupation (percent) (N=1,587)

| | Total | Age group | | Gender | | Location | |
|---|---|---|---|---|---|---|---|
| | | Youth | Adult | Male | Female | Rural | Urban |
| Farmer | 36 | 25 | 40 | 40 | 34 | 46 | 8 |
| Government employee | 6 | 2 | 7 | 10 | 3 | 3 | 12 |
| NGO employee | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Paid employee | 13 | **24** | **9** | 17 | 10 | 12 | 14 |
| Own-account worker | 24 | 15 | 28 | 22 | **26** | 19 | 40 |
| Unpaid family worker | 14 | 18 | 13 | 3 | **22** | 13 | 18 |
| Student | 4 | 14 | 0 | 4 | 3 | 4 | 3 |
| Unemployed | 3 | 2 | 3 | 4 | 2 | 3 | 4 |

Figure 5: Do you agree that it is better for boys to go to university than girls? (N=1,600)

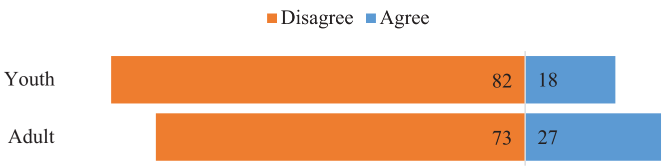



Figure 6: Do you agree that gender is an obstacle to success? (N=1,600)

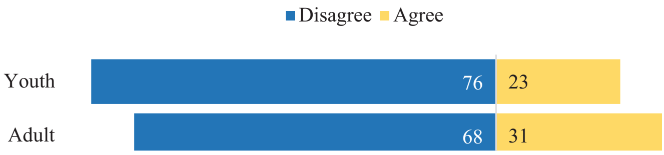



Figure 7: Do you agree than men make better political leaders than women? (N=1,600)

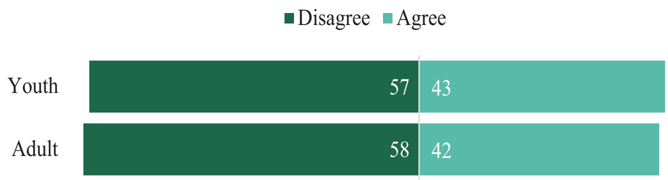



Figure 8: Do you agree that it is acceptable for young people to disagree with their parents? (N=1,600)

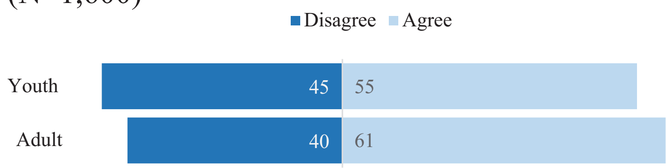
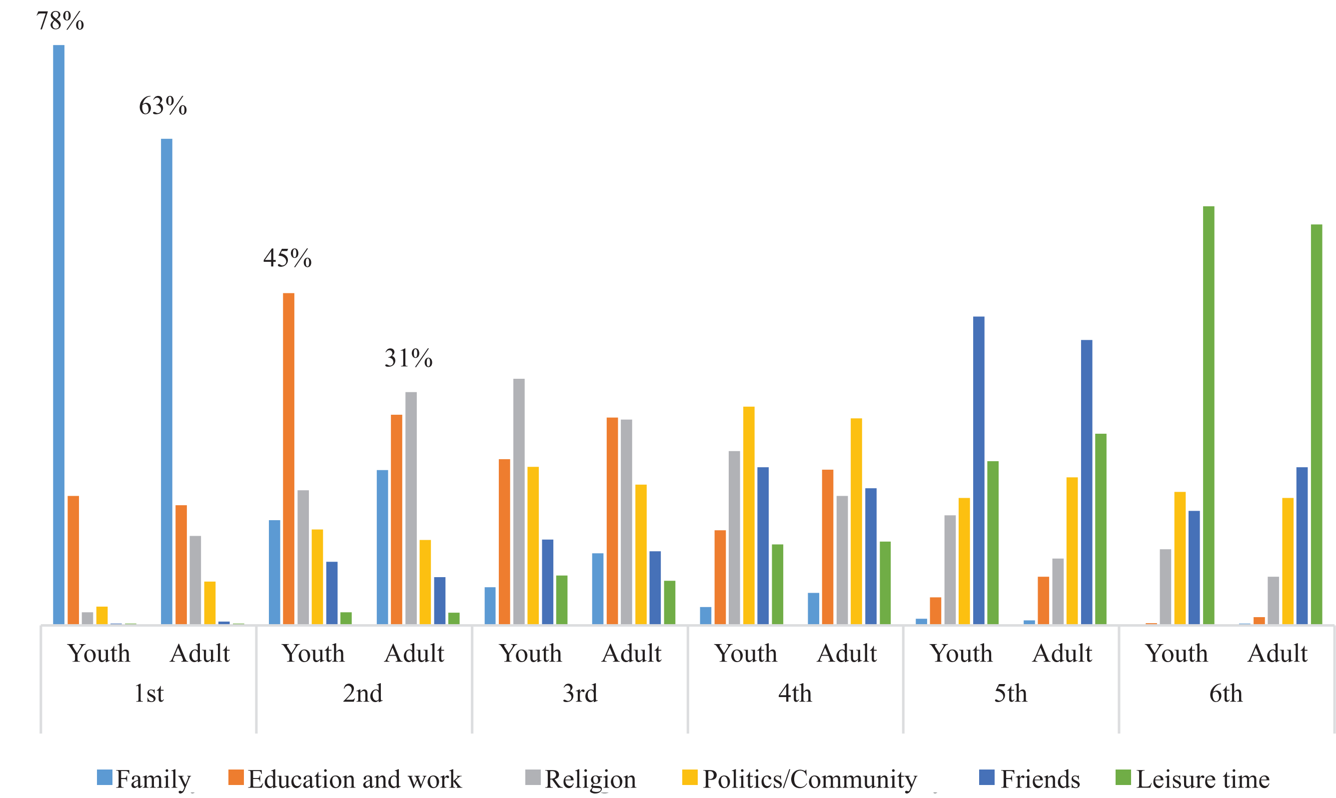



Figure 9: Respondents' rating of social factors in order of importance (N=1,600)




In sum, despite the different socioeconomic characteristics in terms of educational attainment, employment, mobility and internet access, young and older adults have similar attitudes towards the role of the family and close family relationships.

### *Attitudes and outlook of youth and older Cambodians*

First, we present young people's attitudes and outlook towards gender equality in education, barriers to success, and leadership roles, social and political values within their family and personal lives, and decision-making power. We then look

Table 2: Who most influences your political opinion (percent)? (N=1,433)

| | 1st | | 2nd | | 3rd | | 4th | | 5th | | 6th | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Youth | Adult | Youth | Adult | Youth | Adult | Youth | Adult | Youth | Adult | Youth | Adult |
| Family | **32** | 28 | 18 | 19 | 17 | 19 | 19 | 20 | 15 | 18 | 8 | 12 |
| Political authority | 31 | 28 | **32** | 31 | 19 | 20 | 12 | 12 | 6 | 11 | 0 | 0 |
| Media | 22 | 25 | 18 | 18 | **19** | 14 | 13 | 16 | 16 | 18 | 17 | 15 |
| Teachers | 10 | 10 | 17 | 15 | 19 | 17 | 20 | 19 | 20 | 16 | 7 | 9 |
| Religious authority | 3 | 7 | 9 | 11 | 10 | 15 | 17 | 13 | 17 | 15 | 41 | 28 |
| Colleagues | 3 | 2 | 6 | 6 | 16 | 14 | 20 | 21 | 27 | 21 | 28 | 36 |

at young people's preferences and priorities in life. Overall, family influence remains central to young people's social and political perspectives and attitudes.

Statistically, the survey found that young and older adults have similar attitudes and perceptions towards each of the aspects explored. In other words, there are no significant differences between young and older adults.

Overall, there is high acceptance of gender equality in education, job and career, and political leadership (Figures 5, 6 and 7). Put simply, we find little gender bias in these three aspects. This could reflect increased self-awareness of traditional stereotypes and gender norms. For example, young people (82 percent) and adults (73 percent) mostly agree that boys and girls should have the same opportunities. In addition, just 23 percent of young and 31 percent of older adults think gender is an obstacle to success, suggesting the diminishing influence of gender norms as a determinant of success. When it comes to political leadership, however, there is considerable agreement among youth (43 percent) and adults (42 percent) that men make better political leaders than women.

Parents retain a central role, not only with respect to traditional parental authority but also in shaping young people's life priorities, affecting their decision making and political outlook. Forty-five percent of young and 40 percent of older adults still adhere to the traditional values of tolerance, deference and obedience towards parents (Figure 8). Family was ranked as the most important social aspect by 78 percent of young and 65 percent of older adults, followed by education and work for 45 percent of young people but religion for 31 percent of older adults (Figure 9). Similarly, when asked what shapes their political opinions, family was ranked as the most important influence by 32 percent of youth, followed by political authority, then the media (Table 2). The family is the second main source of political information, after television (Figure 10). Also, youth (61 percent) and adults (58 percent) alike are most likely to share ideas and concerns and spend free time with their family.

As shown in Figure 11, decision making rests mainly with young adults, though parents play a more important role in the bigger life decisions of marriage and education as a joint decision. This is probably because education and marriage have lifelong effects on individual achievement.

***Youth's outlook on the future***

Respondents were asked to rate five key life priorities on a scale of 1 (not important) to 5 (extremely important). The results shown in Figure 12 indicate no statistically significant differences between the life priorities of young and older adults.

"Making parents proud" was extremely important for 80 percent of youth, perhaps supported by an underlying feeling of filial responsibility toward parents, and "becoming a role model" was extremely important for 66 percent. These results suggest that most young people have a positive attitude towards life as they strive for success. Unexpectedly, "completing higher education" was ranked as extremely important by only 43 percent of youth. This result is perhaps more a reflection of persistent constraints in the education system rather than young people's ambition and aptitude. Overall, young people still value family over wealth and education.

Figure 10: Where do you get political information from? (N=1,600)

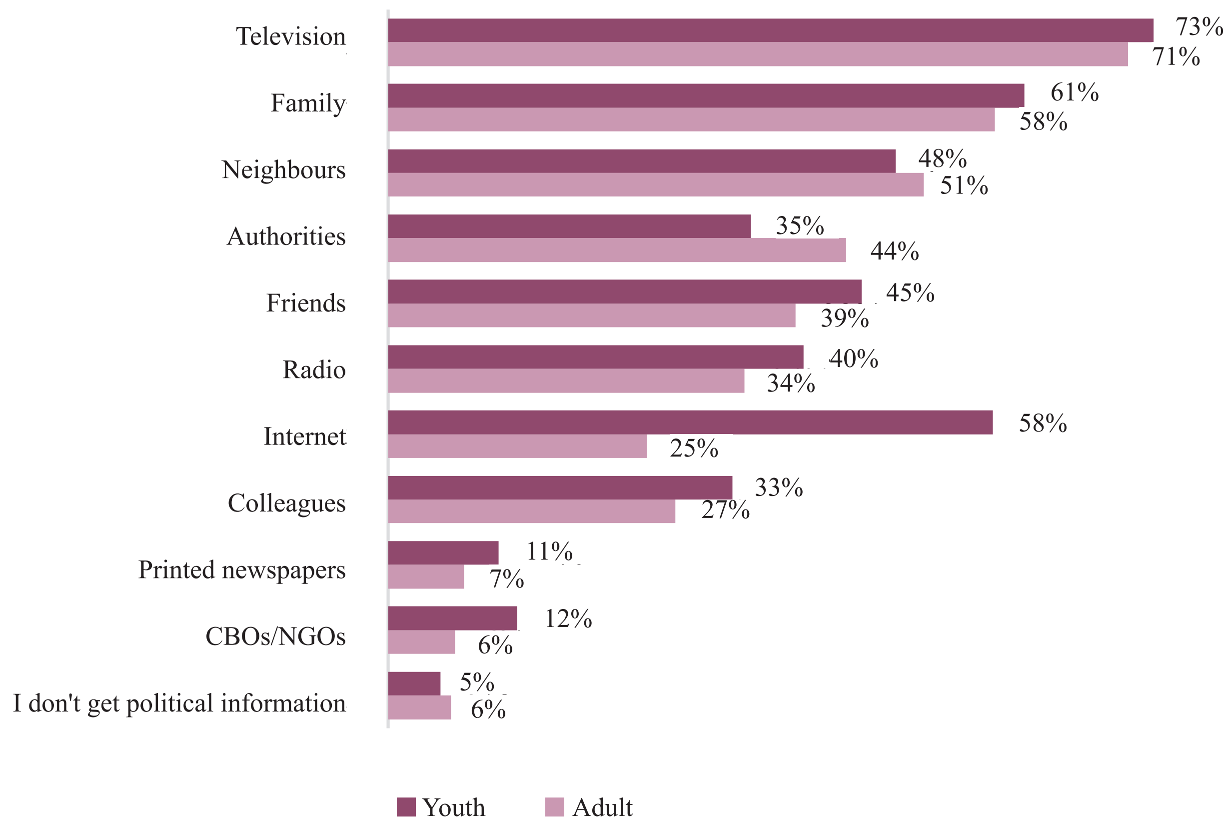



Figure 11: Who should make the final decision for youth on these issues? (N=1,592–1,596)

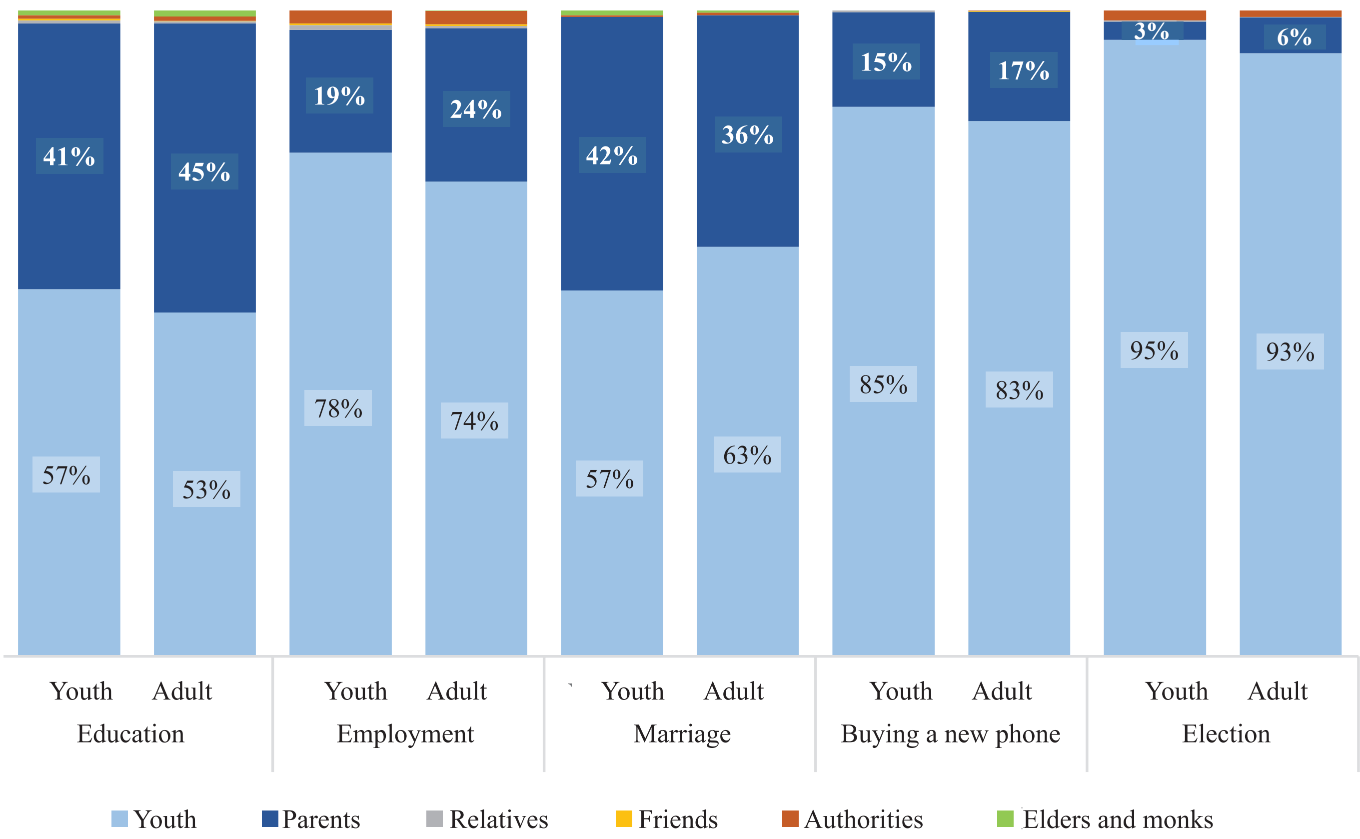
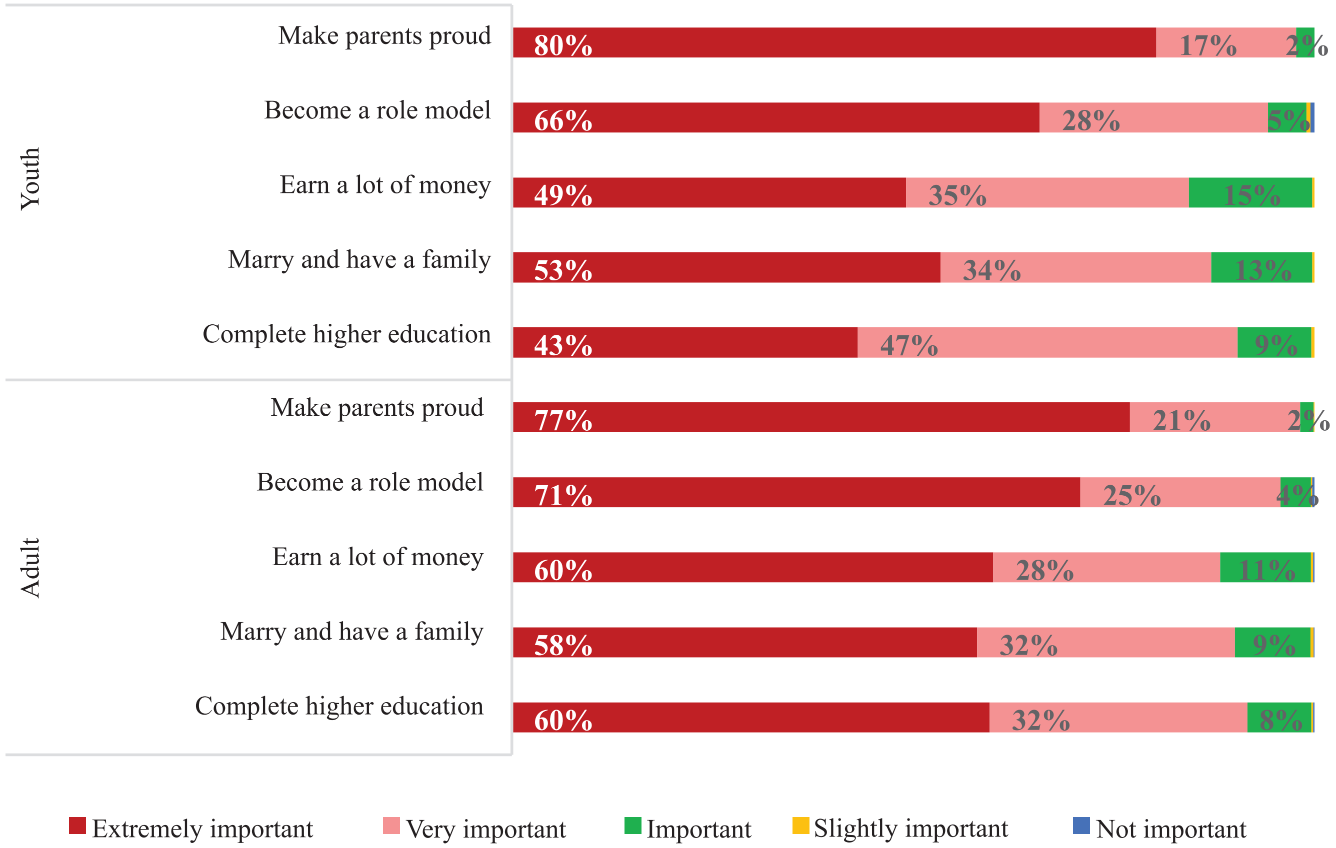


Figure 12: Respondents' rating of five key life priorities in order of importance (N=1,587–1,589)




**Conclusion**

Despite socioeconomic developments and demographic trends, we find no evidence of intergenerational conflict across perceptions of social, political and cultural aspects of life. Young and older generations value family, gender relations and life priorities similarly. The family retains its traditional functions and is one of the most important aspects of life, to some extent influencing social and political outlooks and decision making. Young people today are more independent than young people in previous generations, making their own life decisions and choices. Older generations respect and support young people, allowing them more authority and power in decision making. And traditional gender divisions are fading in both age groups.

Many studies highlight the importance of the role of family within Cambodia's hierarchical society and how, traditionally, social relationships revolve around and trust is confined within the family (Inada 2013; Eng et al. Forthcoming). This remains true for young people as they value marriage, religion and family above leisure and community activities. Parents primarily viewed their involvement as imbuing young people with respect for and obedience to parental authority. They are a central influence in young people's lives and decisions, a key source of political information, and the most influential political opinion.

Youth are not necessarily entirely bound to traditional family settings, however. From our survey research, we find evidence that gender differences are diminishing among young and older adults alike. The results show a high level of acceptance for gender equality in higher education, high agreement that gender is not an obstacle to success and moderate prejudice against female political leaders, though persistent gender gaps remain. These results may reflect the fact that youth are more informed than older generations, through the internet and social media, education opportunities and physical mobility.

The survey research has drawn considerable attention to the significant role family values still play in shaping young people's lives, decisions and political opinions. As a result, family structure and culture and family social relationships continue to shape economic and political life. Young people are

more committed to fulfilling family expectations and obligations than pursuing personal wellbeing, income, wealth and education. Given the major influence of family on young people's lives, studies to deepen understanding of the economic, political, civic and social spheres that shape young people's aspirations should take as a starting point analysis at family level.

Socioeconomic status factors – the changing role of gender, higher educational attainment, improved job and career prospects, greater internet usage – all play a significant role in political and social behaviours and relations between generations, while perhaps rural-urban divide matters by itself but does not affect other interactions. Thus government policy needs to expand and deepen the areas of focus that fit young people's abilities, interests and aspirations. Time and effort should therefore not only be directed towards improving education and employment for young women and men, but also towards capitalising on their participation in political and development arenas.

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# Economy Watch—External Environment

This section presents economic indicators of major world economies and economies in Southeast Asia during the first quarter of 2018.

Indonesia's real GDP growth was 5.1 percent year on year, 0.1 percentage points lower than in the previous quarter. Meanwhile, the external sector contracted and government expenditure dropped. Growth in Malaysia was 5.4 percent, compared to 5.9 percent in the previous quarter. In this quarter, fixed investments somewhat increased while household expenditure eased. Singapore's growth increased to 4.4 percent from 4.3 percent in the previous quarter, mainly boosted by the manufacturing sector which rose by 9.8 percent year on year. Thailand's economy expanded by 4.8 percent over the 12 months, 0.8 percentage points higher than in the preceding quarter, thanks to robust exports and tourism as well as some recovery in private consumption. Vietnam's growth was 7.4 percent, compared to 7.7 percent in the previous quarter, driven by booming exports, large inflows of foreign direct investment and a prosperous tourism sector.

China's growth stabilised at 6.8 percent during the last three consecutive quarters. This was in spite of forecasts by some economists that China's economy would ease while the government endeavoured to control excessive speculation in real estate investment and to make its industry more environmentally friendly. Hong Kong's growth was 4.7 percent, up on the preceding quarter's 3.4 percent. South Korea's growth stood at 2.8 percent, down slightly from 2.9 percent in the previous quarter, largely stimulated by manufacturing, utilities, services, agriculture, forestry and fishing. Taiwan's growth was 3.0 percent in this quarter, down from 3.3 percent in the previous quarter.

Real growth in the eurozone decreased to 2.5 percent, from 2.8 percent in the previous quarter. Japan's economy eased to 1.1 percent, compared to 2.0 percent in the previous quarter, while its domestic sector performed poorly. Growth in the United States was 2.8 percent year on year, though consumer spending was on track for its worst performance in the last five years.

**World inflation and exchange rates**

All Asian and ASEAN countries had inflation: in Cambodia 2.2 percent, Indonesia 3.3 percent, Malaysia 1.8 percent, Singapore 0.2 percent, Thailand 0.6 percent and Vietnam 2.8 percent. Inflation in China was 2.2 percent, Hong Kong 2.4 percent, South Korea 1.2 percent and Taiwan 1.6 percent. Inflation in the eurozone was 1.3 percent, Japan 1.3 percent and the United States 2.2 percent.

In this quarter, the USD-KHR exchange rate was KHR4,012.4/USD, the riel appreciating by 0.6 percent from a quarter earlier. The Thai baht appreciated by 4.2 percent from the preceding quarter to THB31.6/USD, and the Vietnamese dong depreciated by 0.1 percent to VND22,749.5/USD. The Chinese yuan appreciated by 3.9 percent to CYN6.4/USD, and the Japanese yen appreciated by 4.0 percent to JPY108.3/USD.

**Commodity prices in world markets**

Prices of most major commodities in world markets rose this quarter; only that of palm oil dropped, by 4.2 percent to USD673.7/tonne. The price of maize rose 10.1 percent to USD163.7 /tonne, of rubber by 2.6 percent to USD1,504.0/tonne, of rice by 8.8 percent to USD459.3 /tonne and of soybeans by 4.7 percent to USD418.3 /tonne. The price of crude oil increased by 8.9 percent to USD64.7/barrel, of gasoline by 6.5 percent to US cents 47.9/litre and of diesel by 5.7 percent to US cents 51.0/litre.

Prepared by Ven Seyhah, research associate, and Pon Dorina, research assistant, Economics Unit, CDRI.

Table 1: Real GDP growth of selected trading partners, 2010–18 (percentage increase over previous year)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | | | | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Q1 | Q2 | Q3 | Q4 | Q1 |
| **Selected ASEAN countries** | | | | | | | | | | | | |
| Cambodia | 6.0 | 6.1 | 7.3 | 7.4 | 7.1 | - | - | - | - | - | - | - |
| Indonesia | 6.2 | 6.5 | 6.3 | 5.8 | 5.2 | 4.8 | 5.0 | 5.0 | 5.2 | 5.1 | 5.2 | 5.1 |
| Malaysia | 9.0 | 4.9 | 5.4 | 4.6 | 6.0 | 4.9 | 4.3 | 5.6 | 5.8 | 6.2 | 5.9 | 5.4 |
| Singapore | 14.7 | 4.7 | 1.3 | 3.8 | 3.0 | 2.0 | 2.0 | 2.7 | 2.9 | 5.2 | 4.3 | 4.4 |
| Thailand | 7.9 | 0.0 | 6.7 | 2.8 | 1.6 | 2.8 | 3.2 | 3.3 | 3.7 | 4.3 | 4.0 | 4.8 |
| Vietnam | 6.7 | 6.1 | 5.2 | 5.4 | 5.9 | 6.6 | 6.1 | 5.1 | 6.2 | 7.5 | 7.7 | 7.4 |
| **Selected other Asian countries** | | | | | | | | | | | | |
| China | 10.4 | 9.3 | 7.7 | 7.7 | 7.3 | 7.0 | 6.7 | 6.9 | 6.9 | 6.8 | 6.8 | 6.8 |
| Hong Kong | 6.9 | 4.9 | 2.9 | 3.0 | 2.3 | 2.3 | 1.7 | 4.3 | - | 3.6 | 3.4 | 4.7 |
| South Korea | 6.1 | 3.6 | 2.1 | 2.8 | 3.4 | 2.6 | 2.6 | 2.8 | 2.7 | 3.6 | 2.9 | 2.8 |
| Taiwan | 11.1 | 4.2 | 1.2 | 2.2 | 3.5 | 0.6 | 1.2 | 2.6 | 2.1 | 3.1 | 3.3 | 3.0 |
| **Selected industrial countries** | | | | | | | | | | | | |
| Euro-12 | 1.6 | 1.6 | -0.5 | 0.1 | 0.7 | 1.3 | 1.6 | 1.7 | 2.1 | 2.5 | 2.8 | 2.5 |
| Japan | 4.1 | -0.8 | 1.7 | 1.7 | 0.6 | 0.3 | 0.9 | 1.6 | 2.0 | 1.7 | 2.0 | 1.1 |
| United States | 2.7 | 1.8 | 2.1 | 1.8 | 2.4 | 2.3 | 1.6 | 2.1 | 2.1 | 2.3 | 2.6 | 2.8 |

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

Table 2: Inflation rates of selected trading partners, 2010–18 (percentage price increase over previous year—period averages)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | | | | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Q1 | Q2 | Q3 | Q4 | Q1 |
| **Selected ASEAN countries** | | | | | | | | | | | | |
| Cambodia | 4.1 | 5.5 | 3.0 | 3.0 | 3.9 | 1.2 | 3.0 | 4.2 | 2.7 | 2.5 | 2.3 | 2.2 |
| Indonesia | 5.1 | 5.4 | 4.3 | 7.0 | 6.4 | 6.4 | 3.5 | 3.6 | 4.1 | 3.8 | 3.4 | 3.3 |
| Malaysia | 1.7 | 3.2 | 1.7 | 2.1 | 3.2 | 2.1 | 2.1 | 4.3 | 4.0 | 3.7 | 1.3 | 1.8 |
| Singapore | 2.9 | 5.2 | 4.6 | 2.3 | 1.0 | -0.5 | -0.8 | 0.7 | 0.8 | 0.5 | 0.2 | 0.2 |
| Thailand | 3.1 | 3.8 | 3.0 | 2.2 | 1.9 | -0.9 | 0.2 | 1.1 | 0.2 | 0.5 | 0.8 | 0.6 |
| Vietnam | 9.0 | 18.6 | 9.3 | 6.6 | 4.8 | 0.6 | 2.7 | 5.0 | 0.8 | 2.8 | 2.7 | 2.8 |
| **Selected other Asian countries** | | | | | | | | | | | | |
| China | 3.2 | 5.4 | 2.7 | 2.6 | 2.0 | 1.4 | 2.0 | 1.4 | 1.4 | 1.6 | 2.2 | 2.2 |
| Hong Kong | 2.4 | 5.3 | 4.1 | 4.0 | 4.4 | 3.1 | 2.5 | 1.0 | 2.4 | 1.8 | 2.4 | 2.4 |
| South Korea | 3.0 | 4.4 | 2.1 | 1.1 | 1.3 | 0.7 | 0.8 | 2.0 | 2.0 | 2.3 | 1.2 | 1.2 |
| Taiwan | 1.0 | 1.4 | 1.9 | 0.8 | 1.5 | 0.6 | 1.4 | 0.8 | 0.6 | 0.8 | 1.6 | 1.6 |
| **Selected industrial countries** | | | | | | | | | | | | |
| Euro-12 | 1.6 | 2.7 | 2.5 | 1.4 | 0.4 | 0.0 | 0.3 | 1.8 | 1.2 | 1.4 | 1.3 | 1.3 |
| Japan | -0.7 | 0.1 | -0.03 | 0.4 | 2.8 | 0.9 | -0.1 | 0.2 | 0.3 | 1.1 | 1.3 | 1.3 |
| United States | 1.7 | 3.2 | 2.1 | 1.5 | 1.6 | 0.0 | 1.2 | 2.5 | 1.9 | 1.9 | 2.2 | 2.2 |

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

Table 3: Exchange rates against US dollar of selected trading partners, 2010–18 (period averages)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | | | | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Q1 | Q2 | Q3 | Q4 | Q1 |
| **Selected ASEAN countries** | | | | | | | | | | | | |
| Cambodia (riel) | 4187.1 | 4063.6 | 4037.8 | 4027.2 | 4037.6 | 4060.4 | 4053.6 | 4015.8 | 4048.2 | 4087.8 | 4036.4 | 4012.4 |
| Indonesia (rupiah) | 9089.9 | 8748.0 | 9363.0 | 10,419.2 | 11,850.2 | 13394.8 | 13338.3 | 13344.7 | 13312.8 | 13327.0 | 13534.8 | 13576.1 |
| Malaysia (ringgit) | 3.2 | 3.1 | 3.1 | 3.1 | 3.3 | 3.9 | 4.1 | 4.4 | 4.3 | 4.3 | 4.2 | 3.9 |
| Singapore (S$) | 1.4 | 1.3 | 1.2 | 1.3 | 1.3 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.3 |
| Thailand (baht) | 31.7 | 30.5 | 31.1 | 30.7 | 32.5 | 34.2 | 35.3 | 35.1 | 34.3 | 33.4 | 32.9 | 31.6 |
| Vietnam (dong) | 19200.8 | 20574.3 | 20,856.9 | 20,990.3 | 21,138.2 | 21917.7 | 22507.5 | 22429.1 | 22704.3 | 22732.8 | 22717.5 | 22749.5 |
| **Selected other Asian countries** | | | | | | | | | | | | |
| China (yuan) | 6.8 | 6.5 | 6.3 | 6.1 | 6.2 | 6.3 | 6.6 | 6.9 | 6.9 | 6.7 | 6.6 | 6.4 |
| Hong Kong (HK$) | 7.8 | 7.8 | 7.8 | 7.8 | 7.8 | 7.8 | 7.8 | 7.8 | 7.8 | 7.8 | 7.8 | 7.8 |
| South Korea (won) | 1156.3 | 1108.6 | 1126.6 | 1095.0 | 1053.6 | 1131.9 | 1161.0 | 1152.4 | 1129.9 | 1132.8 | 1107.0 | 1072.0 |
| Taiwan (NT$) | 31.5 | 29.4 | 29.6 | 29.7 | 30.3 | 31.8 | 32.3 | 31.1 | 30.3 | 30.3 | 30.1 | 29.3 |
| **Selected industrial countries** | | | | | | | | | | | | |
| Euro-12 (euro) | 0.8 | 0.7 | 0.8 | 0.8 | 0.8 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.8 | 0.8 |
| Japan (yen) | 87.8 | 79.9 | 79.8 | 97.6 | 105.9 | 121.0 | 108.8 | 113.7 | 111.1 | 110.9 | 112.9 | 108.4 |

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

Table 4: Selected commodity prices on world market, 2010–18 (period averages)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | | | | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Q1 | Q2 | Q3 | Q4 | Q1 |
| Maize (US No. 2) – USA (USD/tonne) | 185.9 | 291.7 | 298.4 | 259.4 | 192.9 | 169.8 | 159.2 | 160.6 | 157.7 | 148.1 | 148.8 | 163.7 |
| Palm oil – north-west Europe (USD/tonne) | 900.8 | 1125.4 | 999.3 | 856.9 | 821.4 | 622.7 | 643.6 | 773.0 | 696.3 | 706.3 | 703.0 | 673.7 |
| Rubber SMR 5 (USD/tonne) | 3405.7 | 4630.6 | 3200.7 | 2575.3 | 1755.6 | 1392.7 | 1416.1 | 2147.7 | 1568.1 | 1551.7 | 1466.0 | 1504.0 |
| Rice (Thai 100% B) – Bangkok (USD/tonne) | 506.6 | 558.5 | 594.8 | 533.8 | 434.9 | 395.5 | 406.7 | 537.0 | 431.0 | 411.7 | 422.3 | 459.3 |
| Soybeans (US No.1) – USA (USD/tonne) | 449.8 | 540.7 | 591.4 | 538.4 | 491.8 | 390.4 | 405.7 | 419.1 | 385.7 | 395.3 | 399.7 | 418.3 |
| Crude oil – OPEC spot (USD/barrel) | 76.8 | 106.2 | 109.5 | 105.9 | 96.2 | 49.6 | 40.7 | 52.0 | 47.9 | 52.8 | 59.4 | 64.7 |
| Gasoline – US Gulf Coast (cents/litre) | 53.3 | 71.9 | 74.6 | 71.2 | 65.6 | 41.0 | 35.2 | 41.0 | 40.3 | 44.4 | 45.0 | 47.9 |
| Diesel (low sulphur No.2) – US Gulf Coast (cents/litre) | 56.1 | 75.7 | 80.7 | 78.4 | 71.5 | 41.7 | 34.8 | 41.4 | 39.0 | 45.2 | 48.2 | 51.0 |

Sources: Food and Agriculture Organisation and US Energy Information Administration

# Economy Watch—Domestic Performance

**Main economic activities**

In the first quarter of 2018, total fixed asset investment approvals shot up to USD469.3 m from USD114.3 m in the previous quarter, representing a year-on-year increase of 257.2 percent.

Investment approvals in agriculture amounted to USD99.5 m compared to none in the previous quarter. Total industrial investment approvals were USD259.6 m, compared to USD114.3 m in the previous quarter. Investments in garments dropped to USD53.2 m from USD56.3 m in the previous quarter. Investments in electronic assembly totalled USD76.2 m, 21.4 percent lower than the preceding quarter. Total investments in services amounted to USD110.2 m in this quarter, of which USD75.2 m went to hotels and tourism.

Total international tourist arrivals expanded from 1.7 million persons to 3.4 million persons year on year. Chinese tourists (505,900) accounted for the largest proportion of the total, in this quarter, followed by tourists from Vietnam (186,800), South Korea (126,100), Thailand (83,700), the US (79, 100), Japan (59,100), France (56,600), the UK (51, 200) and Malaysia (44, 900).[1]

Total exports were USD2,834.6 m, an increase of 0.3 percent from the previous quarter. Year on year, they rose 23.7 percent. Garment exports, the largest share in total exports, increased by 4.6 percent to USD2,092.1 m from the previous quarter, a rise of 12.7 percent year on year. Exports to the EU took the largest share of the total, accounting for 32.0 percent, followed by those to the US (25.7 percent), the rest of the world (19.6 percent), Japan (10.7 percent), the UK (10.5 percent) and ASEAN (1.4 percent). Exports of electronic components amounted to USD76.2 m, 21.4 percent down on the previous quarter. Exports of automotive parts increased to USD11.9 m from USD1.8 m in the previous quarter.

Agricultural exports expanded by 10.8 percent to USD205.9 m from the previous quarter and by 2.4 percent from the same quarter of the previous year. Exports of rice, the largest proportion, constituted 51.8 percent of total agricultural exports, followed by rubber (25.4 percent), wood (14.6 percent), others (7.7 percent) and fish (0.5 percent).

Total imports increased by 24.0 percent from a quarter earlier, and were 33.8 percent higher than in the previous year, at USD4,244.5 m. Imports of gasoline were valued at USD64.9 m, diesel fuel USD102.0 m, construction materials USD100.7 m and other imports USD3,976.9 m.

**Public finance**

Total government revenue in the quarter was KHR4,341.4 bn, 0.8 percent more than a quarter earlier, and 0.7 percent more than in the same quarter of the previous year. Current revenue was KHR4,328.5 bn, 1.2 percent more than the last quarter. Tax revenue was KHR3,985.9 bn, 13.9 percent more than in the previous quarter, while non-tax revenue was KHR342.7 bn, 56.0 percent less than in the preceding quarter.

Total expenditure was KHR3,591.4 bn, 35.8 percent less than a quarter earlier, but 13.0 percent more than in the same quarter of the previous year. Capital expenditure was KHR821.2 bn, 54.0 percent less than the previous quarter. Current expenditure was KHR2,770.3 bn, 27.2 percent less than a quarter earlier.

**Inflation and foreign exchange rates**

The overall consumer price index in Phnom Penh in the first quarter of 2018 was 2.3 percent, compared to 2.2 percent in the previous quarter. Prices of food and non-alcoholic beverages rose by 1.9 percent, the same rate as in the previous quarter. Transport prices rose by 3.1 percent year on year.

Compared to the previous quarter, the riel appreciated by 0.6 percent against the dollar, to KHR4,012.4, and by 0.7 percent against the Vietnamese dong to KHR17.8 per 100 dongs. However, the riel depreciated by 3.5 percent against the Thai baht to KHR127.7 per baht.

The price of gold rose 3.1 percent to USD160.3/chi. The price of diesel fuel increased 5.9 percent to KHR3,679/litre. And the price of gasoline rose by 2.5 percent from the previous quarter, to KHR3,914/litre.

Prepared by Ven Seyhah, research associate, and Pon Dorina, research assistant, Economics Unit, CDRI.

[1] Figures in brackets are rounded to the nearest 100.

**Poverty situation**

This section describes the situation of vulnerable workers and garment workers based on a survey of 320 vulnerable workers and 120 garment workers in May 2018.

Compared to the same month last year, porters' earnings dropped by 2.0 percent to KHR14,915 per day. Eighty percent of these workers migrated alone to Phnom Penh or Siem Reap for work; 20.0 percent migrated with family members. They mostly spent on food (74.2 percent of total spending), rent (15.9 percent), healthcare (0.9 percent) and other expenses (9.1 percent). Since they started working as porters, their families have been better off, reported by 67.5 percent of them, while 25.0 percent said that their families' livelihoods have remained the same, and 7.5 percent said their families were worse off.

Earnings of small vegetable vendors increased to KHR20,999 per day, 50.2 percent higher year on year. They came from Kandal (27.5 percent), Svay Rieng (27.5 percent), Prey Veng (12.5 percent), Kampong Speu (10.0 percent), Kampot (7.5), Phnom Penh (7.5) and Takeo (7.5). Thirty percent had no agricultural land, 2.5 percent had less than 0.5 hectare, 25.0 percent had from 0.5 to less than 1 hectare, 27.5 percent had from 1 to less than 2 hectares, and 10 percent had from 2 to less than 3 hectares. All of the respondents were the main income earners in their families. Thirty-five percent indicated that they were in debt while the rest said they had no debt.

Scavengers' earnings rose by 12.1 percent from a year earlier, to KHR13,931 per day. Compared to the previous three months, the number of scavengers rose, 95.0 percent of them said. However, the source of rubbish and its price dropped, reported by about 50 percent of them. Ninety-two and a half percent of the scavengers interviewed were the family breadwinners. On average, scavengers worked 10.9 hours per day and 30 days per month. Normally, they spent mainly on food (70.8 percent of their total spending), rent (14.8 percent), healthcare (1.4 percent) and other expenses (13.0 percent).

The daily earnings of waiters/waitresses decreased by 0.8 percent compared to the same month last year, to KHR8,077 per day. On average they have worked as waiters/waitresses for 4.0 years. They worked on average 11.6 hours per day and 30 days per month. They spent 76.6 percent of their total spending on food, 6.1 percent on healthcare and 17.4 percent on other spending. All of them were provided lodging by their employer, so they did not spend their money on rent.

Ricefield workers' earnings rose to KHR8,486 per day, a 20.4 percent increase year on year. Sixty-two-point five percent of those interviewed were the main earners for their families. Their income had decreased compared to the previous quarter, 57.5 percent said. Sixty-two-point five percent stated that their income during May could partially support their families, while the rest said it could not. Sixty-five percent were in debt; the average interest rate on their borrowing was 1.4 percent per month.

Daily earnings of unskilled construction workers increased by 6.6 percent from a year earlier, to KHR15,771 per day. Compared to the previous three months, the number of unskilled construction workers expanded, reported by 50 percent of them, amid an increase in construction activities based on the majority of workers' answers. Seventy-two and a half percent of these workers migrated alone to Phnom Penh or Siem Reap for work and 27.5 percent migrated with family members. They worked 9.3 hours per day and 21.9 days per month on average. They spent 76.8 percent of their total spending on food, 10.9 percent on rent, and 12.3 percent on other items. Their income could only partially support their families, 95.0 percent of them said.

Garment workers' daily wages increased by 13.1 percent from a year earlier, to KHR14,605. On average, they were around 29.9 years old. Their average level of education was fifth grade. Generally, they had worked in the factory for about 4.9 years. Sixty-four percent of them said they received training in the factory while 35.0 percent said they had no skills. Asked whether their wage could support their family, 12.5 percent said that it could not, 70.0 percent said it could partially, and 17.5 percent said it could. Sixty-seven and a half percent were optimistic about the future of their factory, 5.8 percent said that it would not be so good, 10.8 percent said that it would be the same, and the rest did not know.

Table 1: Private investment projects approved, 2010–2018

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | | | | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Q1 | Q2 | Q3 | Q4 | Q1 |
| | Fixed assets (USD m) | | | | | | | | | | | |
| Agriculture | 530.7 | 725 | 531.6 | 930.5 | 56.5 | 169.8 | 117.1 | 8.0 | 54.9 | - | - | 99.5 |
| Industry | 403.7 | 2860.1 | 829.3 | 3257.0 | 1002.5 | 1014.7 | 1436.4 | 115.6 | 265.7 | 486.6 | 114.3 | 259.6 |
| *. Garments* | 122.8 | 393.9 | 497.0 | 324.1 | 393.5 | 225.2 | 380.7 | 54.0 | 22.0 | 78.88 | 56.3 | 53.2 |
| *. Electronics* | - | - | - | - | - | - | - | - | 73.9 | 82.2 | 96.9 | 76.2 |
| *. Automotive* | - | - | - | - | - | - | - | - | - | - | - | - |
| Services | 1337.3 | 3425.4 | 916.6 | 140.7 | 622.6 | 2734.4 | 1664.3 | 7.8 | 1332.0 | 2518.8 | 0 | 110.2 |
| *. Hotels and tourism* | 1105.1 | 2850.9 | 691.5 | 106.0 | 446.9 | 98.6 | 1366.9 | 3.6 | 237.2 | 2518.8 | 0 | 75.2 |
| Total | 2271.7 | 7010.42 | 2278.0 | 4328.0 | 1583.9 | 3918.9 | 3217.7 | 131.4 | 1652.6 | 3005.4 | 114.3 | 469.3 |
| | Percentage change from previous quarter | | | | | | | | | | | |
| Total | - | - | - | - | - | - | - | -74.1 | 1158.0 | 81.9 | -96.2 | 310.5 |
| | Percentage change from previous year | | | | | | | | | | | |
| Total | -61.3 | 209 | 90.1 | 63.4 | 147.4 | -67.5 | - | 90.1 | 98.8 | 214.5 | -77.5 | 257.2 |

Note: Figures include expansion project approvals.
Source: Cambodian Investment Board

Table 2: Value of construction project approvals in Phnom Penh, 2009–15

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | | | | 2015 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| | USD m | | | | | | | | | | | |
| Villas, houses and flats | 213.9 | 220.1 | 405.1 | 547.3 | 658.9 | 133.6 | 84.0 | 33.1 | 20.4 | 122.3 | - | 637.6 |
| Other | 187.8 | 217.8 | 199.9 | 463.6 | 859.6 | 190.0 | 141.7 | 105.6 | 11.7 | 49.8 | - | 252.6 |
| Total | 441.2 | 489.8 | 605.0 | 1010.9 | 1518.5 | 323.6 | 225.7 | 138.7 | 32.1 | 172.0 | - | 897.4 |
| | Percentage change from previous quarter | | | | | | | | | | | |
| Total | - | - | - | - | - | 34.3 | -30.2 | -38.5 | -77.8 | 437.3 | - | - |
| | Percentage change from previous year | | | | | | | | | | | |
| Total | -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, 2010–2018

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | | | | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Q1 | Q2 | Q3 | Q4 | Q1 |
| | Thousands | | | | | | | | | | | |
| China | 177.6 | 247.2 | 333.9 | 463.1 | 560.3 | 694.7 | 830.0 | 273.0 | 362.0 | 206.4 | 369.4 | 505.9 |
| Vietnam | 466.7 | 614.1 | 763.1 | 854.1 | 905.8 | 987.8 | 959.7 | 203.4 | 267.3 | 122.8 | 241.9 | 186.8 |
| Korea | 289.7 | 342.8 | 411.5 | 435.0 | 424.4 | 395.3 | 357.2 | 127.7 | 87.7 | 41.1 | 88.6 | 126.1 |
| Thailand | 96.3 | 116.8 | 201.4 | 221.3 | 279.5 | 349.9 | 398.1 | 95.9 | 99.5 | 47.5 | 152.1 | 83.7 |
| US | 146.0 | 154.0 | 173.1 | 185.0 | 191.4 | 217.5 | 238.7 | 80.1 | 76.2 | 29.2 | 71.1 | 79.1 |
| Japan | 151.8 | 161.8 | 179.3 | 206.9 | 215.8 | 193.3 | 191.6 | 60.2 | 51.4 | 35.3 | 56.4 | 59.0 |
| France | 113.3 | 117.4 | 121.2 | 131.5 | 141.1 | 145.7 | 150.3 | 54.0 | 43.2 | 21.5 | 47.7 | 56.6 |
| UK | 103.1 | 104.1 | 110.2 | 123.9 | 133.3 | 154.3 | 159.5 | 54.6 | 48.2 | 20.6 | 47.7 | 51.2 |
| Malaysia | 90.0 | 102.9 | 116.8 | 130.7 | 144.4 | 149.4 | 152.8 | 37.8 | 53.4 | 31.8 | 56.4 | 44.9 |
| By air | 1304.3 | 1480.4 | 1722.1 | 2017.7 | 2273.5 | 2476.0 | 1995.5 | 921.4 | 684.3 | 777.7 | 929.3 | 2,308.7 |
| By land or water | 1094.6 | 1401.4 | 1862.2 | 2192.5 | 2229.3 | 2299.2 | 2331.4 | 581.5 | 475.5 | 472.3 | 760.1 | 1138.0 |
| Total | 2398.9 | 2881.8 | 3584.3 | 4210.2 | 4502.8 | 4775.2 | 4980.4 | 1502.9 | 1159.8 | 1250.1 | 1689.4 | 3446.7 |
| | Percentage change from previous quarter | | | | | | | | | | | |
| Total | - | - | - | - | - | - | - | -0.03 | -22.8 | 7.3 | 35,1 | 104.0 |
| | Percentage change from previous year | | | | | | | | | | | |
| Total | 13.6 | 20.1 | 24.4 | 17.5 | 7.0 | 6.1 | 4.3 | 11.9 | 3.9 | 22.7 | 12,4 | 129.3 |

Source: Ministry of Tourism

Table 4: Exports and imports, 2010–2018*

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | | | | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Q1 | Q2 | Q3 | Q4 | Q1 |
| | USD million | | | | | | | | | | | |
| **Total exports** | 3630.2 | 4929.5 | 6106.4 | 6982.4 | 8106.0 | 9256.4 | 10043.3 | 2290.7 | 2626.9 | 3098.3 | 2825.6 | 2834.6 |
| **Garments** | 3223.4 | 4259.6 | 5015.4 | 5386.1 | 5960.5 | 6827.0 | 7308.0 | 1856.3 | 1874.1 | 2290.3 | 1960.0 | 2092.1 |
| *. To US* | 1853.9 | 2055.3 | 2143.3 | 2075.2 | 1963.6 | 2009.4 | 1831.5 | 452.3 | 426.0 | 570.8 | 474.7 | 538.4 |
| *. To EU* | 809.5 | 1322.2 | 1716.9 | 1969.6 | 2403.7 | 2903.9 | 2928.7 | 583.0 | 693.3 | 787.9 | 718.1 | 670.1 |
| *. To ASEAN* | 9.9 | 17.6 | 39.4 | 60.2 | 83.3 | 103.4 | 98.4 | 24.2 | 29.0 | 24.2 | 29.6 | 28.6 |
| *. To Japan* | 86.5 | 147.0 | 188.6 | 278.7 | 383.1 | 524.2 | 655.5 | 196.2 | 136.7 | 204.8 | 163.6 | 224.7 |
| *. To UK* | - | - | - | - | - | - | 439.8 | 214.2 | 201.6 | 267.0 | 221.2 | 219.5 |
| *. To rest of the world* | 463.6 | 717.5 | 927.2 | 1002.9 | 1126.8 | 1286.3 | 1354.2 | 600.6 | 589.2 | 702.7 | 613.7 | 410.9 |
| **Electronics** | - | - | - | - | - | - | - | 127.1 | 73.9 | 82.2 | 96.9 | 76.2 |
| **Automotive** | - | - | - | - | - | - | - | 1.8 | 6.9 | 1.1 | 1.8 | 11.9 |
| **Agriculture** | 164.9 | 362.1 | 376.7 | 554.5 | 624.4 | 548.8 | 534.1 | 201.0 | 144.2 | 175.4 | 185.9 | 205.9 |
| *. Rubber* | 89.1 | 197.6 | 176.6 | 175.2 | 153.9 | 165.4 | 165.3 | 66.1 | 65.2 | 71.7 | 70.5 | 52.4 |
| *. Wood* | 34.1 | 48.8 | 36.8 | 73.6 | 132.0 | 46.3 | 47.2 | 11.7 | 28.9 | 24.6 | 35.3 | 30.0 |
| *. Fish* | 2.8 | 3.1 | 2.0 | 1.2 | 0.8 | 0.5 | 0.6 | 0.2 | 0.1 | 0.1 | 0.2 | 0.1 |
| *. Rice* | 34.7 | 106.6 | 146.4 | 262.3 | 248.5 | 315.3 | 300.8 | 83.1 | 35.0 | 66.5 | 70.5 | 106.7 |
| *. Other agriculture* | 4.1 | 6.0 | 14.9 | 42.4 | 89.1 | 21.3 | 20.2 | 39.9 | 15.0 | 12.4 | 9.4 | 15.8 |
| *. Others* | 242.0 | 307.9 | 714.4 | 1,088.2 | 1,520.1 | 1,880.2 | 2,201.2 | 233.4 | 608.6 | 632.6 | 640.1 | 448.6 |
| **Total imports** | 5190.6 | 6375.9 | 8593.3 | 8639.4 | 10295.4 | 11494.5 | 15013.4 | 3173.5 | 5914.4 | 4303.3 | 3424.2 | 4244.5 |
| *. Gasoline* | 108.6 | 294.4 | 308.0 | 306.4 | 334.7 | 377.3 | 384.8 | 75.1 | 57.5 | 58.3 | 65.8 | 64.9 |
| *. Diesel* | 203.8 | 447 | 559.5 | 569.1 | 602.3 | 607.8 | 709.1 | 146.4 | 111.1 | 113.3 | 102.2 | 102.0 |
| *. Construction materials* | 57.6 | 48.1 | 66.1 | 80.8 | 117.6 | 164.4 | 253.2 | 55.6 | 90.3 | 89.6 | 68.8 | 100.7 |
| Other | 4820.6 | 5586.4 | 7659.1 | 7682.6 | 9240.7 | 10345.1 | 13666.3 | 2896.4 | 5655.5 | 4042.2 | 3187.5 | 3976.9 |
| Trade balance | -1560.5 | -1446.4 | -1341.6 | -1610.9 | -2184.3 | -2238.1 | -4470.0 | -641.9 | -3287.6 | -1205.0 | -598.7 | -1409.9 |
| | Percentage change from previous quarter | | | | | | | | | | | |
| Total garment exports | - | - | - | - | - | - | - | 5.6 | 1.0 | 22.2 | -12.7 | 4.6 |
| Total exports | - | - | - | - | - | - | - | -6.7 | 14.7 | 17.9 | -8.8 | 0.3 |
| Total imports | - | - | - | - | - | - | - | 3.0 | 86.4 | -27.2 | -20.4 | 24.0 |
| | Percentage change from previous year | | | | | | | | | | | |
| Total garment exports | 25.7 | 32.1 | 17.7 | 7.4 | 10.7 | 14.5 | 7.0 | 5.5 | 9.1 | 10.5 | 13.7 | 12.7 |
| Total exports | 25.1 | 35.8 | 16.1 | | | 14.2 | 8.5 | -4.1 | 10.2 | 10.0 | 15.1 | 23.7 |
| Total imports | 19.8 | 22.8 | 19.7 | 21.4 | 19.2 | 11.7 | 30.6 | 14.2 | -3.6 | 42.6 | 11.1 | 33.8 |

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

Table 5: National budget operations on cash basis, 2010–2018 (billion riels)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | | | | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Q1 | Q2 | Q3 | Q4 | Q1 |
| Total revenue | 5989.0 | 6251.4 | 7691.9 | 8255.2 | 10543.4 | 11879.9 | 14201.5 | 4261.9 | 4093.6 | 3870.8 | 4307.2 | 4341.4 |
| Current revenue | 5859.1 | 6179.3 | 7443.8 | 8233.2 | 10359.4 | 11759.0 | 14088.7 | 3261.9 | 4071.5 | 3839.2 | 4278.5 | 4328.5 |
| Tax revenue | 4693.0 | 5277.5 | 6334.8 | 7198.1 | 8995.2 | 10502.4 | 12196.5 | 3905.8 | 3580.5 | 3318.4 | 3500.0 | 3985.9 |
| Domestic tax | 3533.6 | 4071.6 | 5002.8 | 5728.1 | 7226.5 | 8591.7 | 10185.8 | 2450.0 | 3107.5 | 2844.0 | 2928.3 | 3470.6 |
| Taxes on international trade | 1159.4 | 1205.9 | 1331.7 | 1470.0 | 1822.7 | 1910.7 | 2010.7 | 455.8 | 473.1 | 474.4 | 471.8 | 515.3 |
| Non-tax revenue | 1166.1 | 901.8 | 1118.2 | 1035.2 | 1310.3 | 1256.6 | 1892.2 | 356.2 | 490.9 | 520.9 | 778.5 | 342.7 |
| Property income | 291.1 | 63.8 | 143.0 | 84.0 | 88.5 | 77.3 | 116.0 | 17.4 | 35.8 | 39.1 | 34.9 | 7.7 |
| Sale of goods and services | 460.1 | 588.7 | 667.4 | 750.3 | 871.2 | 1,047.1 | 1,248.3 | 272.1 | 360.3 | 347.3 | 537.0 | 323.8 |
| Other non-tax revenue | 408.9 | 249.3 | 298.8 | 200.8 | 350.5 | 132.2 | 528.0 | 66.6 | 94.8 | 134.7 | 206.5 | 11.1 |
| Capital revenue | 129.9 | 72.1 | 247.9 | 73.4 | 184.0 | 121.0 | 113.4 | 0.0 | 22.1 | 31.5 | 28.7 | 12.9 |
| Total expenditure | 8784.6 | 9032.4 | 9660.9 | 12535.7 | 13306.5 | 13849.5 | 13775.4 | 3090.9 | 3878.4 | 4420.9 | 5591.9 | 3591.4 |
| Capital expenditure | 2853.2 | 3546.9 | 3628.3 | 5567.5 | 5590.7 | 5290.3 | 3785.3 | 859.0 | 1096.0 | 1202.1 | 1785.9 | 821.2 |
| Current expenditure | 4773.1 | 5341.2 | 6188.4 | 6968.3 | 7715.8 | 8544.6 | 9990.1 | 2231.9 | 2782.4 | 3218.7 | 3806.0 | 2770.3 |
| Wages | 2048.8 | 2170.6 | 2486.6 | 2997.3 | 3755.5 | 4271.9 | 5381.7 | 1567.6 | 1515.7 | 1739.3 | 1820.2 | 1760.3 |
| Subsidies and social assistance | 1099.4 | 1518.8 | 1586.8 | 1563.0 | 1627.0 | 1742.9 | 1774.9 | 312.9 | 635.2 | 617.0 | 749.6 | 469.9 |
| Other current expenditure | 1624.8 | 1651.8 | 2115.1 | 2408.0 | 2333.4 | 2529.8 | 2833.5 | 664.3 | 1266.7 | 1479.5 | 1983.8 | 1010.0 |
| Overall balance | -2795.7 | -2781.0 | -1969.0 | -4280.6 | -2763.1 | -1969.6 | 426.1 | 1171.1 | 215.2 | -550.1 | -1284.8 | 750.0 |
| Foreign financing | 1845.2 | 2379.2 | 2457.8 | 4326.2 | 3972.1 | 3729.4 | 1878.9 | 598.5 | 960.8 | 640.6 | 894.1 | 402.0 |
| Domestic financing | 938.6 | -2,061.7 | -332.9 | 824.4 | -1428.7 | -2034.9 | -1858.7 | -352.8 | -339.1 | 88.8 | 82.9 | 9.4 |

Source: MEF website

## Table 6: Consumer Price index, exchange rates and gold prices (period averages), 2010–2018

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | | | | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Q1 | Q2 | Q3 | Q4 | Q1 |
| | Consumer price index (percentage change from previous year) | | | | | | | | | | | |
| Phnom Penh – all Items | 4.1 | 5.4 | 2.3 | 3.0 | 3.9 | 1.2 | 3.0 | 4.2 | 2.7 | 2.5 | 2.2 | 2.3 |
| - Food & non-alcoholic beverages | 4.4 | 6.5 | 2.5 | 3.9 | 4.9 | 4.0 | 5.6 | 6.0 | 3.1 | 2.7 | 1.9 | 1.9 |
| - Transport | 7.0 | 7.1 | 3.3 | -0.6 | -1.0 | -9.2 | -7.0 | 4.1 | 4.3 | 3.8 | 4.1 | 3.1 |
| | Exchange rates, gold and oil prices (Phnom Penh market rates) | | | | | | | | | | | |
| Riels per US dollar | 4187.1 | 4063.6 | 4039.2 | 4036.2 | 4060.4 | 4060.4 | 4053.7 | 4015.8 | 4048.2 | 4089.5 | 4036.4 | 4012.4 |
| Riels per Thai baht | 133.1 | 133.2 | 130.0 | 124.9 | 119.4 | 119.4 | 115.5 | 114.9 | 118.8 | 122.8 | 123.4 | 127.7 |
| Riels per 100 Vietnamese dong | 21.7 | 19.7 | 19.4 | 19.1 | 18.7 | 18.7 | 18.2 | 17.8 | 17.9 | 18.1 | 17.9 | 17.8 |
| Gold (US dollars per chi) | 147.6 | 184.5 | 200.9 | 175.9 | 152.3 | 140.6 | 151.2 | 145.5 | 150.9 | 154.1 | 155.5 | 160.3 |
| Diesel (riels/litre) | 3859.3 | 4761.2 | 4941.2 | 4852.1 | 4934.1 | 3771.3 | 3004.0 | 3391.6 | 3310.4 | 3369.0 | 3472.4 | 3679.0 |
| Gasoline (riels/litre) | 4368.1 | 5044.5 | 5312.7 | 5083.3 | 5155.7 | 3951.7 | 3336.8 | 3697.0 | 3625.2 | 3722.0 | 3819.7 | 3914.0 |

Sources: NIS, NBC, CDRI

## Table 7: Monetary survey, 2010–2018 (end of period)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | | | | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Q1 | Q2 | Q3 | Q4 | Q1 |
| | Billion riels | | | | | | | | | | | |
| Net foreign assets | 16697.9 | 17893.9 | 18154.5 | 21260.1 | 26699.7 | 26665.5 | 31814.5 | 36490.5 | 40285.4 | 43301.5 | 42575.3 | 46707.0 |
| Net domestic assets | 2778.9 | 5760.8 | 10437.4 | 11508.3 | 15859.8 | 22157.6 | 25802.3 | 24057.0 | 24985.6 | 26440.4 | 28743.5 | 28457.0 |
| Net claims on government | -2126.6 | -2123.1 | -2486.4 | -2794.9 | -4359.1 | -6428.8 | -8148.5 | -9818.9 | -10128.0 | -10347.7 | -11066.5 | -12381.1 |
| Credit to private sector | 13331.2 | 17552.8 | 23536.6 | 27608.8 | 36244.6 | 46071 | 56458.8 | 57385.9 | 61189.9 | 63492.6 | 66922.6 | 68686.5 |
| Total liquidity | 19476.8 | 23654.7 | 28591.9 | 32768.4 | 42559.5 | 48823.1 | 57616.6 | 60547.4 | 65271.0 | 69741.9 | 71318.9 | 75164.0 |
| Money | 3220.9 | 3956.2 | 4045.7 | 4878.2 | 6308.4 | 6741.4 | 7273.0 | 7524.7 | 8186.1 | 8925.0 | 9428.4 | 9578.5 |
| Quasi-money | 16255.9 | 19698.5 | 18154.5 | 21260.1 | 26699.7 | 42081.7 | 50343.8 | 53022.7 | 57084.8 | 60816.9 | 61890.4 | 65585.5 |
| | Percentage change from previous year | | | | | | | | | | | |
| Total liquidity | 20.0 | 17.8 | 20.9 | 14.6 | 29.9 | 14.7 | 18.0 | 19.0 | 19.7 | 22.1 | 23.8 | 24.1 |
| Money | 3.2 | 16.9 | 2.3 | 20.6 | 29.3 | 6.9 | 7.9 | 12.2 | 19.1 | 19.6 | 29.6 | 27.3 |
| Quasi-money | 24.0 | 17.9 | 44.6 | 13.6 | 30.0 | 16.1 | 19.6 | 20.0 | 19.8 | 22.5 | 22.9 | 23.7 |

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 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2014 | 2015 | 2016 | 2017 | | | | 2018 | | 2017 | 2018 | |
| | | | | Feb | May | Aug | Nov | Feb | May | Nov | Feb | May |
| Cyclo drivers | 10774 | 12405 | 11516 | 11092 | 10916 | 10804 | 10362 | 11042 | 11285 | -7.5 | -0.4 | 3.4 |
| Porters | 13580 | 15631 | 14318 | 15171 | 14625 | 15423 | 14549 | 15123 | 14915 | 7.7 | -0.3 | 2.0 |
| Small vegetable sellers | 14751 | 15867 | 17177 | 18411 | 13980 | 19655 | 16015 | 18343 | 20,99 | -8.4 | -0.4 | 50.2 |
| Scavengers | 9173 | 12344 | 10297 | 11478 | 12428 | 11754 | 10703 | 10664 | 13931 | -5.7 | -7.1 | 12.1 |
| Waitresses* | 7789 | 8436 | 7989 | 7905 | 8141 | 8135 | 8190 | 8226 | 8077 | 2.2 | 4.1 | -0.8 |
| Ric-field workers | 7514 | 8745 | 8088 | 8332 | 7049 | 8708 | 8132 | 8774 | 8486 | -1.2 | 5.3 | 20.4 |
| Garment workers | 11178 | - | 13688 | 14889 | 12910 | 14299 | 14275 | 15268 | 14605 | 8.7 | 2.5 | 13.1 |
| Motorcycle taxi drivers | 13386 | 14455 | 14509 | 14770 | 13888 | 14370 | 13895 | 14901 | 14429 | 3.3 | 0.9 | 3.9 |
| Unskilled construction workers | 13336 | 15349 | 17365 | 16664 | 14796 | 17533 | 20371 | 18082 | 15771 | 6.2 | 8.5 | 6.6 |
| Skilled construction workers | 17420 | 18624 | - | 21716 | 21924 | 23014 | 24951 | 25578 | 25025 | 19.7 | 17.8 | 14.1 |

Note: * Waitresses' earnings do not include meals and accommodation provided by shop owners. Surveys on the revenue of waitresses/waiters, ricefield workers, garment workers, motorcycle taxi drivers and construction workers began in February 2000. Data for November 2015 is not available.
Source: CDRI

*Continued from page 24* **CDRI UPDATE**

Country Director. The purpose of their visit was to explore opportunities for further research collaboration in various fields of development.

8 June, Phnom Penh

**CDRI's executive director gives a lecture at the National Institute of Diplomacy International Relations (NIDIR)**. CDRI provides the newly launched NIDIR with technical assistance for research capacity building and library development.

15 June, Svay Rieng province

**Seminar on "Learning How to Learn"**. The seminar was held at Svay Rieng University and attended by 200 students. A second session was organised for senior university leaders, under the chairmanship of the rector, to exchange ideas about curriculum improvement, faculty development and research capacity building.

28 June, Phnom Penh

**Dissemination workshop on "Implementation of the Primary School Curriculum**" was hosted by the Ministry of Education, Youth and Sport at the National Institute of Education, Phnom Penh.

**RESEARCH**

**Agriculture**

The team is implementing five projects. Endline data for the project *Testing Innovative Mechanisms for Agricultural Extension in Cambodia,* funded by the International Food Policy Research Institute (IFPRI), was cleaned and submitted to IFPRI. We plan to organise a dissemination workshop in November. The Sida-funded project *On-farm Food Safety in Horticulture in Cambodia: The Case of Vegetable Farming* is going well, with data entry completed and analysis and report writing underway. Two newly started projects involve the development of a quarterly Agriculture Technology Newsletter (ATN), supported by Swisscontact Cambodia, and *Mango Value Chain Analysis,* funded by Sida. The aim of the ATN is to help bridge the communication gap between farmers, researchers, policymakers and practitioners and provide timely accessible information on the latest agricultural technology, news, best practices and related topics. In line with government Industrial Development Policy 2015–25, *Mango Value Chain Analysis* aims to map out mango value chains in Cambodia with an emphasis on relationships between value chain actors, and their entrepreneurship.

**Economics**

The team made good progress on various projects. The project *Contribution of Vocational Skills Development to Inclusive Industrial Growth and Transformation: An Analysis of Critical Factors in Cambodia*, funded by Zurich University of Teacher Education, is being conducted in partnership with Paññāsāstra University of Cambodia. The country study report was completed and the inception workshop and fieldwork planned. For the Greater Mekong Subregion Research Network program on *Improving Job Prospects for the Young: Labour Markets, Skill Development and Private Sector in the Mekong Region*, supported by Canada's International Development Research Centre, seven country papers and a synthesis report, and accompanying set of policy briefs, were drafted. Researchers from the network presented their research findings at various workshops and conferences, including the Annual Meeting of the Canadian Economics Association. The survey *Cambodia in the Electronics and Electric Global Value Chain*, a research study under the Sida-funded five-year program on Industrial Development, Human Capital and SME Development in Cambodia, was completed in June.

The team also contributed to the cross-unit collaborative research project *Human Response to Environmental Change in the Lower Mekong River Basin*, supported by the Center for International Social Science Research, University of Chicago. Two researchers participated in the meeting at the University of Chicago from 8–12 May 2018. In collaboration with the Institute of Technology of Cambodia, the team initiated a desk study on *Industry 4.0: Prospects and Challenges for Cambodia's Manufacturing Sector*.

**Education**

Data collection was completed for the project *Academic Careers*, supported by Australia's

Department of Foreign Affairs and Trade (DFAT), and a related project exploring *Accountability Principles and Tendencies,* funded by Sida. The team interviewed 86 full-time and part-time lecturers from 19 higher education institutions including training institutes and the Royal of Academy of Cambodia, and 29 deans from six universities. Data analysis and report writing for another two studies got underway. One looks at stakeholder perceptions of public-private partnerships in technical and vocational education and training (TVET), and is funded by the Swiss Agency for Development and Cooperation (SDC). The other study focuses on firms' perceptions of the value of internships. The findings of all four studies will be published inhouse by CDRI as working papers and chapters in an edited book.

The education unit led a delegation to Switzerland in early May to learn about TVET development. The delegation comprised experts from the ministries of Tourism, Education, Labour and Vocational Training, and Economy and Finance, the Cambodian Federation of Employers and Business Associations, Chea Sim University of Kamchaymear, SDC and CDRI. The trip was part of a *Comparative Study of TVET Systems* in Cambodia, China, South Korea and Switzerland, funded by SDC.

**Environment**

Training for the participatory action research project *Empowering Women on Climate Resilience in Cambodia* was completed in good time for local women leaders to integrate climate change adaptation plans into their respective commune development and investment plans. The conduct of vulnerable reduction assessments (VRAs) been postponed until August and September because of the national election. The project team conducted a mid-term assessment and proposed two additional training courses for local women leaders, one on VRA tools and the other on proposal writing for community-based climate change adaptation planning.

The study team working on the Sida-funded project *Climate Change Adaptation and Disaster Risk Reduction* completed data analysis and report writing. The draft report is pending comments. Under the project *Human Response to Environmental Change in the Lower Mekong River Basin*, led by the University of Chicago, two senior researchers participated in a four-day workshop, held in Chicago in May, to provide technical support and local knowledge in designing the research framework for a full-scale project in Cambodia's part of the Lower Mekong Basin.

The project *Contract Farming in the Mekong-Lancang Region* is making good progress, with the initial stakeholder consultation meeting, selection of regional partners and regional inception workshop completed. The team selected three qualified research partners: China Agricultural University representing China; Institute of Policy and Strategy for Agriculture and Rural Development, Ministry of Agriculture and Rural Development, representing Vietnam; and Kasetsart University representing Thailand. The next steps between July and December 2018 will entail three activities: finalisation of research proposals, fieldwork preparation and fieldwork.

The project *Impact of climate Change Programs in Cambodia: Vulnerability, Poverty, Gender and Human Rights* is at the research design stage. The team is busy finalising the research framework, research design, research questions and communication plan, forming the steering committee and conducting field reconnaissance.

**Governance**

The team has been fully occupied analysing the rich data collected from a nationally representative survey to explore Cambodian citizens' attitudes towards family and community, political identities, life priorities and future expectations. The findings will be shared with local authorities and national-level policymakers in September. Future studies under the remainder of the unit's five-year research program 2016–21 will build on key themes highlighted by the survey, notably around social and institutional trust and civic engagement.

# CDRI Update

**MAJOR EVENTS**

Between April and June 2018, researchers, the acting director of research and the executive director represented CDRI at the following events.

12 April, Phnom Penh

**CDRI bids farewell to Board Chair HE Dr Sok Siphana**. At CDRI's Khmer New Year party, attended by staff, board members and representatives from CDRI's supporters and research partners, we celebrated the outstanding contribution of HE Dr Sok Siphana to the development of CDRI during his seven year tenure as chairman of CDRI's board of directors. A major achievement under his leadership is the successful Cambodianisation of CDRI.

20–21 April, Kampong Cham province

**Consultation meeting on strategy to implement a doctorate degree program in Khmer studies**. The meeting was organised in Kampong Cham province and hosted by the Royal University of Phnom Penh. CDRI's executive director shared his expertise and experience in designing, developing and implementing new academic programs and mentoring new faculty.

25 April, CDRI, Phnom Penh

**Resident Coordinator of the United Nations in Cambodia, Ms Pauline Tamesis, pays CDRI courtesy visit**. During her visit, Ms Tamesis met with senior managers and unit heads. She was briefed about the history, vision and mission of CDRI and our current research programs. Both parties agreed to explore opportunities for research collaboration.

10–12 May, Siem Reap

**CDRI hosts the 11th Biennial Conference of the Comparative Education Society of Asia**. The theme of the conference was "Education and Social Progress: Insights from Comparative Perspectives". Its purpose was to serve as a platform for scholars, researchers, practitioners and policymakers in the field of comparative and international education to discuss how social progress can be achieved through education. Almost 300 delegates attended the conference, with 242 coming from 10 countries spanning five continents: Asia, Africa, Australia, Europe and North America. Several rectors from public and private Cambodian universities participated in the seminars.

21 May, CDRI, Phnom Penh

**Visit to CDRI by delegates of the United Nations Development Programme Cambodia**. The delegation comprised Nick Beresford, Country Director, Dr Richard Marshal, Country Economist, and Dr Pen Rany, Program Director and Acting

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*Cambodia Development Resource Institute*
*CDRI's Contact Details*

56, Street 315, PO Box 622, Phnom Penh, Cambodia
+855 23 881701/881384; +855 23 880734
e-mail: cdri@cdri.org.kh / pubs@cdri.org.kh
website: www.cdri.org.kh

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