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# **The impact of TVET on Cambodia's economic development**

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## **Abstract**

This article emphasizes the importance of the technical and vocational education and training (TVET) challenges and constraints to meet the needs of the labor market and human resource development and technical expertise, which urgently need a strategy to achieve its industrialization. It is worth noting that achieving this goal requires a policy framework and direction, as well as profound changes in the organization and delivery of TVET courses at all levels. This article should be incorporated into the design and delivery of vocational education and training courses at all levels, from vocational training institutions to helping to promote skills development and industrial development.

## **Keywords:**

TVET Cambodia, skills constraints, labor-intensive, growth strategy, developing economic for Cambodia.

## **1. Introduction**

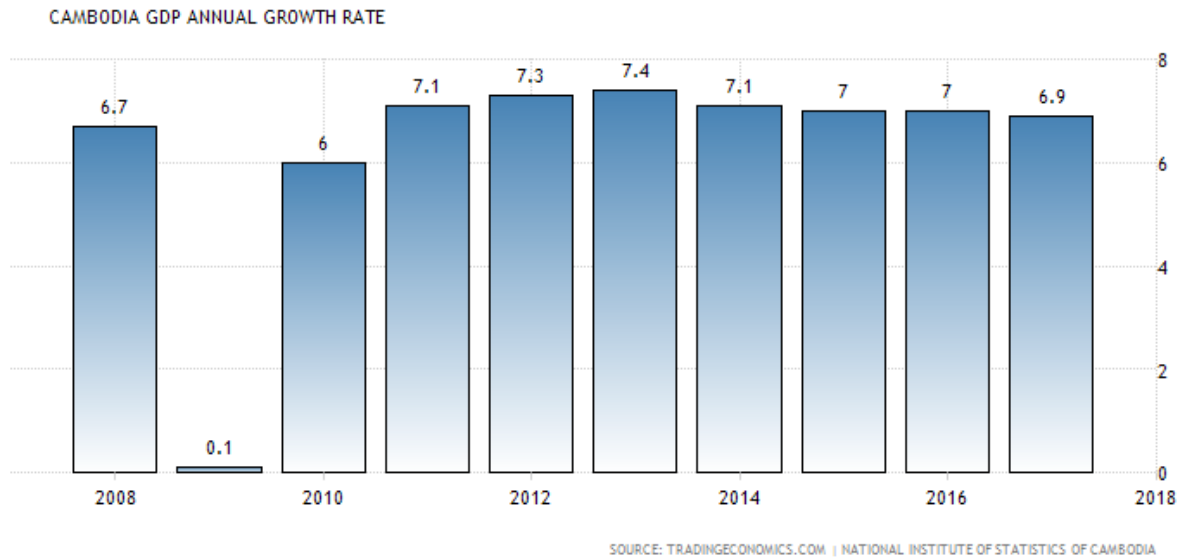
The only growth factor corresponding to the demand for skilled labor is the frustration of employers who have left the existing system in many South-East Asian countries. The "reforms" of specialized education in the countries have shown that the desperate changes in the countries in the equation are a general characteristic. They work because they ignore the basics and generally rely on failures and concepts that fail for the last time.

Education and training in productive work are essential for economic and social development. TVET is seen as an instrument for increasing productivity and reducing poverty in the region. Since education and vocational training and technology, students have a strong relationship between higher education ratios and per capita income. However, developed countries and LDCs differ in their first priorities related to TVET. The first group emphasizes improving the quality of TVET, monitoring and evaluation, and national development planning, but the second group focuses on the implementation of TVET. While skilled human resources are a major asset in many countries in the region, the lack of knowledge of the workforce remains the most important factor in doing business in many countries in Asia and the Pacific. Cambodia has successfully promoted economic growth and poverty reduction.

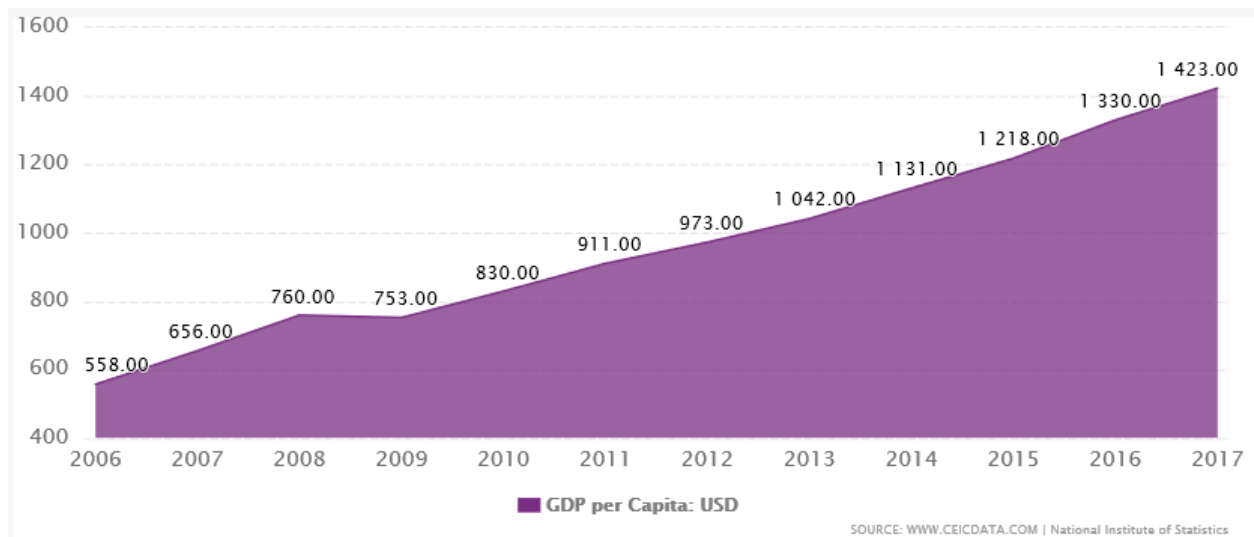
## **2. An overview of the current economics**

The Cambodian economy relies heavily on agriculture, and in recent years the importance of production has increased due to the emergence of textile and footwear exporting companies. Cambodia also benefits from the rapid growth of tourism. More importantly, exploration of oil reserves and future minerals (bauxite, gold bars, and precious stones) in Cambodian waters could change the Cambodian economy. Currently, the services sector is the largest sector of the economy

and accounts for 38% of GDP. Industry accounts for 29% of GDP and agriculture 26% (Tradingeconomics.com, 2018).



Cambodia's gross domestic product (GDP) grew by 6.90 percent over the previous year. The average annual GDP growth rate in Cambodia averaged 7.59% between 1994 and 2017, reaching a record of 13.30% in 2005 and a record 0.10% in 2009 (Tradingeconomics, 2018).



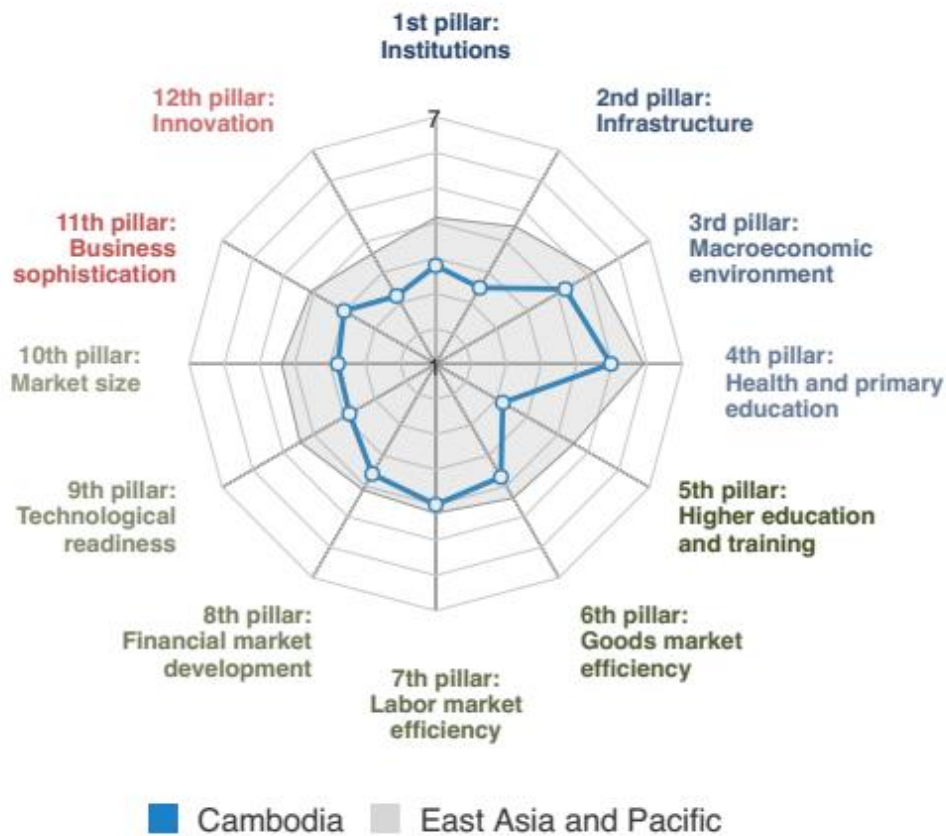
According to Ceicdata (2018), Cambodia's total GDP per capita reached 1,423 USD in December 2017, compared to 1,330 USD in December 2016, with an average of 487 USD from December

1993-2017, the lowest of 229 USD in December 1993. Cambodia's total revenue increased by 3.14% in December 2017. Cambodia's total savings rate is estimated at 18.67 % in December 2016. The Cambodian population represents 0.21% of the world's population, which means that 1 in 487 people in the world lives in Cambodia. Cambodia's total population is estimated at 16 million in 2017, according to the latest census figures. In 1960, Cambodia had 5.7 million inhabitants (Tradeconomics, 2018).



According to data reported by the National Institute of Statistics, the unemployment rate in Cambodia rose to 0.20% in December 2016 against 0.10% last December. The country's participation rate increased to 84% in December 2016 (Ceicdata, 2018).

Overall, Cambodia’s success in job creation has increased. In the past two decades, the only increase in the total labor force has accounted for more than a quarter of Cambodia’s total production (or GDP). As the population grows, Cambodia is still at the forefront of the “demographic dividend” and has so far been very successful in creating youth employment and very active activities (World Bank, 2017).



**Source: The Global Competitiveness Report 2017–2018, World Economic Forum (2017).**

The country has achieved major structural changes, which means the reversal of economic activity in the three main sectors of the agriculture, industry and services sector, which has about 3.6 million industry and services. 0.7 million farmers and collaborators in the last two decades.

Some institutions, human capital, and infrastructure constraints hinder competitiveness and create a vibrant private sector in Cambodia. Cambodia still lags behind on some dimensions of economic competitiveness (World Economic Forum, 2017). Low levels of education are increasingly restricting economic diversification and upgrading. Although the net primary enrollment ratio has increased significantly, the secondary completion rate (43% in 2013) is significantly lower than

the low and middle-income economies (71%) average (World Bank, 2017). Entrepreneurs point out that even at the tertiary level, school certificates (certificates, diplomas) are not a sign of workers' ability, but rather a quality challenge. In addition, TVET faces negative perceptions (resulting in low enrolment rates) and does not seem to fit the skills required of the private sector.

### **3. What are the key findings and challenges?**

Cambodia strategy planning of TVET development, 2014-2018 vision is to ensure that Cambodians have access to their knowledge, skills, and abilities to enhance their productivity, skill, and competencies in sustainable economic and social development in a changing the global economy. Cambodia faces many challenges and constraints.

According to the Ministry of Planning (2015), the level of education and skills staffing of Cambodian workers is very low. Only 13.50% received appropriate training, 14% completed primary school, and 5.40% completed a bachelor's degree.

The lack of a coherent coordination and consistent sectoral approach has hindered progress in key sectoral institutions. These include identification, skill needs, provision and supervision of informal TVET, and communication between TVET and secondary education, as well as the design and delivery of professional guidance (UNESCO, 2013).

In one survey by ADB & ILO (2015), more than 4 out of every 10 workers lacked sufficient education to complete their work well.

A skilled workforce is another factor needed to succeed in the economy. It makes sense to help employers meet this need. The agency is almost unaware of the employer's response needs, which makes little sense in most (but not all) cases. Many developing economies are eager to develop

their labor skills to attract industries in countries where wage growth is encouraging low-level manufacturers to find low-cost environments.

Due to unskilled labor, low salaries, and labor costs, Cambodia is attracting low-tech industries and labor-intensive industries, affecting its long-term growth strategy. These trends, coupled with a weak base of human resources in Cambodia, make it difficult for Cambodia to shift from agriculture, technology, agribusiness, light industry and tourism to the modern based industries.

Employers also point to a structural imbalance in supply skills, including the lack of professional graduates, compared to college graduates and the lack of “qualified” graduate students.

Despite the strong structural education and training system, the need for industry-specific responsiveness is a challenge due to the high dropout rates in general education, low educational and vocational education, Lower secondary education, lack of major academic programs, participation in the technical and vocational industry, and insufficient training capacity (ADB, 2016).

The efforts of competency-based systems rely upon competency frameworks often translate into TVET teachers, with virtually no industrial experience, with the exception of the reality of employment and practical work. There is often an attempt to involve the industry in this process, but the industry has little or no confidence in government-led processes that have an engineering degree but have no real-world experience in the competitiveness of the private sector.

In response to the above-mentioned challenges and constraints, there are some policy and best practice implications. The three types of participation are industry, education and government needed to practice (WTTC 2015).



#### **4. Industry**

TVET institutions should establish close relationships and seek industry support through such institutions, and strengthen practical training activities, such as providing of equipment and tools, staff exchange programs and placement of students and staff on work experience attachment.

Growth relies heavily on overstretched industries and strictly regulates the needs of employers and industry. Industry demand and voice of employers are high. We will also consult the industry to ensure that future skills meet the needs of the industry. Therefore, education and training will strengthen cooperation with industry at a convenient time. The school system sets up graduates to maintain at least one deficit.

Sometimes TVET uses courses developed by academics, regardless of industry or local needs. Responding to the market with TVET is still a continuous process in Cambodia, as well as new experiences in emerging countries. This cooperation demonstrates the relationship between the theoretical and practical aspects of work and increases the knowledge and skills of TVET experts. TVET institutions could bridge the gap with industries required and needed. TVET institutions need to strengthen their relationships with the industry to increase the links between the organization and industry to better understand each other's needs and determine how they meet industry standards. Local industries should engage with foreign industries to promote the standards of indigenous people. The institutions will keep in touch with their home industry to set standards and develop their own academic programs.

#### **5. Education**

Because of rapid demographic changes in Cambodia has experienced with little chance of generating the most recent interim profit. Compared to other ASEAN countries, secondary and

tertiary education in Cambodia is not sufficient, and TVET is limited. Education in Cambodia is considered being poor because they do not have the ability to meet the needs of employers and market demand. It is so important for working together to address the gap, to upgrade the standards of schooling, and care to improve the skills of graduates at work.

***The percentage of education, training levels and literacy in Southeast Asian countries***

	Literacy Rate, Ages 15+	Primary Net Enrollment Rate (total)	Secondary Net Enrollment Rate (total)	TVET Enrollment as a Share of Total Secondary Enrollment	Female Share of TVET Enrollment	Tertiary Gross Enrollment Rate (total)	Public Expenditure on Education (% of gross domestic product)
Cambodia	73.9	98.4	38.2	2.3	47.0	15.8	2.6
Lao PDR	72.2	95.9	41.4	0.8	54.0	16.7	2.8
Myanmar	92.7	---	47.0	---	---	13.8	0.8
Viet Nam	93.4	98.1	---	---	---	24.6	6.3
Brunei Darussalam	95.4	91.7	94.7	11.4	49.6	24.3	3.3
Indonesia	92.8	93.7	74.8	18.0	42.0	27.2	2.8
Malaysia	93.1	97.0	66.3	6.8	42.5	36.0	5.9
Philippines	95.4	88.2	61.4	---	---	28.2	2.7
Singapore	95.9	---	---	11.6	35.1	---	3.2
Thailand	93.5	95.6	79.5	15.4	41.5	51.4	5.8

***Source: Institute for Statistics (UNESCO)***

The high level of technical education in Cambodia has grown dramatically and the need for specialized workforces for identifying the need to improve the quality of education and related training requirements. Likewise, there is a need to improve the capabilities and skills of the present labor force to advance professional development (Anon, 2017).

The works should concentrate on enlarging geographical standard of the private and public infrastructure of TVET, building up the competent progression of instructors, strengthening the collaboration between the private and public sector in developing and implementing capacity-building programs and frameworks, enlarging training to respond to timely and challenging student resources, etc.

## **6. Government**

Continue to study the department's work plans and research, including research to find the necessary investments to bridge the gap in expertise (European Commission 2012). Develop a workforce strategy at all stage of learning, including lifelong learning, work with industry and stakeholders, and carry out the documented immigration plans due to gravity and lack of skills. The lifelong approach and building a learning society is implementing in South Korea to ensure the decent learning can be obtained anywhere to everyone (NILE, 2013). Policymakers have established education and adult education systems in some Asian countries (Mok, 2006). According to Shamugaratnam (2014), Singapore's strategy seeks personal resistance for approaching the right job category and decision-making through the SkillsFuture.

## **7. Conclusion**

In order to enhance the ability and competence at work, professional skills and career development support should focus on and the image of employment in the sector creates positive choices (Stacey, 2015). This will help improve the company's competitiveness and improve the outcomes of workers.

### **7.1. What can TVET institutions do to reduce the change from school to work?**

Reduce and avoid discrepancies by focusing on providing relevant high-quality skills. By suggesting several ways:

By examining partnerships involving private sector partners in organizing and providing TVET, it is essential to increase the success rate of TVET in promoting youth employment. They believe that TVET can not only strengthen relationships with employers in the private sector but also

strengthen relationships with key partners, including parents, community groups and youth groups that should be involved.

On the job training is an important part for TVET to ensure that students are supervised by skilled teachers in the company, schools, and private partnerships and create a training curriculum to ensure more appropriate with students' focuses. It also supports the integration of soft skills and critical thinking, problem-solving and other transfer skills into TVET courses to promote graduate employment and promote changes in the economic environment.

Recognize the skills and experiences acquired off-campus: if TVET institutions recognize the expertise and experience gained outside of the formal education system, young workforce's employability will be improved (i.e. volunteering, free of charge work and/or self-help skills development).

## **7.2. Labor market information and skill forecasting**

To provide relevant and up-to-date training and to provide accurate career guidance to students, TVET providers need accurate labor market information (LMI).

## **7.3. Expanding access (participation of vulnerable and marginalized groups)**

In order to increase its impact on employment outcomes, TVET institutions need to expand their plans for vulnerable and marginalized groups. The need to extend the scope of TVET to the vulnerable groups left behind by the education system can both improve their employability and ensure that they do not pose a danger to themselves and society.

#### **7.4. Change perception TVET's image**

TVET will be limited in its effectiveness in promoting youth employment as long as TVET is seen by parents and students as a “final choice” or “second choice” option. The current optimism about TVET against youth unemployment has raised the status of TVET, but if substantial measures are taken, the negative image of TVET will only be reversed for a long time. Improve the quality of TVET programs.

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