

3/28/2022

Study on Labour and Market Analysis Strengthening the Economic Resilience of Female Garment Workers during COVID19

Final Report

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Executive Summary

CARE is implementing the “Strengthening the Economic Resilience of Female Garment Workers during COVID-19--Phase2” project funded by the German Agency for International Cooperation (GIZ). The project aims to strengthen the economic resilience of female garment workers in Cambodia and Vietnam to cope with the negative impacts of COVID-19. As part of this project, a labour market assessment for female factory workers was carried out with the following objectives:

1. To identify short-medium term market trends and opportunities, as this is the most critical information for supporting workers to make informed decisions about their livelihoods in 2021 and onwards.
2. To identify market opportunities for small business development in the communities for workers who live in Phnom Penh, Kandal, and Kampong Speu provinces.

The primary data collection methods were an opinion survey with relevant stakeholders and workers and in-depth interviews with key informants. The total number of worker respondents is 56, and the that of the stakeholders is 33. In-depth interviews were also conducted with 10 of the 33 stakeholders.

Employment opportunities

The survey results indicate that the garment and textile sector is the most potential for female workers. According to the stakeholder opinion, other likely sectors are hotels and guesthouses, growing vegetables, tourism, auto parts assembly, and restaurants. On the other hand, the workers tend to choose agricultural activities, retail/wholesale trade, and online trade as potential sectors. The top-5 required skills and occupations are new technical skills, face to face communication, foreign language skills, digital communication, Chinese language. Other required skills are literacy, commitment, teamwork, honesty. However, workers are less likely to know that face-to-face contact, commitment, teamwork, and honesty are required. The top-5 barriers that workers face in getting employments are lack of job information, low education, high competition, lack of work experience, and lack of soft skills.

Small business opportunities

The top five small business opportunities easily accessible by the female workers include selling goods or services at home, selling goods or services online, starting a hairdressing salon, selling goods or services in the market, and starting a coffee shop. Workers also thought that agricultural activities such as growing vegetables, livestock, crops, and farming were also potential business opportunities. The required top-five skills or qualifications necessary to get the potential business opportunities above are new or additional technical skills, business operation skills, online business operations, online sales, digital communication. The top-five barriers to business opportunities include lack of capital, high competition, lack of technical skills, lack of business experience, and low education. In addition, a lack of business and market information can also be a barrier. The top-5 risks associated with the business opportunity are inadequate earnings, bankruptcy, debt burden, infection with COVID-19, and no social security.

Recommendations

The following recommendations are put forward for consideration:

Employment supports

1. Providing new or additional technical skill training for the potential employment or sector,
2. Job-seeking support mechanisms or offices: Job announcement information, find a new job, job counselling, and help in the job application,
3. Apprenticeship program in the factory.

Business supports

1. Training in new or additional skills and entrepreneurship, business management and operation, and training allowance,
2. Grant seed and/or loans with low-interest rates,
3. Business coaching.

Life skills training

1. Training focusing on COVID-19 protection and treatment at home,
2. Health problems and lack of the balance between work and family and personal life,
3. Personal financial management.

Digital skills training

1. Online business operations,
2. Advertising and sales,
3. Digital community,
4. Digital financial management and transaction, and
5. Basic cyber security and law.

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List of Abbreviations

CDC	Council for the Development of Cambodia
CMT	Cut-Make-Trim
COVID-19	Coronavirus disease 2019
CSO	Civil Society Organization
GDP	Gross Domestic Product
GIZ	German Agency for International Cooperation
GMAC	Garment Manufacturers Association of Cambodia
GSP	Generalised System of Preferences
ICT	Information and communication technologies
<i>ISCED-97</i>	International Standard Classification of Education 1997
ISCO-08	International Standard Classification of Occupations
KII	Key Informant Interview
LMA	Labour Market Assessment
MEF	Ministry of Economy and Finance
MLVT	Ministry of Labour and Vocational Training
NEA	National Employment Agency
NGO	Non-Governmental Organization
RCEP	Regional Comprehensive Economic Partnership
SME	Small and Medium-sized Enterprise

1 Introduction

On 27 January 2020, the first case of COVID-19 was confirmed on a 60-year-old Chinese man in Sihanoukville, Cambodia; since then, confirmed COVID-19 cases, especially the imported ones, have been identified consistently. Not until 20 February 2021 that Cambodia experience community outbreaks. 20 February community event is called large-scale transmissions of COVID-19 detected in Phnom Penh on 20 February 2021. After that, the number of confirmed cases and death has spiked drastically (Figure 1.1)

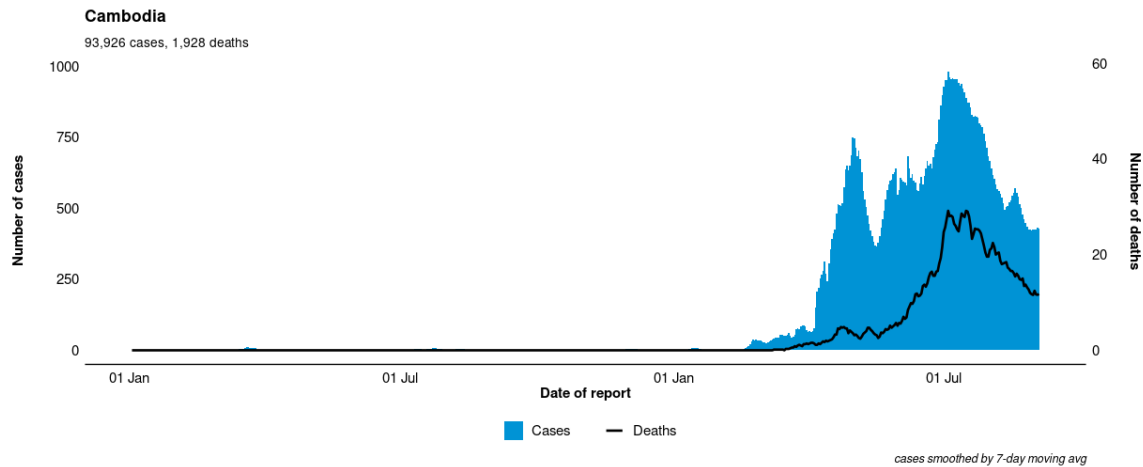


Figure 1.1: The number of Coivid-19 cases in Cambodia during January 2020-July 2021
Source: <https://worldhealthorg.shinyapps.io/COVID/>, accessed in September 2021

In response to the spread of the COVID-19 pandemic, Cambodia’s government closed the border, shut down schools, restricted the nightly curfew, banned religious activities, forbid mass meetings, and lockdown some provinces with higher cases. However, these measures caused difficulty in mobility, transportation, and various businesses operations, which in turn caused many losses. As a result of COVID-19, employment has been decreased significantly. About 100,000 to 150,000 workers were suspended or laid off due to the closure and operation suspension of 180 domestic factories; moreover, 1.76 million jobs are at risk (The World Bank 2020; Heng 2020).

The COVID-19 situation in Cambodia has shifted significantly since February 2021, with rising cases in Phnom Penh and elsewhere. COVID-19 has resulted in a significant loss of income for female garment workers – with many being suspended and losing their jobs. Workers face high debt burdens, and many are cutting back on essentials to survive. While factories have started to open again, many ex-garment workers remain out of work. During the pandemic, many workers struggle to find decent alternatives to factory jobs and face barriers to establishing small businesses for income generation. Workers’ knowledge and skills to cope with economic stress are vital in this situation.

The community spread of COVID-19 in early 2021 has also created additional uncertainty, which may negatively impact domestic economic activity and the recovery of the garment industry. To

help mitigate the impact on workers, CARE supports workers to access alternative jobs and income-generating opportunities. The opportunities might be short-term income-generating activities so workers can support themselves during periods of unemployment or medium-long term opportunities that workers can focus on for the future.

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1.1 Objective

As part of this project, a labour market assessment for female factory workers was carried out with the following objectives:

1. To identify short-medium term market trends and opportunities, as this is the most critical information for supporting workers to make informed decisions about their livelihoods in 2021 and onwards.
2. To identify market opportunities for small business development in the communities for workers who live in Phnom Penh, Kandal, and Kampong Speu provinces.

2 Desk review

2.1 Recent Economic trend

The Ministry of Economy and Finance (MEF), on 18 February 2022, predicted that the Cambodian economy in 2022 would grow at a rate of 5.6%. And it would return to growth at a rate of about 7% in 2024. This growth forecast is based on the reopening of the socio-economic situation across the country, the high vaccination rate, and the steadily increasing exports even amidst the COVID-19 outbreak. According to the MEF, the expectation for economic growth in 2022 is the contribution of some key economic growth sectors, such as agriculture, garment, non-garment manufacturing, real estate, hotel and restaurant, construction sector, transport and communication, and wholesale and retail (PRESS OCM 2022; RFI 2022; Chantha 2022).

In addition, the agricultural sector in 2022 is expected to grow by 1.3%. The garment sector is forecasted to increase by 8.1%. The non-garment manufacturing industry would increase by 12.2%. Transport and transportation increased by 6.2%, the construction sector increased by 5.4%, the real estate sector increased by 4.1%, the wholesale and retail industry increased by 5%, the hotel and restaurant industry increased by 12%, and other sectors grew by 4.3%. The continued growth of all these key sectors makes MEF continue to have high hopes that Cambodia's economic growth would return to 7% in 2024. In 2023, the MEF predicts that GDP growth will increase. 6.7% (PRESS OCM 2022; RFI 2022).

According to the above report, to rehabilitate the Cambodian economy in the near and medium-term, return to the potential growth, and strengthen resilience for socio-economic development, the Ministry of Economic and Finance has set out three approaches: the first is to rehabilitate. Revitalise critical economic growth sectors to return to growth to boost potential sectors further. For the second approach, the MEF would restructure to create a better environment for investment and trade facilitation for investment and business and take advantage of existing agreements. And finally, building resilience by strengthening preparedness and responsiveness to ensure the livelihood and environment of socio-economic development and combat future deadly diseases.

However, the Cambodian economy could face some risks and uncertainties if the protracted COVID-19 crisis continues, disrupting global supply chains and inflationary pressures, geopolitical tensions, and tightening monetary policy—development and uncertainty of the preferential trade system (RFI 2022; PRESS OCM 2022).

2.2 Investment

Although Cambodia is during the COVID-19 crisis, we have observed that the tide of new projects in Cambodia increased significantly during the first month of 2022. In this period, the Council for the Development of Cambodia (CDC) approved more than 20 new projects, with an investment of more than 2 billion US dollars, a sharp increase compared to 2021. Economists would assess whether the sharp increase in investment flows is due to Cambodia's improved investment climate, including bilateral and multilateral trade agreements and many foreign preferential tariffs. Cambodia has improved its investment conditions. Of the 25 outstanding US \$ 2.3 billion investment projects that would employ nearly 24,000 people, this figure is a sharp increase from January 2021, when the CDC approved 11 projects with an acceptance of 43.8 million. After

Cambodia-China Trade Agreement and the Regional Comprehensive Economic Partnership Agreement entered into force in early 2022, new investment projects have taken place one after the other, even though Cambodia is in COVID-19 outbreak. These new investments cover non-garment sectors, including agriculture, transportation, health, industry, and consumer goods. In 2021, the Council for the Development of Cambodia approved 161 projects with a total investment of 4 billion US dollars and created more than ten thousand jobs.

2.3 Textile and Garment

2.3.1 Trade performance

Even though Cambodia continues to suffer from the COVID-19 pandemic, garments exports to international markets will continue to grow in 2021. Cambodia’s garment exports amounted to more than 11 billion US dollars. With an increase of 15 percent compared to 2020, according to a report from the General Department of Customs and Excise. Non-garment products are worth more than \$ 4 billion, including auto parts, industrial products, electronic components, and bicycles.

According to experts in garments and textiles, in 2022, this sector will increase even more. The Garment Manufacturers Association of Cambodia (GMAC) expected apparel and textiles to remain stable. The association expects that in 2022, garment exports will continue to grow at a reasonable rate (Cambonomist 2022).

2.3.2 Industry structure and existing value chain

Valued-added and employment

The sector significantly expanded in 1997 when Cambodia received preferential market access under the quota scheme by the US and the Generalised System of Preferences (GSP) by the EU. Table 2.1 shows that the production of this sector increased from 146.0 million USD in 1997 to 2,666.8 million USD in 2018. During the same period, the size of the workforce rose from 82,000 to 765,630 in 2018.

Table 2.1 Clothing industry is valued-added and employment (1997-2018)

Key indicators	1997	2002	2007	2012	2016	2018
Total value-added ¹ (million USD)	146.0 ^a	493.3	1,058.6	1,395.2	2,138.7	2666.8
Share in GDP	NA	11.8	12.1	9.4	10.5	10.7
Size of workforce ²	82,000	208,000	414,789	480,234	762,020	765,630 ^b

Source: 1) National Account 2016, National Institute of Statistics (NIS);

2) Cambodia authority’s estimate.

Note: a) Data for 1997 is not available; 1998 data is used instead; b) National Employment Agency (2018).

2.3.3 Skill development

The workforce in this sector consists of cut-make-trim (CMT) workers, production line supervisors, sewing machine mechanics & technicians, quality control specialists, office clerks, and administrators. Most workers in this industry are CMT workers, most of whom are women from rural households and migrated to work in factories in towns or cities. Generally, CMT workers, production line supervisors, sewing machine mechanics & technicians have primary school education. Most quality control specialists, office clerks, and administrators have a

bachelor's degree in business administration, accounting, human resource management, etc. CMT workers usually receive on-the-job training during the several first weeks on CMT skills, occupational health and safety, labour law, and wage and benefit calculation. Garment firms' most frequent training are induction training, occupational health and safety, and environmental protection.

Most CMT workers and production line supervisors rarely have official vocational training before their employment. They just received a few days, at most a week, of unofficial training at small-scale training workshops located nearby their garment factories. Most mechanics and technicians only receive short-term (at most one year) training on the sewing machine or electrical maintenance at informal small-scale workshops that do not last long. Most garment factories employ foreign workers as production line supervisors, section, or division heads. Only several of them hire Cambodian workers for such positions. This may be why short training programs cater to the garment sector. This sector consists of large-scale firms (contract manufacturers), sub-contractors, and local SMEs. Large-scale firms receive orders from overseas buyers and place small orders to sub-contractors. Local SMEs are operated by Cambodians on a family basis and sell their products to local mediators who sell to local retailers in markets around the countries.

2.4 Labour Market

2.4.1 COVID-19 and business opportunity and employment

Lim et al. (2021) conducted a Rapid Assessment of Emerging needs for workers and skills in the COVID-19 crisis by surveying 445 firms. During the COVID-19 19 pandemic, the primary sector contributing to Cambodia's economy was affected by the economic and labour market downturn. In contrast, even during this period of downturn, and possibly during the recovery period in the future, some sectors still increase the business opportunities and demand for labour.

This assessment reported that garment and footwear and food and beverage are among the top-5 sectors with business and employment potential. Figure 2.1 shows that firms in the ICT, garment and footwear, logistics, warehousing and transportation, food and beverage, and construction sectors are the top-5 sectors that might have business opportunities during the COVID-19 pandemic. The top-3 business opportunities most frequently identified by COVID-19 related issues were expanding into e-markets/online platforms, distributing goods, and producing healthcare-related products (Lim et al. 2021).

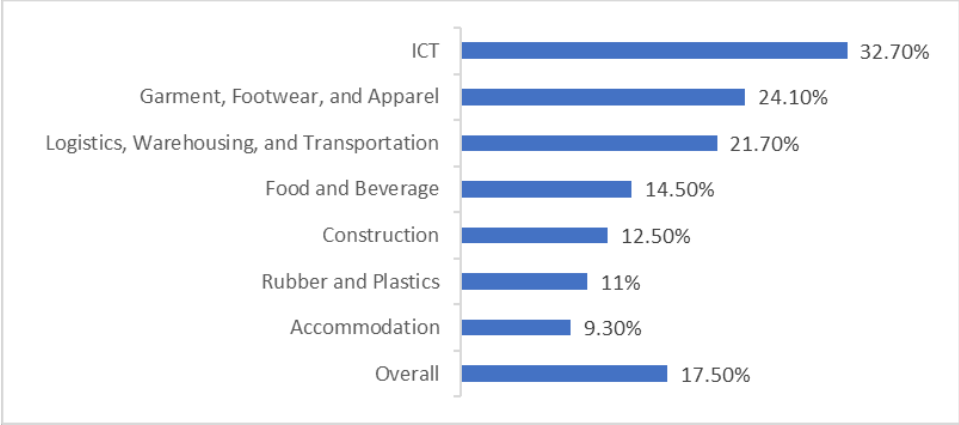


Figure 2.1: Share of establishments that might have business opportunities provided by COVID-19 related issues by sector
 Source: Lim et al. (2021, 62), Figure 8.3: Share of establishments that might have business opportunities provided by COVID-19 related issues by sector

Figure 2.2 illustrates the shares of establishments that reported the need to recruit more staff when the recovery begins and/or take advantage of business opportunities. The garment and footwear were the top sector (75.9 percent of firms in this sector) that would recruit more staff, followed by ICT, logistics, warehousing and transportation, food & beverage, construction, and others.

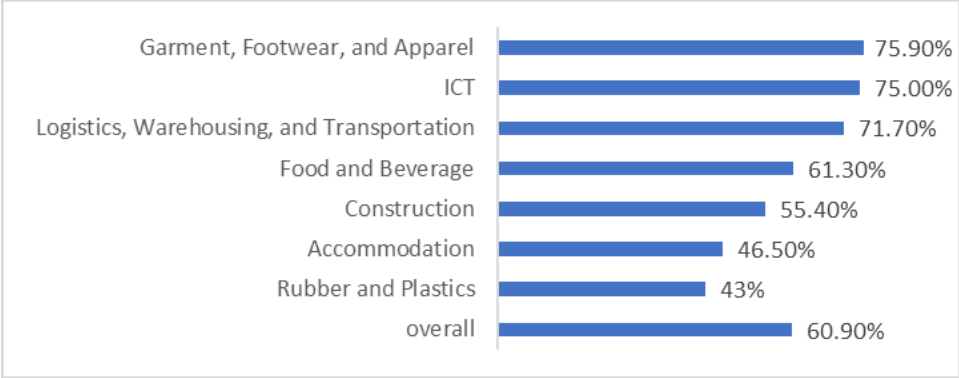


Figure 2.2: Share of establishments that will need to recruit more people when the recovery begins and/or to take advantage of business opportunities by sector
 Source: Lim et al. (2021, 63), Figure 8.6: Share of establishments that will need to recruit more people when the recovery begins and/or to take advantage of business opportunities by sector

2.4.2 Labour demand

Table 2.2 presents the labour demand reported by each sector. Garment and footwear, by far, had the most open vacancies, accounting for 57.9 percent of the total number of required vacancies. Rubber and plastics had the 2nd largest open position, 23.2 percent, while food and beverage had the 3rd largest available vacancies, 7.3 percent.

Table 2.2 Labour demand reported by sector

Sector	Percentage of the total number of required vacancies (%)
Garment and Footwear	57.9
Rubber and Plastics	23.2
Food and Beverage	7.3
ICT	5
Logistics, Warehousing, and Transportation	3.2
Construction	3
Accommodation	0.4
Overall	100

Source: Lim et al. (2021, 66), Table 6.1: Incidence and distribution of vacancies by sector

Table 2.3 shows the top-six occupations demanded reported by each sector. The top-six occupations required by the firms in the garment and footwear, in order of the demand level, were textile, fur and leather products machine operators, other craft and related workers, machinery mechanics and repairers, manufacturing labourers, garment and related trades workers, manufacturing, mining, construction, and distribution managers.

In order of the demand level, the top-six occupations required by the firms in the food and beverage were manufacturing labourers, transport and storage labourers, sales workers, other craft and related workers, general office clerks, machinery mechanics, and repairers.

In order of the demand level, the top-six occupations required by the firms in the accommodation were market gardeners and crop growers, manufacturing labourers, rubber, plastic, and paper products machine operators, mining, manufacturing and construction supervisors and finance professionals.

Table 2.3 Top-six Occupations demanded reported by sector (ISCO 3-digits)

Garment and Footwear	Rank	Skill level
Textile, Fur and Leather Products Machine Operators	1	2 (Low-skilled)
Other Craft and Related Workers	2	2 (Low-skilled)
Machinery Mechanics and Repairers	3	2 (Low-skilled)
Manufacturing Labourers	4	1 (Unskilled)
Garment and Related Trades Workers	5	2 (Low-skilled)
Manufacturing, Mining, Construction and Distribution Managers	6	4 (High-Skilled)
Food and Beverage		
Manufacturing Labourers	1	1 (Unskilled)
Transport and Storage Labourers	2	1 (Unskilled)
Sales Workers	3	2 (Low-skilled)
Other Craft and Related Workers	4	2 (Low-skilled)
General Office Clerks	5	2 (Low-skilled)
Machinery Mechanics and Repairers	6	2 (Low-skilled)

Rubber and Plastics		
Market Gardeners and Crop Growers	1	2 (Low-skilled)
Manufacturing Labourers	2	1 (Unskilled)
Rubber, Plastic and Paper Products Machine Operators	3	2 (Low-skilled)
Mining, Manufacturing and Construction Supervisors	4	3 (Medium-skilled)
Finance Professionals	5	4 (High-skilled)
Machinery Mechanics and Repairers	6	2 (Low-skilled)

Source: Lim et al. (2021, 66), Table 6.8: Top 6 occupations with the highest number of vacancies reported by sector (ISCO_3 digits)

Note: ISCO: the ILO's International Standard Classifications of Occupation

It should be noted that the most required occupations were required un- or low-skilled occupations, which only needed post-secondary (non-tertiary)¹, upper secondary, lower secondary, and primary levels of education (Table 2.4).

Table 2.4 Skill Level: Mapping of Major Occupational Groups to Skill Levels

Major occupational groups (based on ISCO-08) ^a	Skill label	ISCED-97 groups ^b
1. Managers	High and medium	6. Second stage of tertiary education (leading to advanced research qualification) 5a. First stage of tertiary education, 1 degree (Medium duration) 5b. First stage of tertiary education (Short or medium period)
2. Professionals	High	
3. Technicians and Associate professionals	Medium	5b. First stage of tertiary education (Short or medium duration)
4. Clerical Support Workers	Low	4. Post-secondary, non-tertiary 3. Upper secondary level of education 2. Lower secondary level of education
5. Service and Sales Works		
6. Skilled Agricultural, Forestry, and Fishery Workers		
7. Craft and Related Trades Worker		
8. Plant and Machine Operators and Assemblers		

¹ Post-secondary non-tertiary education provides learning experiences building on secondary education, preparing for labour market entry as well as tertiary education. It aims at the individual acquisition of knowledge, skills, and competencies lower than the level of complexity characteristic of tertiary education (<http://uis.unesco.org/en/glossary-term/isced-4-post-secondary-non-tertiary-education>)

9. Elementary Occupations	Unskilled	1. Primary level of education
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Source: ILO (2012)

Note: a: ISCO-08 is the ILO's International Standard Classifications of Occupation adopted in December 2007

b: International Standard Classification of Education 1997 adopted by UNESCO in 1997

2.4.3 Top 6 skills that are important for the future by sector (order by percentage share)

Table 2.5 shows the top 6 skills essential for the future by the top-3 sectors that require the most workforce, based on Lim et al. (2021). They are problem-solving, English language, time management, coordination, speaking, monitoring, quality control analysis, technical skills, operation monitoring, and practical skills.

Table 2.5 Top 6 skills that are important for the future by sector

Skills	Rank of importance		
	Rubber and Plastics	Garment and Footwear	Food and Beverage
Problem-solving	1	1	2
English language	NA	NA	NA
Time management	NA	2	3
Coordination	NA	6	NA
Speaking	NA	NA	NA
Monitoring	5	3	6
Quality control analysis	4	4	1
Technical skills	3	5	5
Operation monitoring	6	NA	4
Practical skills	2		

Source: Lim et al. (2021, 66), Table 8.2: Top 6 skills that are important for the future by sector

Note: The figure in the tables are the rank of importance

3 Methodology

To achieve the above objective, we proposed to utilise a Labour Market Assessments (LMA) as the overall methodology for this assignment. The Labour Market Assessment (LMA) is a tool that aims to understand the root causes preventing a specific system from functioning more effectively for the target group. **However, the LMA for this consultancy focuses on identifying short-medium term market trends and employment and small business development opportunities in the communities.** This iterative learning process is structured in five main steps:

1. Defining the Target Groups
2. Identifying labour market opportunities (to identify short-medium term market trends and employment and small business development opportunity in the communities)
3. Planning and Data Collection Process
4. Analysis and Operationalisation of Findings

3.1 Toolkit for conducting Market System Assessments

Based on this tool, we would like to propose specific data collection and analysis methods in each step as follows:

3.1.1 Defining the Target Groups

The target groups are defined as: **female factory workers in the sector of garment, textile, footwear, and travelling goods** located in Phnom Penh, Kandal, and Kampong Speu provinces.

3.1.2 Identifying labour market opportunities

This step is the primary focus of the LMA. We tried to obtain the answers to all the research questions stated above during this step.

3.1.3 Planning and Data Collection Process:

The primary data collection methods were an opinion survey with relevant stakeholders and workers and in-depth interviews with key informants.

3.1.4 Analysis and Operationalisation of Findings

The data analysis methods can be descriptive statistics, graph visualisations, and qualitative descriptions of justifications for the quantitative result. R & NVivo software was used to clean, process, and analyse the data.

3.2 Proposed methods for operationalising assignment

In this section, we provide brief descriptions for operationalising these concepts as follow:

As described above, Opinion surveys with relevant stakeholders and workers and in-depth interviews with key informants were the primary data collection methods. These methods aim to explore the potential employment and business opportunities for the target group based on workers' and stakeholders' opinions.

3.2.1 Opinion survey

We developed two similar questionnaires for the opinion survey, one for the target group and the other for other stakeholders. Kobo toolbox was used to make questionnaire forms. Five

enumerators were employed to conduct these surveys. R software was used to clean, visualise, and analyse the data.

Sample:

We employed a qualitative, exploratory, rather than statistically inferencing approach, meaning that results are based on the respondents' opinions and knowledge, not statistical inference tests. So, a statistically representative sample is unnecessary, but a sample that includes all types of respondents with a good understanding of the study topic would yield insightful results.

The potential respondents can be:

Stakeholders include those working in employer association, garment factory and human resource management, development partners, NGOs, entrepreneur associations, and governmental agencies such as local authorities, National Employment Agency (NEA), Ministry/Department of Labour and Vocational Training (MLVT) (Please see Table 4.2).

Workers respondents are workers with disability, workers who joined CARE's awareness training, and other workers (Please see Table 4.1).

The workers who joined CARE's awareness training were selected for interview from 3625 workers who previously joined CARE's training. Random stratified methods were used to sample these workers based on their address location (i.e., Phnom Penh, Kandal, and Kampong Speu), Disability, Laid-off/suspension. Other workers were selected purposively using convenient sampling methods. So, the sample represents the voices of all kinds of stakeholders. The sample size should be as shown in Table 4.1.

3.2.2 In-depth interview

An in-depth interview was conducted with key informants who are among the other stakeholders and have extensive knowledge or involvement with labour and business market for female factory workers. Guided questions were developed based on the quantitative questionnaires; however, we were more flexible in interviewing by probing for the justifications for respondents' answers. The number of in-depth interviews should be around eleven, including union leaders, NGOs' staff, and government officials.

3.3 Limitation

This study is not free from limitations like all other studies, including a non-representative sample, phone survey usage with the most workers, and opinion-based findings. Complete random sampling was not possible for this assignment because all respondents in the target provinces or cities are not available. The random sample can also be time-consuming, which is beyond the timeframe of this assignment. Due to the Omicron variants of the COVID-19 pandemic and CARE's policy, we mainly conducted phone surveys with most workers. This can affect the quality of the workers' understanding of our question. Opinion-based findings can be biased depending on the respondents' professional positions. For example, the stakeholders in the garment sector tend to report that the garment sector is the potential sector for workers, whereas those in the entertainment sector are more likely to think that this sector is more potential. We tried to include all relevant stakeholders in the survey and KII to cope with this limitation. Unfortunately, not all

key stakeholders, such as some business associations or CSOs, are willing to respond to our request for surveys and interviews due to their time constraints. Some said they were too busy to answer the questionnaire, while others did not reply to our request. We tried to replace the not responded or not consented respondents with similar ones or quoted their opinions in other sources such as news outlets.

4 Respondents characteristics

4.1 Worker respondents

Table 4.1 shows the characteristics of the worker respondents that we interviewed. The total number of worker respondents is 56. 47.5 percent of them worked in Phnom Penh, 26.2 percent in Kampong Speu, and 26.2 percent in Kandal. 37.7 percent were younger than 25 years old, 36 percent were between 26 and 35 years old, 16.7 percent were between 36 and 45 years old, and the rest were older than 45 years old. 39.3 percent had completed primary school, 31.1 completed low secondary school, and 19.7 percent had upper secondary education. Only 8.2 percent had no education, and 1.6 percent had a bachelor's degree. Although we aimed to include the workers with disability and who were laid off and suspended, those with disabilities were less likely to be reached or agree to our request for an interview. And those who were laid off and suspended, as indicated in the lists of workers provided by CARE, had found a job when we interviewed them. Therefore, 91.8 percent of the interviewed workers had no disabilities and were employed, primarily as factory workers. Moreover, almost more than 90 percent of them were female.

Table 4.1: Characteristics of worker respondents

<i>Charateristics</i>	<i>Number</i>	<i>Percentage (%)</i>
Location		
Phnom Penh	29	47.54
Kandal	16	26.23
Kampong Speu	16	26.23
Age		
Younger than 25	23	37.70
26-35	22	36.07
36-45	12	19.67
Older than 45	4	6.56
Education		
Primary education	24	39.34
Lower secondary education	19	31.15
Uper secondary education	12	19.67
No education	5	8.20
Bachelor	1	1.64
Disability		
No disability	56	91.80
mild disability	4	6.56
moderate disability	1	1.64
Employment status		
Have a job as an employee	56	91.80
Dismissed	2	3.28
Help family business	1	1.64
Work suspended	1	1.64
Other	1	1.64

Source: Consultant's Worker survey

4.2 Stakeholder respondents

Table 4.2 displays the characteristics of stakeholder respondents. About 55 percent of the stakeholder respondents had their work area in Phnom Penh, 17 percent in Kandal, and 14 percent in Kampong Speu. 34.5 percent of them work in the governmental bodies, such as local authority, department of social affair, General Department of Technical and Vocational Educational and Training, and National Employment Agency (NEA). 13.8 percent of the workers are in labour unions, and others work in think tanks/research institutes, business associations, non-governmental organisations, TVET institutes, and worker's associations. 79.3 percent of them were involved in garment workers or sectors.

Table 4.2: Characteristics of stakeholder respondents

Characteristics	Number	Percentage (%)
Location		
Phnom Penh	29	56.9
Kandal	8	15.7
Kampong Speu	7	13.7
Other	7	13.7
Organization type		
Governmental organization	10	30.3
Private company	6	18.2
Other	5	15.2
Labour union	4	12.1
Non-governmental organization	2	6.1
Think tank/research institute	2	6.1
TVET institutes	2	6.1
Business association	1	3.0
Worker's association	1	3.0
Involvement with garment sector		
Yes	27	81.8
Not sure	4	12.1
No	2	6.1

Source: Consultant's Worker survey

5 Workers' plan

We explore the workers' plan to examine the economic activities they want to engage in in the short and medium-term, 1 to 3 years. They are the current plans that the workers had in mind at the interview. Figure 5.1 pointed out that most wanted to start a business, continue their current job, and transfer to another sector. Younger workers are more likely to start a business than older ones, while older workers tend to stay with their current jobs more than younger workers.

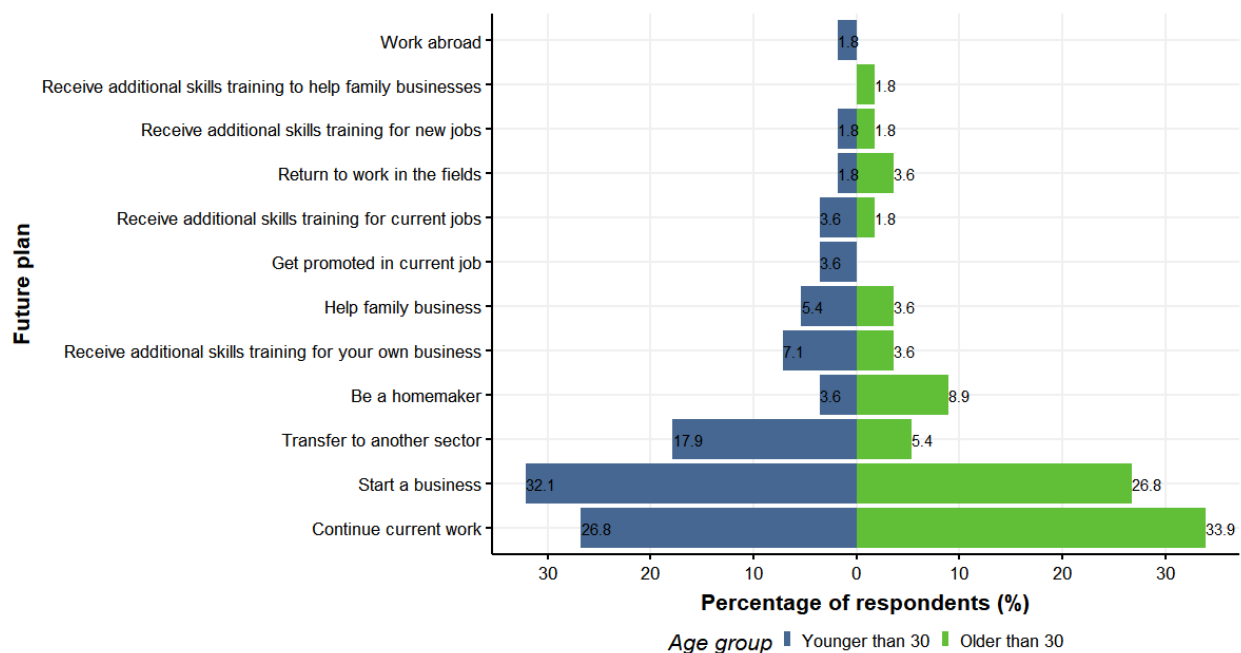


Figure 5.1: Worker's plan
 Source: Consultant's Worker survey

When the workers reported that they wanted to change to other new sectors, we asked which sectors they wanted to change. Livestock, garment, shoes & bag, online sales, and growing crops are the top five sectors they wanted to change. 9.6 percent of the interviewed workers wanted to change to livestock, and 5.8 percent wanted to change to garment, shoes & bags, online sales, and growing crops (Figure 5.2).

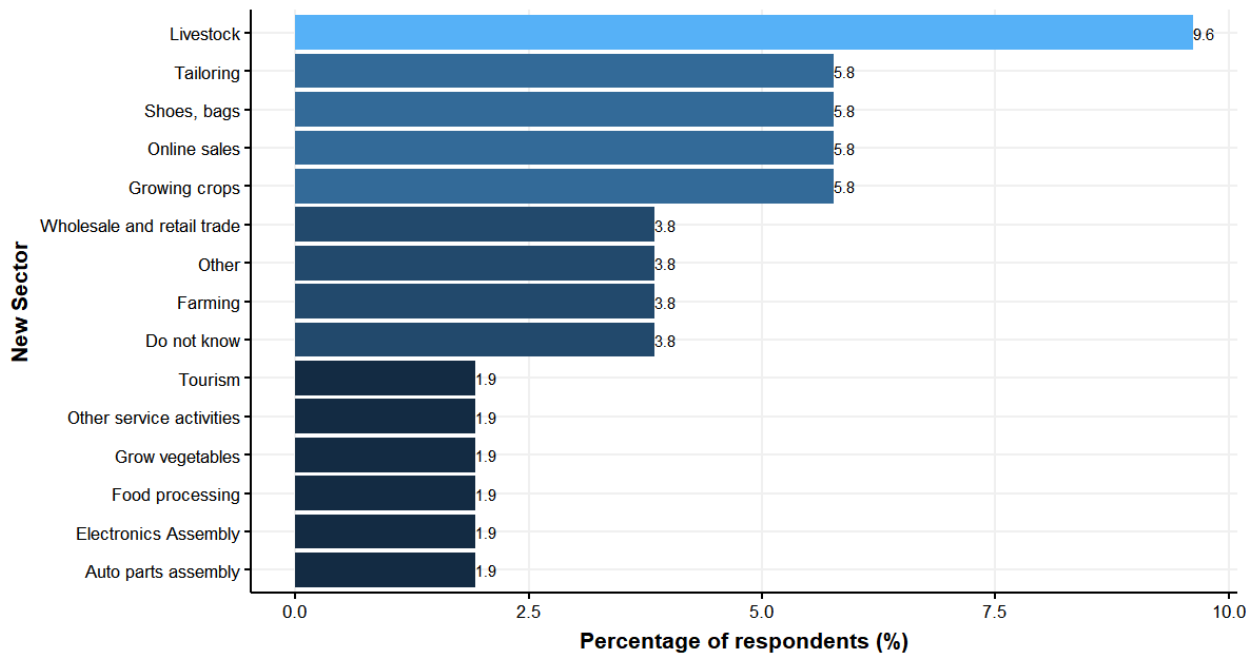


Figure 5.2: Expected new sector
 Source: Consultant's Worker survey

Those workers who wanted to start a business wanted to do the following: selling goods or services at home, starting a hairdressing salon, selling goods or services in the market, selling goods or services online, and starting a clothing store (Figure 5.3). Selling goods or services at home, by far, is the most wanted business that 30.8 percent of the interviewed workers want to do. 17.3 percent wanted to have a hairdressing salon, and 13.5 percent wanted to sell goods or provide services in the market.

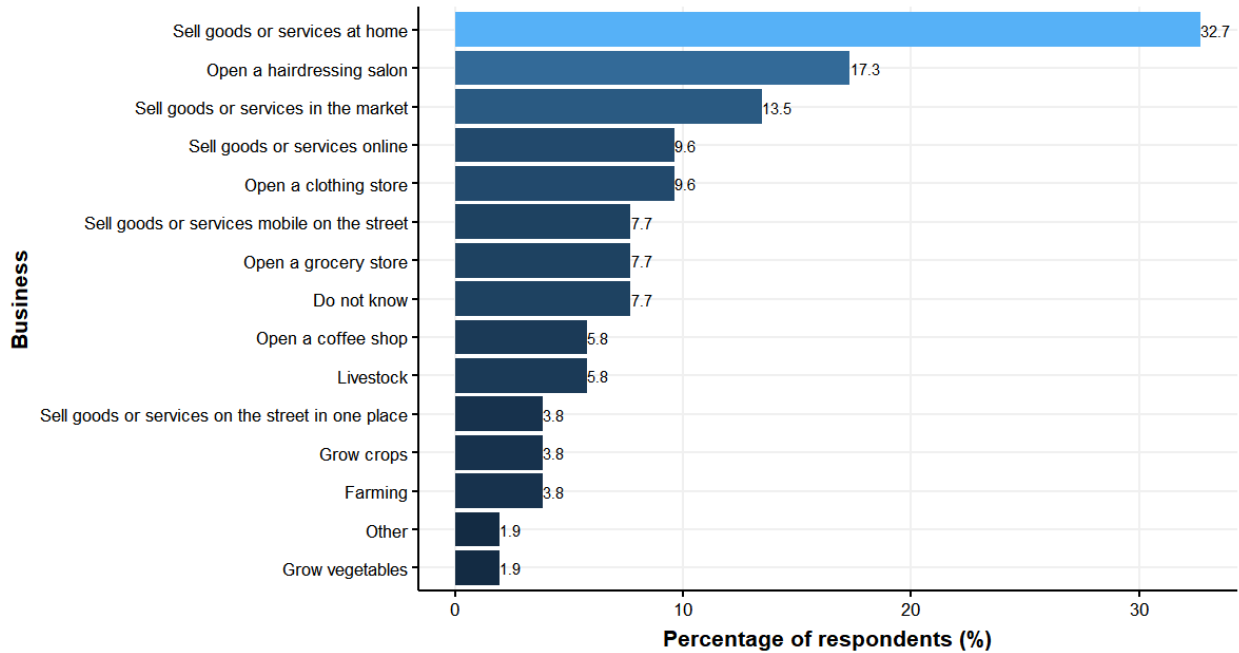


Figure 5.3: Expected businesses
Source: Consultant's Worker survey

Grocery is the product that most workers (26.9 percent) want to sell, followed by vegetables (5.8 percent), food (5.8 percent), clothes (5.8 percent), and cosmetic products (3.8 percent).

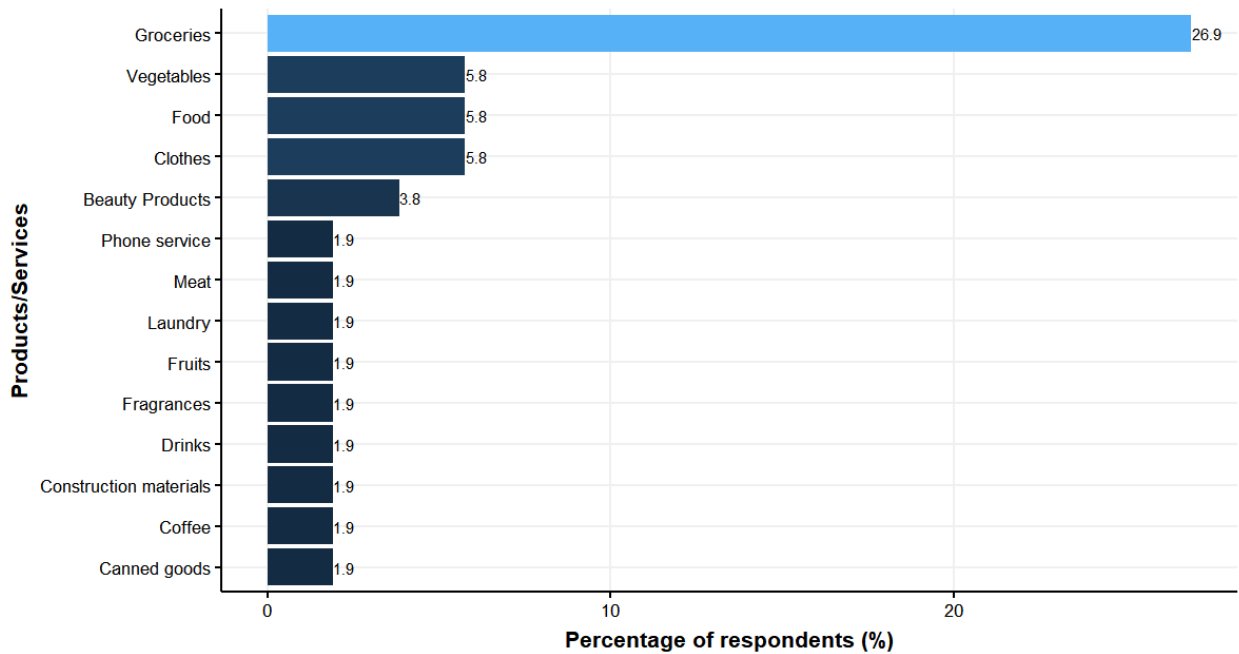


Figure 5.4: Expected product and services
Source: Consultant's Worker survey

Expected skills training: cosmetician skills, business management, selling skills, Chinese language

6 Employment opportunities

6.1 Potential existing employment opportunity

This section explains the findings regarding the potential existing employment opportunity for female workers within 1 to 3 years, which is the research objective 1. The survey results indicate that the garment and textile sector is the most potential for female workers. Both the stakeholders and the workers had similar opinions regarding this finding; 65.5 percent of the stakeholder and 50 percent of the workers identified this sector as a potential sector.

However, the workers and stakeholders had different opinions regarding other potential sectors. According to the stakeholder opinion, other likely sectors are hotels and guesthouses, growing vegetables, tourism, auto parts assembly, and restaurant. On the other hand, the workers tend to choose agricultural activities, retail/wholesale trade, and online trade as potential sectors.

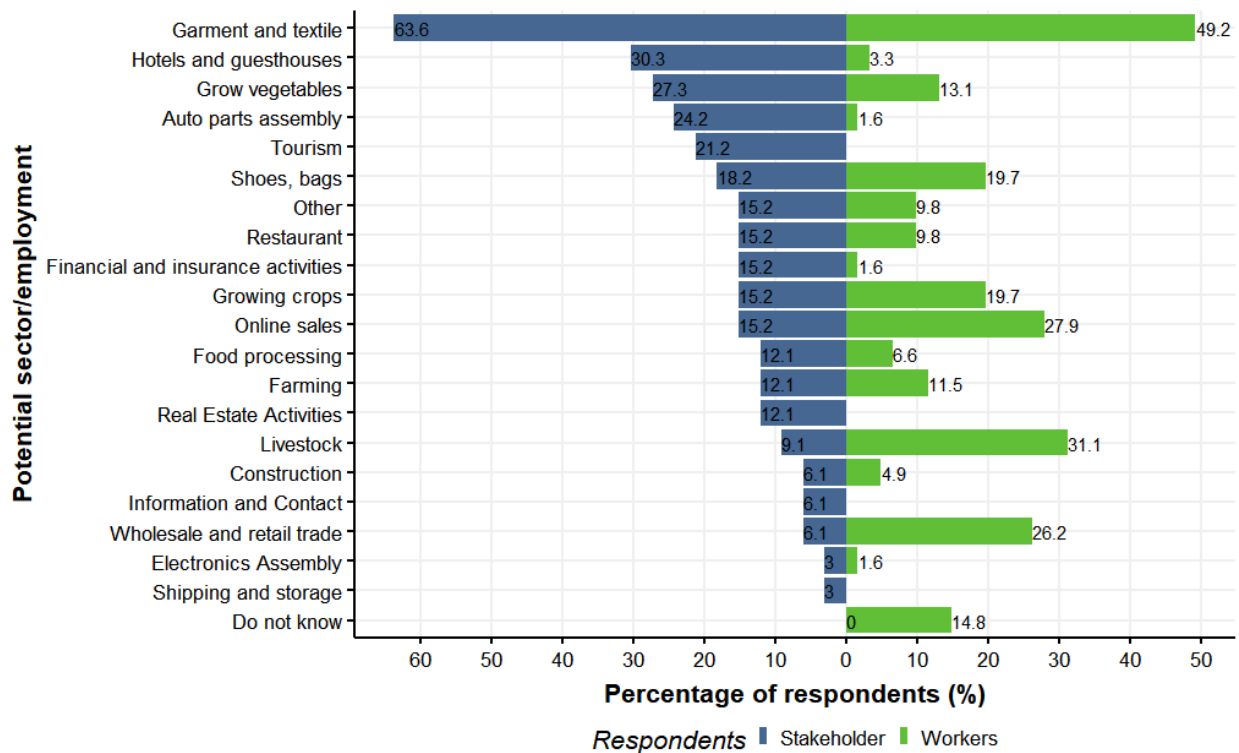


Figure 6.1: Potential existing employment opportunity
Source: Consultant's Worker survey

The finding that the garment and textile sector is the first top potential sector is consistent with Lim et al.'s (2021) findings, GMAC expert's perspective, and MEF's forecasting. Recently, MEF forecasted that the garment sector would increase by 8.1 percent. Lim et al. (2021) conducted a Rapid Assessment of Emerging Needs for Workers and Skills in Times of COVID-19 Crisis by surveying about 445 firms. They found that garment and footwear were the top sector (75.9 percent

of firms in this sector) that would recruit more staff. Moreover, one of the respondents, who are a governmental official, said that

Many garment factories posted their job announcements looking for thousands of workers on the NEA's website.

The COVID-19 pandemic impacts the hotels and guesthouses, tourism, and restaurants the hardest. However, recently, due to the reopening of the economy for all business activities because of the high vaccination rate in our country, these sectors experienced signs of a recovery driven by the domestic customers and demands. One of the CSO respondents quoted that

Many garment workers are more likely to move to these sectors when they quit the garment sector because of the more comfortable working settings.

Growing vegetables is the one potential sector because there is a rising demand for vegetables, especially organic ones cultivated without chemical substances. One of the CSO respondents said that

The growing vegetable is potential; this is more likely true for medium or large-scale farming companies that use advanced cultivation methods, where the workers can work for them.

Auto parts assembly has steadily increased recently, albeit still small. But this growing trend will likely continue because of Cambodia's recently-adopted free trade agreements, especially the Regional Comprehensive Economic Partnership (RCEP). And this sector is very potential for skill upgrade.

6.2 Required qualifications

To get the potential employment opportunities above, they should have the following skills and qualifications. According to the stakeholder's opinion survey, the top-5 required skills and occupations are new or additional technical skills, face-to-face communication, foreign language skills (including Chinese), digital communication. Most stakeholders and workers had similar opinions that New or additional technical skills are the top required skill. One of the CSO respondents stated that

When moving to a new factory, workers must know the technical skills in the setting and machines of the new factories, although they have previous working experience. It is not enough.

Other required skills are literacy, commitment, teamwork, honesty. However, workers are less likely to know that soft skills such as face-to-face communication, commitment, teamwork, and honesty are needed (Figure 6.2).

The top five technical skills include sewing and fashion design, animal raising, crop growing, other agricultural skills, cooking, cocktail skills, electronics, electricity, mechanics, automation, and digital skills. Some of the stakeholder respondents asserted that workers should upgrade their skills to meet changing demand, especially related to the industrial revolution 4.0 adoption by the firm in the textile and garment sector. Shortly, the factories in this sector may adopt and utilise innovative or digital machines in production. So, workers should upgrade their skills to meet the technology advancements.

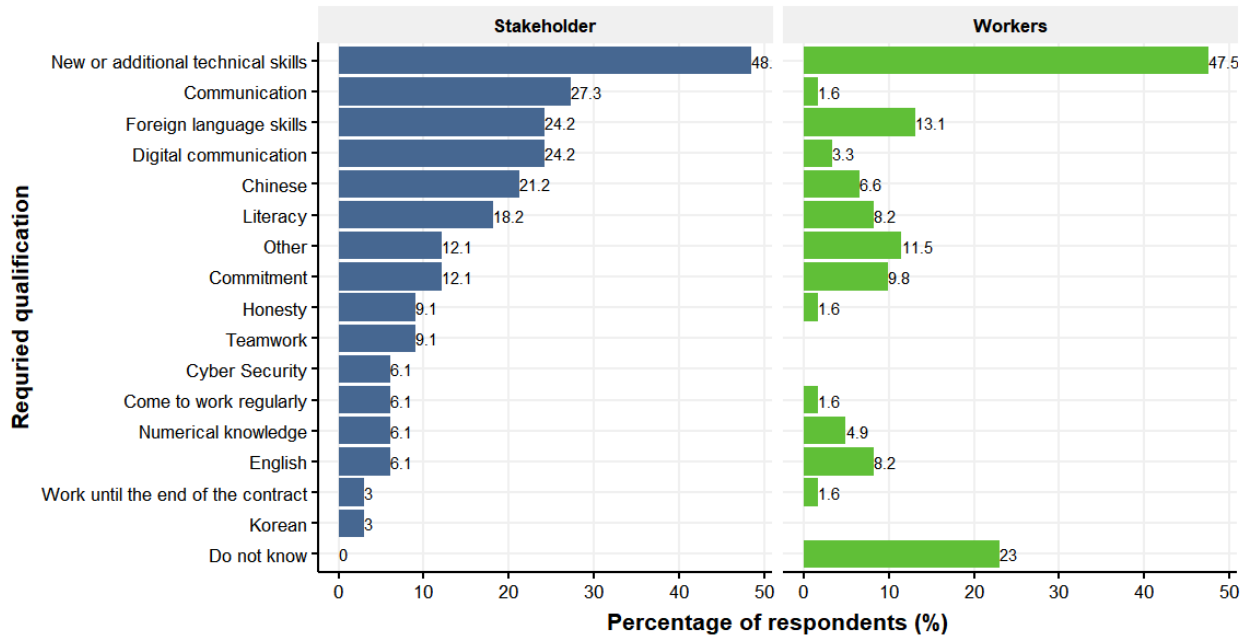


Figure 6.2: Required qualifications
Source: Consultant's Worker survey

Table 6.1: Required skills training

Skills Training	Stakeholder	Worker
Tailoring, Sewing and Fashion design	6.7	23.1
Animal raising, Crop growing, and other agricultural skills	6.7	21.2
Digital skills	3.3	7.7
Hairdressing ans Salon		3.8
Chinese		3.3
Cooking, cocktail skills	6.7	
Electronics, electricity, mechanics, automation	6.7	
Communication	3.3	
Food processing	3.3	
Hairdressing and Salon	3.3	
Handicraft	3.3	

6.3 Barriers and risks

Figure 6.3 shows the barriers to potential employment opportunities. The top-5 obstacles that workers face in getting employments are lack of technical skills, low education, high competition, lack of work experience, and lack of soft skills. The stakeholders and workers tend to have similar views about these top-5 barriers. However, not many workers (11.5 percent) know that the lack of soft skills is a barrier. Also, many workers (23 percent) are likely concerned about COVID-19 infection, and they think it is a barrier.

Lack of technical skills is the top barrier, especially for keeping up with technological advancement. One of the respondents said that

an ILO report released in 2017 shows that technology development to industrial revolution 4.0 is a challenge for the garment factory workers. The workers lose about 70% of their jobs if they do not upgrade their skills or improve their knowledge according to the new and automation machines which need highly skilled people to lose their jobs in some part.

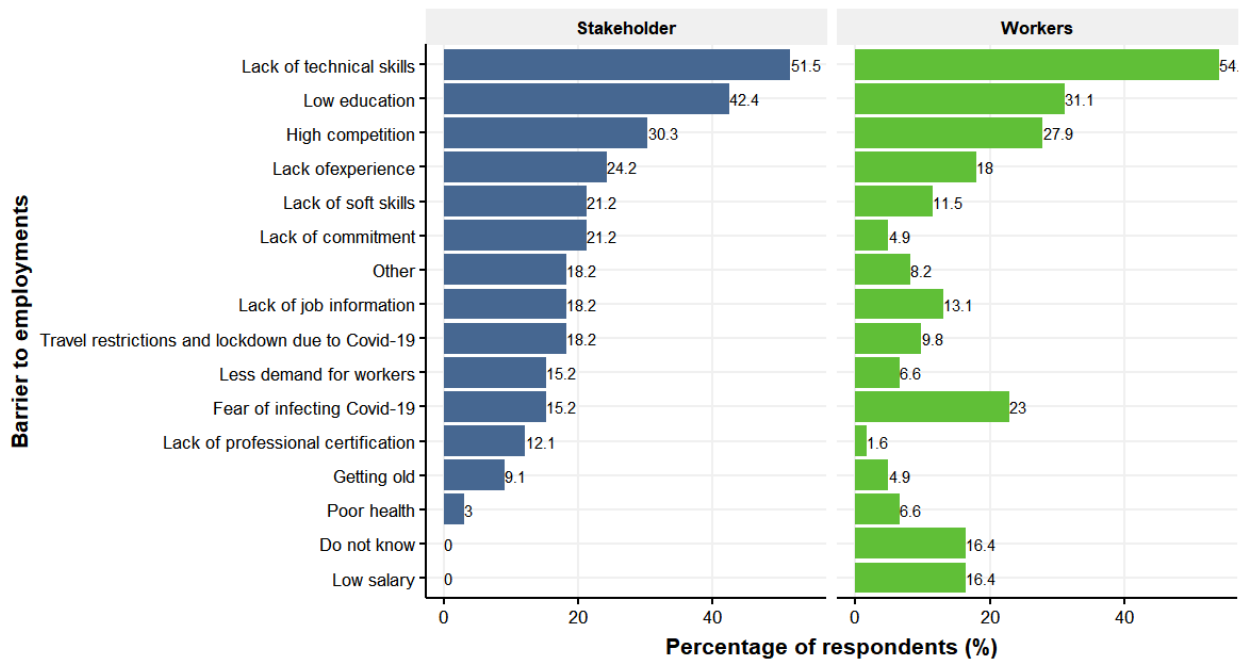


Figure 6.3: Barriers to employment opportunity
Source: Consultant's Worker survey

The top-5 likely risks in these employment opportunities are Infection with COVID-19, Inadequate earnings, debt burden, Health problems, lack of balance between work and family, and personal life. Most respondents of both groups tend to have similar opinions about these top-five risks.

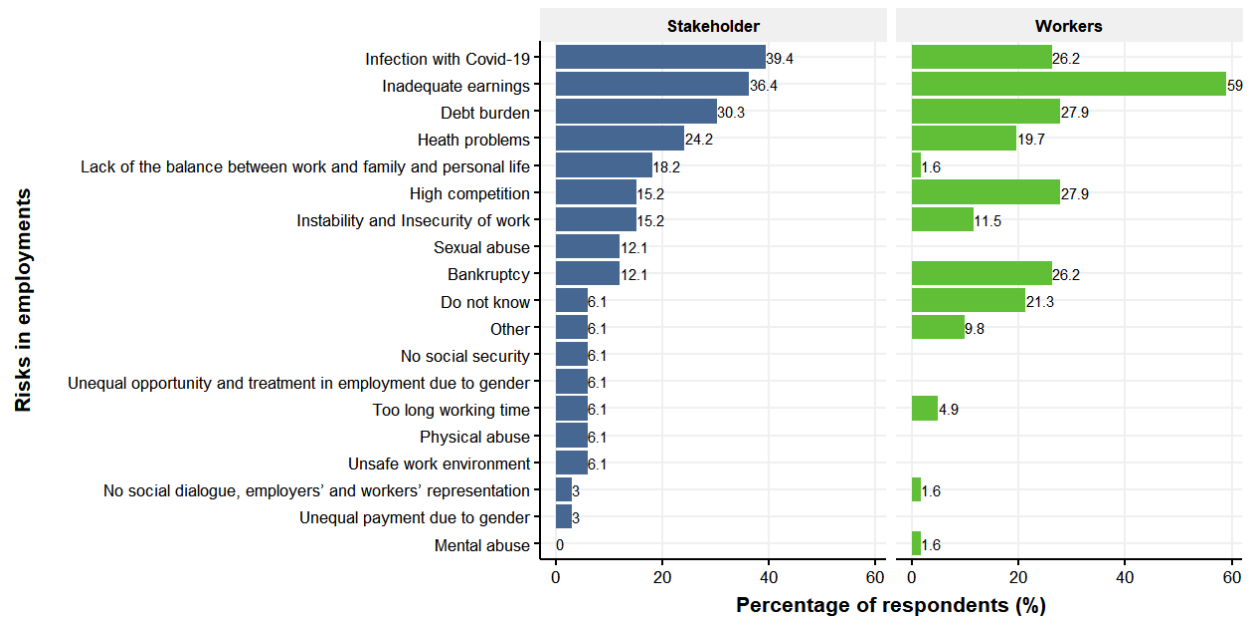


Figure 6.4: Risks in the potential employment
 Source: Consultant's Worker survey

At the time of our survey, the Omicron variance of the COVID-19 pandemic is on the increasing trend. This is the reason most respondents thought this was a risk.

Inadequate earnings and debt burden are the risks reported by many respondents. Low salaries are one of the causes of the debt burden, especially during the period of the COVID-19 pandemic, workers earned less than before. Many of them did not have enough to support their families and pay the debt. Besides, other reasons might cause debt burden, such as poor personal financial management. Some respondents said

Although the salary has increased steadily, it is still not enough to support the living cost of a decent living standard because of the inflation rate. During the 1990s, the salary was only 30-40 USD, but this money could buy many things. Now the salary is around 200USD, but it has less purchasing power.

Another respondent said that:

Regarding debt burden, recently, the government has initiated the debt burden release. According to one of the respondents, not many banks fully comply with this initiative.

Health problems and lack of a balance between work and family and personal life are the risks which can be stemmed many reasons such as long working hours and poor nutrition. One of the stakeholder respondents said that:

The chemical smell is not good. The problem of overtime depends on us. It does not mean that they [factory management] force us to work overtime. The workers themselves want to get more income, pushing themselves to work. The current problem can be related to COVID-19. Even We wear masks and wash our hands properly when buying food outside, many people want to go and eat together. They live in a community together. The problem of money management and low education can also affect how the worker manages finance.

6.4 Supporting mechanisms

According to both groups of respondents, the top five supporting mechanisms for female workers to get potential employment opportunities are the provision of training on new or additional skills, helping to find a job, job counselling, job announcement information, and training allowance.

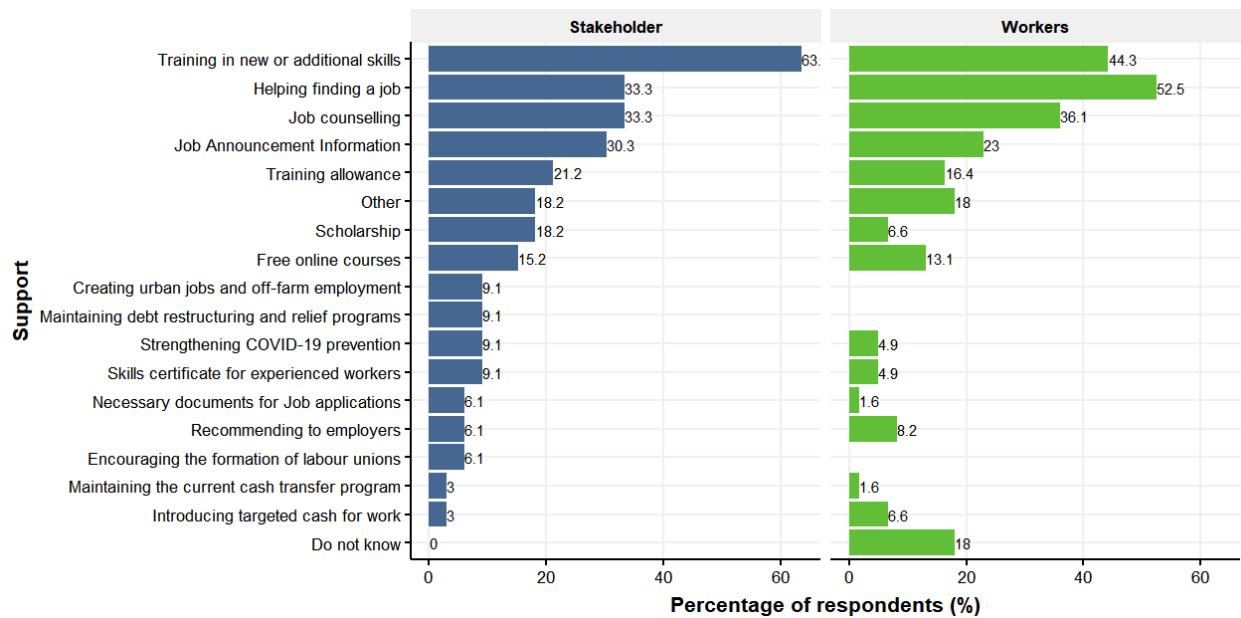


Figure 6.5: Supporting mechanisms
Source: Consultant's Worker survey

7 Small business opportunities

7.1 Potential existing business opportunity

This section describes the findings regarding the second objective: To identify market opportunities for small business development in the communities for workers. Figure 7.1 illustrates the potential existing business opportunities. The top five small business opportunities easily accessible by the female workers include selling goods or services at home, selling goods or services online, starting a hairdressing salon, selling goods or services in the market, and starting a coffee shop, according to the stakeholder opinion. To some extent, the workers' views are consistent with the stakeholders. Still, they also thought that agricultural activities such as growing vegetables, livestock, growing crops, farming are also potential business opportunities.

According to both groups of respondents, the potential products for selling at home, online, or in the market are grocery, clothes, food, vegetable, and daily usage products. Cosmetic products, fruit, and drinks are also potential products for selling (Table 7.1).

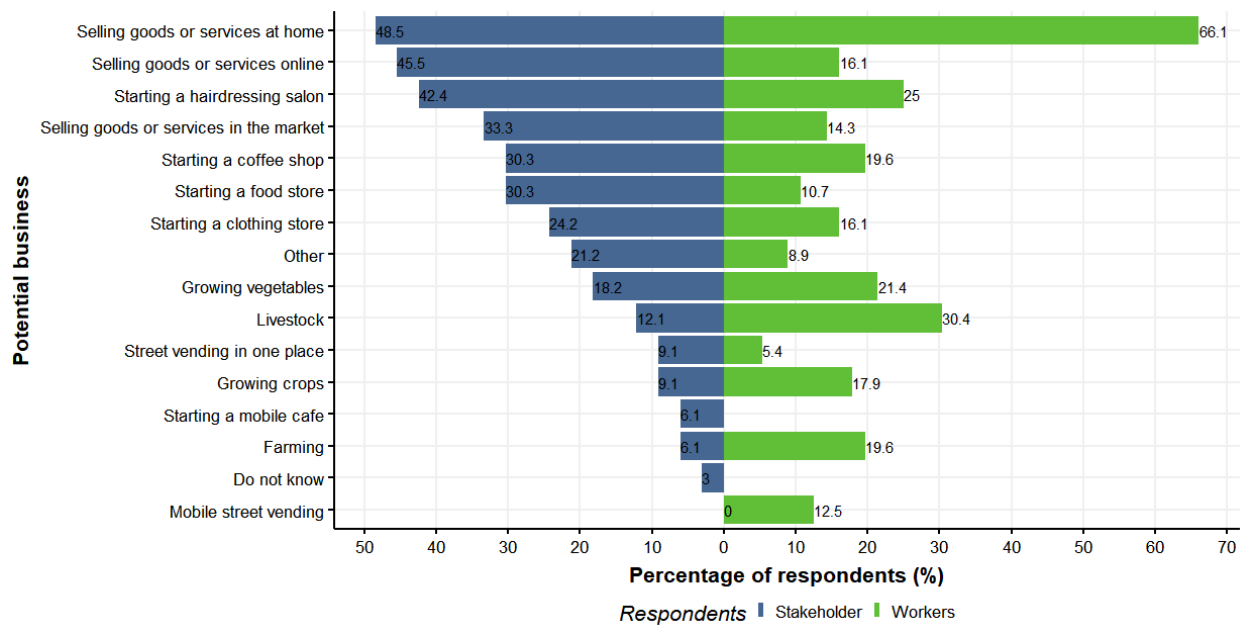


Figure 7.1: Potential existing business opportunity
Source: Consultant's surveys

Table 7.1: Potential products and services

Product/Service	Percentage(%)	
	Stakeholder	Worker
Grocery	53.3	46.2
Food, Meat	30.0	11.5
Clothes	16.7	7.7
Daily usage products	10.0	1.9
Vegetable	6.7	13.5
Beauty product	6.7	5.8
Drinks	6.7	3.8
Fruit	3.3	7.7
Agricultural products	3.3	
Construction material	3.3	
Delivery couriers	3.3	
Eco friendly products	3.3	
Electronic products	3.3	
Foods services	3.3	
Money transferring	3.3	
Online platform	3.3	
Tailoring	3.3	
Children Toys		1.9
Gas station		1.9
Salon		1.9

Source: Consultant's surveys

Selling goods or services at home, in the market, and online is the most potential small business opportunity easily accessible by garment workers. These may require little skills and capital to start. It is observed that online sales have spiked during the last two years of the COVID-19 pandemic and have become lucrative for many sellers. One of the respondents said that

Selling products can be very potential because the workers know many other workers in the same factories who can be their potential customers. Workers are likely to support each other by buying products from each other.

Starting a hairdressing and cosmetic salon is the business of opportunity that many women can think of quickly. One advantage for garment workers, as stated earlier, is that garment workers know many other women workers who can become their customers. And starting a coffee shop can also be potential, especially in urban areas where it is trendy for many people to go to cafés to socialise, work, and discuss business deals.

Agricultural activities are likely to be the most cited opportunity by workers. The reason can be that most garment workers are from rural agricultural families who have lands and experiences. So farming is most accessible for them. However, some stakeholders said many garment worker families had sold or mortgaged their lands, so they are not likely to return to their homeland and farm.

7.2 Required qualifications

The top-five required skills or qualifications necessary to get the potential business opportunities above are new or additional technical skills, business operation skills, online business operations, online sales, and digital communication. Both respondent groups have consistent views on these top five skills or qualifications. Other necessary skills can be face-to-face communication, digital financial transactions, commitment, and entrepreneurship skills (Figure 7.2).

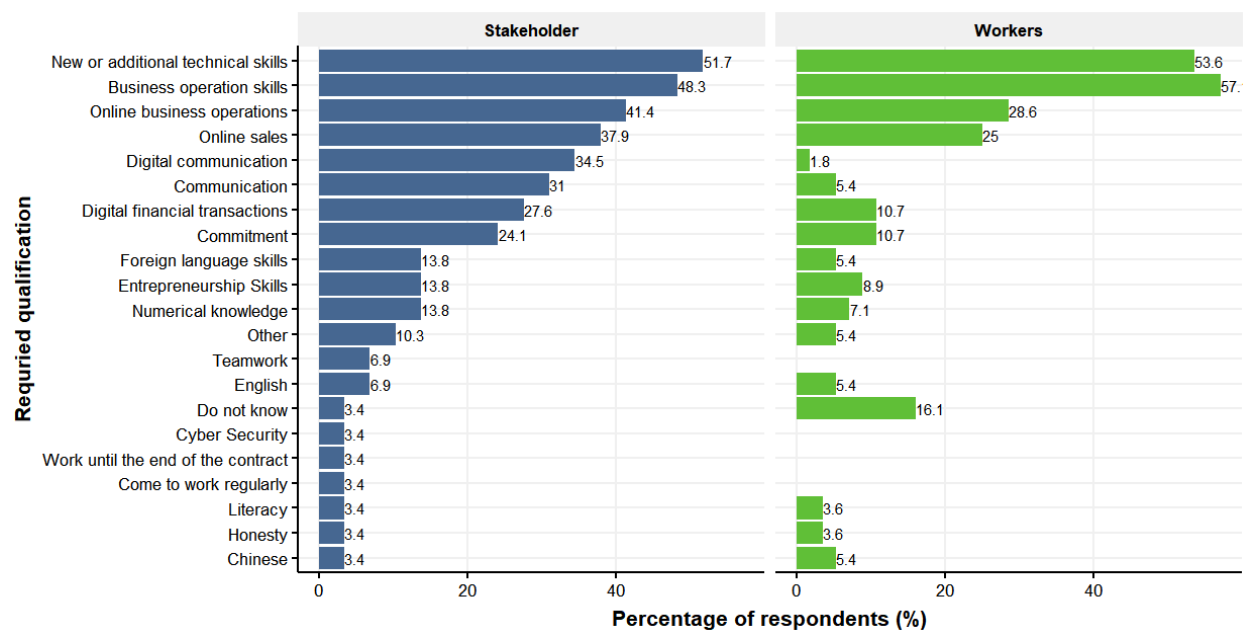


Figure 7.2: Required qualifications
Source: Consultant's surveys

New or additional technical skills are among the most required skills cited by most stakeholders and workers. Those technical skills can include agricultural skills, farming, animal raising, cosmetician skills; making coffee; business operation/entrepreneurship; digital skills (Table 7.2).

Table 7.2: Required skills training

Skill trainings	Percentage	
	Worker	Stakeholder
Agricultural skills, farming, animal raising	30.8	6.7
Cosmetician Skills	9.6	6.7
Making coffee	1.9	6.7
Business operation/entrepreneurship	0.0	6.7
Digital skills	3.8	3.3
Tailoring, Fashion design	1.9	3.3
Motorbike repaire	0.0	3.3
Selling skills	0.0	3.3
Electronic device repair	0.0	3.3
Online sale skills	3.8	0.0
Sourcing abroad	3.8	0.0
Cooking	1.9	0.0
Customer service	1.9	0.0

Source: Consultant's surveys

Business operation skills, including financial management, are essential for business operations. One of the respondents said that:

the workers do not have a mindset as business people. A business mindset is critical for workers to understand doing business. They need to have proper planning skills in borrowing from the bank effectively not to fall into bad-debt burdens. A business person needs to have enthusiasm about doing business and getting a business idea.

Digital business operations, sales, and communication are the necessary digital skills to add advantage to one's business. The COVID-19 pandemic has made many people buy things via the internet.

7.3 Barriers and risks

The top-five barriers to business opportunities include lack of capital, high competition, lack of technical skills, lack of business experience, and low education. In addition, a lack of business and market information can also be a barrier. Both the worker and the stakeholder have consistent opinions about the top-six obstacles.

Lack of capital is the primary barrier for workers. This is especially true during this time when income has reduced. One of the stakeholder respondents said that:

The first problem is about money. Every business needs to rent a house if they[workers] do not have a place. If they want to grow crops, they must rent land. They need money to buy seeds to plant.

High competition is also a significant barrier, especially for a lucrative business opportunity. One of the stakeholders said that:

When a business idea becomes successful and lucrative, many other people try to do the same. For example, selling coconut coffee, we can see many coconut coffees stands on the streets. They lack ideas creativity which leads to failure,

The reported barriers also include lack of technical skills, low education, and lack of business experience. Many workers have low education and do not have time to learn new technical skills for new business. Most workers work ten hours a day and have little chance to get business experience. But not everyone agreed with this. One of the respondents said that

Lack of technical skills and low education is not a significant problem; it is a contributing factor, not an essential factor. The creative idea is the vital factor.

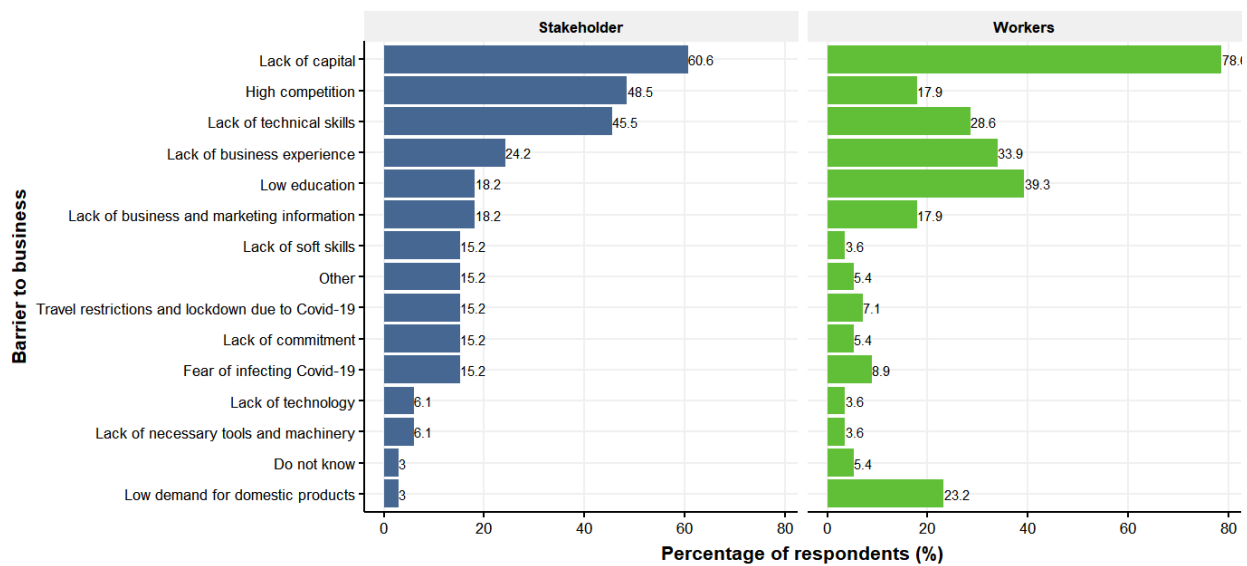


Figure 7.3: Barriers to business opportunities
Source: Consultant's Worker survey

Both the workers and the stakeholders thought that the risks associated with the business opportunity could be inadequate earnings, bankruptcy, debt burden, infection with COVID-19, and no social security (Figure 7.4). Not all businesses are flourishing; We can see many businesses fail and close, especially during the COVID-19 time. One of the stakeholder respondents said:

The risks may include bankruptcy due to the lack of customers, and the savings hedge may have run out and could lead to debt to banks and financial institutions.

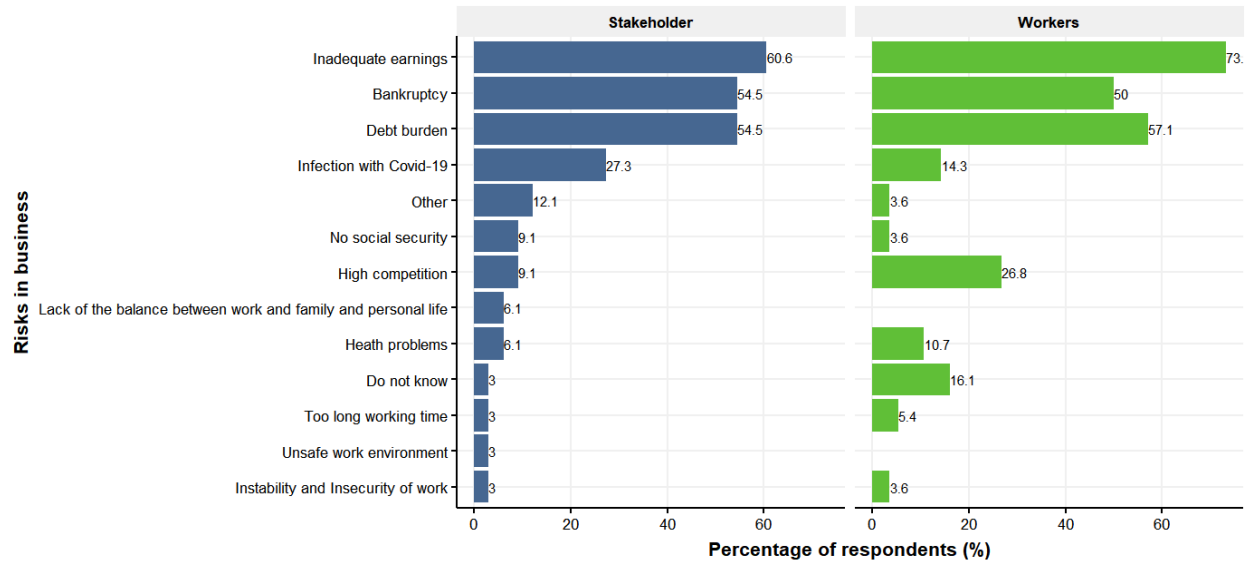


Figure 7.4: Risk associated the potential business opportunities
 Source: Consultant's Worker survey

7.4 Supporting mechanisms

According to both groups of the respondents, the target group may need the following supports to overcome the barriers and the risks stated above: supporting in developing business planning and operations, training in new or additional skills, the loan with low-interest rates, training allowance, and business and marketing information (Figure 7.5).

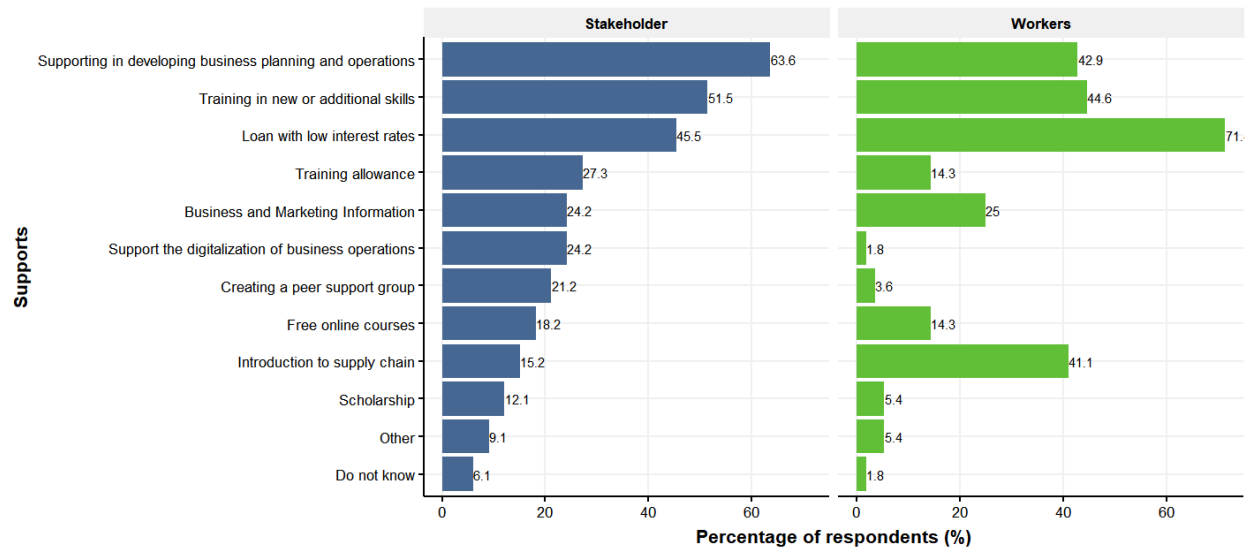


Figure 7.5: Required qualifications
 Source: Consultant's Worker survey

8 Conclusion and Recommendations

8.1 Employment opportunities

The survey results indicate that the garment and textile sector is the most potential for female workers. According to the stakeholder opinion, other likely sectors are hotels and guesthouses, growing vegetables, tourism, auto parts assembly, and restaurants. On the other hand, the workers tend to choose agricultural activities, retail/wholesale trade, and online trade as potential sectors. The top-5 required skills and occupations are new technical skills, face to face communication, foreign language skills, digital communication, and the Chinese language. Other required skills are literacy, commitment, teamwork, honesty. However, workers are less likely to know that face-to-face contact, commitment, teamwork, and honesty are required. The top-5 barriers that workers face in getting employments are lack of job information, low education, high competition, lack of work experience, and lack of soft skills.

Table 8.1: Potential sectors and employment

Potential sectors and employment	Rank
Garment and textile	1
Hotels and guesthouses	2
Growing vegetables	3
Tourism	4
Auto parts assembly	5
Restaurant	6
Agricultural activities	7
Retail/wholesale trade	8
Online trade	9

Source: Consultant's survey and analysis

Table 8.2: Required skills

Required skills	Rank
New technical skills	1
Face to face communication	2
Foreign language skills	3
Digital communication	4
Chinese language	5

Source: Consultant's survey and analysis

8.2 Small business opportunities

The top five small business opportunities easily accessible by the female workers include selling goods or services at home, selling goods or services online, starting a hairdressing salon, selling goods or services in the market, and starting a coffee shop. Workers also thought that agricultural activities such as growing vegetables, livestock, crops, and farming were also potential business opportunities. The required top-five skills or qualifications necessary to get the potential business opportunities above are new or additional technical skills, business operation skills, online

business operations, online sales, digital communication. The top-five barriers to business opportunities include lack of capital, high competition, lack of technical skills, lack of business experience, and low education. In addition, a lack of business and market information can also be a barrier. The top-5 risks associated with the business opportunity are inadequate earnings, bankruptcy, debt burden, infection with COVID-19, and no social security.

Table 8.3: Potential small business opportunity

Potential sectors and employment	Rank
Selling goods or services at home	1
Selling goods or services online	2
Starting a hairdressing salon	3
Selling goods or services in the market	4
Starting a coffee shop	5
Agricultural activities (growing vegetables, livestock, crops)	6

Source: Consultant's survey and analysis

Table 8.4: Required skills

Required skills	Rank
New or additional technical skills	1
Business operation skills	2
Online business operations	3
Online sales	4
Digital communication	5

Source: Consultant's survey and analysis

8.3 Recommendations

8.3.1 Employment supports

Providing new or additional technical skill training for the potential employment or sector.

Because the garment and textile sector is the most potential sector in providing mass employment opportunities and this study focuses on the female garment worker, more attention should be placed on providing new technical upskilling training for this sector. According to a recent ILO report (ILO 2020), upskilling will be essential to guarantee that some workers can bet better occupations in more professionalised factories. Because of some manufacturers' further investments in their abilities in the long term, over time, some garment sector jobs will likely become progressively professionalised and have higher quality in the factories shifting in this direction. The labour demand will probably rise for operating machinery, computer literacy, and process engineering workers.

In addition, to provide technical skills to new workers, **the apprenticeship program**, required by the labour law, should be better and broader enforced. So, the garment factories can provide the apprenticeship program to new job seekers, which benefits both the factories and the workers. The factories would have good legal compliance records and have a pool of potential applicants who are trainees in the factories' apprenticeship program.

Training for the garment workers should be flexible according to the time availability since most workers work long hours and do not have much free time. If possible, a training allowance should provide to the trainees to encourage them to join the training program. Free online courses can also be a good choice.

There should be job-seeking support mechanisms or offices that provide job announcement information and job counselling and help the laid-off, suspended, or new workers to prepare for and find a new job. This kind of mechanism or office may already exist, but both the workers and the stakeholders still reported a lack of job information. There may be a problem with service distributions. So, this kind of office should be easily accessible to the workers and located in locations where there are many other factories. There should be outreach activities to ensure that the support reaches the workers.

Table 8.5: Employment supports

Employment supports
1. Providing new or additional technical skill training for the potential employment or sector
2. Job-seeking support mechanisms or offices: Job announcement information, find a new job, job counselling, and help in the job application
3. Apprenticeship program in the factory
Business support
1. Training in new or additional skills and entrepreneurship, business management and operation, and training allowance
2. Grant seed and/or loans with low-interest rates
3. Business coaching
Life skills training
1. Training focusing on COVID-19 protection and treatment at home,
2. Health problems and lack of the balance between work and family and personal life
3. Personal financial management
Digital skills training
1. Online business operations
2. Advertising and sales
3. Digital community
4. Digital financial management and transaction, and
5. Basic cyber security and law

Source: Consultant's survey and analysis

8.3.2 Business support

There should be training in new or additional skills and entrepreneurship, business management and operation, and training allowance. One needs entrepreneurship, business management, and operation to succeed in business. According to some stakeholders, not everyone, including the female garment workers, has an entrepreneur's mindset, which is necessary to take business risks and challenges. So, the training should include the development of an entrepreneur's mindset for those who want to start up a small business.

There should be grant seed and/or loans with low-interest rates. As cited by most stakeholders and workers, the lack of capital is the primary constraint for start-up a business. Grant seed and/or loans with low-interest rates should be provided to the workers or trainees of the programs mentioned above who have concrete business ideas or plans on a competitive basis. This initiative can help reduce the risks of debt burden, which is one of the risks of running a business as reported by both the worker and stakeholders.

In addition, business coaching should also be provided to those workers to want to start a business. Supporting the development of business planning and operations and business and marketing information should be provided as part of business coaching.

8.3.3 Life skills training

There should be life skills training focusing on COVID-19 protection and treatment at home, personal financial management, health problems, and lack of the balance between work and family and personal life. These issues are the top risks reported by both the stakeholder and the workers. Raising awareness about COVID-19 protection and treatment at home will reduce the chances of COVID-19 infections, and they can cure themselves if they are infected with mild conditions. It is reported that many garment workers have poor personal financial management, leading to debt burdens and poor health. Many may spend too much money on unnecessary things than buying more nutritious food, leading to poor health.

8.3.4 Digital skills training

There should be digital skill training such as online business operations, advertising, and sales, digital community, digital financial management and transaction, and basic cyber security and law², which have become vital ingredients for additional business opportunity and success.

The survey reveals that digital skills are essential for everyone, including the garment workers, as our society and economy have become more digitalised. Moreover, at this period of the COVID-19 pandemic, digital skills have become even more critical. Via social media, messaging apps, and virtual meetings, the pandemic has spiked the growth of online businesses, marketing, advertisements, face-to-face communications, deliveries in Cambodia.

However, not everyone thought that digital skills were suitable for garment workers. It might be true that garment workers cannot adopt advanced digital skills; even medium and highly skilled workers may also find it challenging. Nonetheless, learning essential digital skills or digital literacy--as shown in Figure 8.1-- may not be very difficult for garment workers.

² Basic cyber security and law is suitable for anyone who can use a smart phone. For example, not clicking on untrusted link, not sharing other people's personal photos on social media without their consent, and not-sharing fake news.

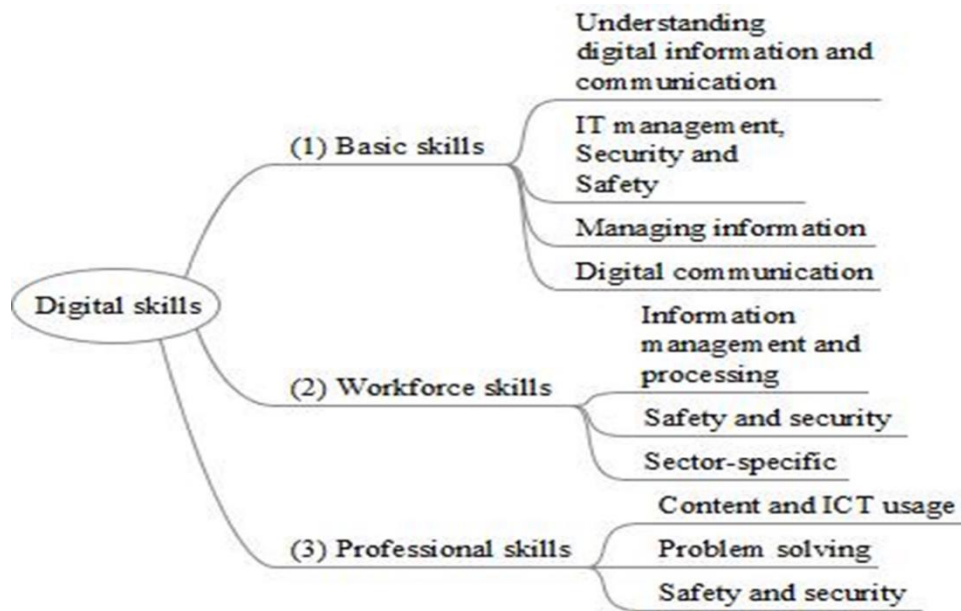


Figure 8.1 Digital skills classification
 Source: ECORYS UK (2016)

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